

Carlotta S. Stauffer, Commission Clerk
December 15, 2015
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TOTAL ²	110.5	\$33,227.50
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b. Please provide an updated status regarding the litigation.

Response: The issue has not made any progress since the last PSC request. Presently, The Division of Administrative Hearings' Administrative Law Judge has not rendered a decision.

5. In response to staff's first data request, Item 12, the utility provided an explanation of the increase in transportation expense for November 2014 and December 2014, but it did not include the requested support documentation for these months. Please provide invoices and work papers supporting the transportation expense for these two months.

Response: See Attachment "2-5"

6. In its response to staff's first data request, Item 13c, the utility provided the job description and duties for its President, Mr. Christopher Johnson along with his corresponding salary. The following questions relate to his position.

a. Aside from his role of President at both K W Resort and Keys Environmental, Inc., does Mr. Johnson maintain any additional officer positions, ownership, holdings, etc. in any other companies?

Response: Mr. Johnson owns stock in a number of publicly traded companies via his 401K and has other investments that are typical of any person preparing for retirement. Mr. Johnson is a Managing Member of Johnson Constructors LLC a Florida Licensed General Contractor. Mr. Johnson was an officer (Chairman) of the Key West Rotary Club Foundation, Inc., time for which is in addition to the full time work he performs on behalf of KWRU.

b. Please provide a breakdown of Mr. Johnson's time as President of K W Resorts, Keys Environmental Inc., and any other positions from your response above.

Response: Mr. Johnson spent on average 45 hours a week Monday to Friday managing KW Resort Utilities. In addition to this Mr. Johnson is on the weekend operator schedule where he uses his State of Florida Class A WWTP Operators License to operate the treatment plant on a rotational basis. Mr. Johnson is scheduled on call (24 hours per day) for seven consecutive days each month. Mr. Johnson's work phone is also the second number that is called in an emergency, if the person on call doesn't acknowledge the call out, the call box automatically calls the second number (Mr. Johnson's phone). Mr. Johnson also represents the utility in other matters outside of regular business hours, such as PSC hearings, wastewater workshops, Board of County Commissioners Meetings, and his required continuing education training (WWTP Operator License) is often done on nights and weekends.

Mr. Johnson spent one to two hours per month in his duties as President of Keys Environmental Inc. Mr. Johnson is not involved in the daily operations of the business but he does review the monthly financial statements and he prepares the information for the tax filing for the accounting firm. Mr. Johnson, on a monthly basis signs (on average) 7.25 checks and he reviews and signs any other documents that require owner signature. The month of February requires an additional hour to prepare the documents for the tax filing.

² Excludes any appeal of the Final Order

Mr. Johnson spent less than 2 hours in the Year 2014 in his duties as a Managing Member of Johnson Constructors LLC a Florida Licensed General Contractor as the business was dormant during the period.

Mr. Johnson spent, in his duties as an officer (Chairman) of the Key West Rotary Club Foundation, Inc., 1 to 2 hours per month.

- c. Please provide a breakdown of all additional compensation Mr. Johnson receives as President of Keys Environmental Inc. and any other positions in your response above, along with support documentation (including, but not limited to, W-2s).

Response: See Attachment "2-6c". However, the compensation Mr. Johnson receives from other ventures that he does "on his own time" are irrelevant to the reasonableness of his salary from KWRU.

- d. Please distinguish the difference between the responsibilities of Mr. Johnson's position as President and the services provided by Green Fairways.

Response: Mr. Johnson provides the on site management of the Utility on a daily basis. Mr. Johnson serves the Board of Directors and provides the Board with updates and information throughout the year including monthly operational and financial reports. Mr. Johnson interfaces with Green Fairways and carries out corporate directives from them. Mr. Johnson's responsibilities include overseeing both the administrative and operational divisions of the Utility. Mr. Johnson manages all Utility employees and is responsible for all hiring and personnel decisions. Mr. Johnson also works very closely with outside accounting, contracting, legal, and engineering groups. Since the last rate case concluded in January 2009, Mr. Johnson has joined the Utility and brought an operations group "in house", migrated the accounting from outdated proprietary software to modern accounting software, researched and migrated from an outdated billing system to an off-the-shelf, scalable wastewater utility specific billing system, with an on-line billing portal, and also implemented other ideas to run the Utility in a more efficient manner while providing a higher level of service to the Utility's customers. Mr. Johnson's duties also include flow evaluations for larger properties and contract negotiation with the lawyers representing the larger properties. Mr. Johnson is the PSC point of contact and he ensures RAF's are calculated and paid in a timely fashion and he is involved in other PSC matters such as rate index filings, customer complaints, and other interactions between the Utility and the PSC.

Upon his joining the Utility in 2009, Mr. Johnson hired and organized an operations group to run the treatment plant and collection system. Mr. Johnson is responsible for the Utility meeting regulatory requirements as required by DEP, DOH, County, Federal, and State Agencies. Mr. Johnson actively operates the treatment plant and is on the weekend/holiday duty rotation and is also on-call one week per month for plant or collection system problems or emergencies. Mr. Johnson is AIRVAC Certified and he provides on the job AIRVAC specific training to new employees. Mr. Johnson also provides inspection services on behalf of the Utility to new connections particularly installations that are complicated or unusual in circumstance. Mr. Johnson trouble shoots emergencies even when not officially "on call" he is often called upon (day or night) by the response staff for guidance, support, and advice.

For more detail regarding Mr. Johnson's work responsibilities see the Audit response, Attachment "2-6d".

Green Fairways supervises Mr. Johnson and is responsible for financing all debt obligations insuring the shareholder investment is secured and ensuring that any guarantees are paid in full by the Utility. For more detail please see the response to 7 below.

7. In response to staff's first data request, Item 13e, the utility referenced its response to Audit Request No. 13, Follow Up No. 1 as providing additional detail and justification for the increase in contractual services-management expense. The utility state that Mr. William Smith is not the only Green Fairways employee charged to the utility, and therefore his salary is less than the fee paid monthly by the utility. Please provide a breakdown of the Green Fairways management fee by employee, services provided, time spent on the utility, and compensation.

Response: Green Fairways charges a flat monthly management fee, it is not broken down by employee, services and time spent. Moreover, Mr. Smith is not an employee of Green Fairways, he is an officer and shareholder, and does not receive a salary. Mr. Smith has personally guaranteed loans to KWRU from FDIC insured financial institutions due to KWRU not having income or credit sufficient to obtain loans from FDIC lenders without Mr. Smith's personal guarantee. As such, KWRU's ability to properly operate is dependent on a third party guarantee, specifically, that of Mr. Smith. BB&T and most financial institutions impute a 3-5% management fee as an expenditure when lending, which therefore means Green Fairway's management fee is not only reasonable but is very low for the requested rates. WS Utilities as the sole shareholder and largest creditor requires outside management to review KWRU's operations and to ensure that all debts are properly paid and that no security is jeopardized or that a personal guaranty may be at risk. Any issue with KWRU's ability to pay would be provided by WS Utilities. As can be readily ascertained from KWRU's Annual Reports, going back into the 1990's, KWRU has had only one year where its income was sufficient to pay its expenses. Again, justifying the rate increase to provide actuarial soundness. There are three employees associated with Green Fairways that provide services on an as needed basis, they are as follows:

- a. William Skrzelowski – property management and financial management, including dealing with KWRU loans guaranteed by Mr. Smith.
 - b. Leslie Johnson - provides monthly reports on the financial condition of the utility.
 - c. Nicole McLaughlin - provides accounting services related to obtaining financing and equity for KWRU.
8. Please provide a breakdown of all additional compensation Mr. Smith receives for services provided to additional companies he maintains ownership, holdings, officer positions, etc., along with support documentation (including, but not limited to, W-2s).

Response: Mr. Smith's compensation for other companies is irrelevant to the rates requested or Green Fairways fees charged and has no implications as to the amount of the management fee. Mr. Smith as an individual is not subject to this proceeding and is not officer of KWRU, and in the absence of the PSC staff identifying a reason for requesting his personal financial information, Mr. Smith will not be providing it.

9. Please provide an update of actual and estimated rate case expense along with any necessary supporting documentation (i.e. invoices or receipts). In addition, please provide a detailed explanation and calculations to justify estimated expense to completion.

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Response: See Attachment "2-9".

10. According to the utility's response to Audit Request No. 17, the utility's BB&T Capital Account was created in order to pay for capital projects, instead of having to transfer from the operating account. Once the utility's pro forma plant projects are complete, will this account remain active and require a balance of nearly \$400,000?

Response: KWRU still has significant on-going capital expenditures in the hundreds of thousands of dollars annually. The Utility will be required to replace its reuse line to the Key West Golf Club pond in the near future, continues to work on I&I throughout the collection system, must replace a vacuum pump station, must replace lift station L-2A, must perform maintenance welding and painting on the existing treatment plants, and continues to replace aging gravity sewer mains, manholes, etc.. KWRU believes that \$400,000 is a minimum necessary to ensure a proper capital budget may be undertaken each year to allow the utility to operate properly. Below is a list of projected Capital expenditures and the year in which they are planned to be completed. Please note that the list below is not intended to be all inclusive of the capital work. The Utility anticipates that additional Capital work will be carried out as necessary. The list below demonstrates the large capital items.

KW Resort Utility Capital Projects – Current 3 year projection (2016 - 2018)

2016 Airvac Vacuum Tank replacement (tank has broken and must be replaced) (Stainless Steel Vessel) project estimate from Engineer \$485,000³

- Cost of 316 Stainless Steel tank itself (5800 gallon) from the equipment provider is \$98,150⁴ (this doesn't include freight or tax).
- Temporary tank must be installed and piped in during construction to allow the new tank to be constructed. Temporary/loaner tank provided by AIRVAC/Bilfinger Water Technology. Project includes excavation, dewatering (well point), crane to set tank, pipefitting, etc. Once new tank is installed and is functional, contractor shall remove temporary tank and ship tank back to AIRVAC/Bilfinger Water Technology.

2017 Replace L-2A Lift Station (Force Main lift station bid from 2013 increased 10% to reflect current market prices) \$203,500

2018 Replace Reuse line 8" C900 Force main (2600 LF of 8" forcemain) restoration of Golf Course cart path, fairway, and rough. Open trench construction with restoration. \$258,461.11⁵

In response to staff's second deficiency letter, the utility provided additional information regarding its related party transactions with Keys Environmental, Inc. The following items pertain to this related party.

- a. What percentage of Keys Environmental Inc.'s labor is provided by employees of the utility?

Response: 100%

- b. How much time is spent on subcontracting work by utility employees? Please provide support documentation, including, but not limited to, utility invoices.

³ Provided by Weiler Engineering Corporation in teleconference with KW Resort Utilities.

⁴ Denny Moss, Project Engineering Manager, Global Business Unit Vacuum Technology, Bilfinger Water Technologies.

⁵ Provided by Weiler Engineering Corporation.

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Response: On average in 2014 the Utility engaged in 2.6 hours per week of subcontracting work. See Attachment "2-11b".

Should you have any questions regarding this filing, please do not hesitate to give me a call.

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

MSF/
Enclosures

cc: Chris Johnson (via email)
Bart Smith, Esquire (via email)
Debbie Swain (via email)
Frank Seidman (via email)
Martha Barerra, Esquire (via email)
Amber Norris (via email)
Erik Sayler, Esquire (via email)

ATTACHMENT "2-1"

ITEM NO.	DESCRIPTION	UNITS	QUANTITY	UNIT COST	TOTAL COST
1	Furnish Evoqua 0.350 MGD steel wastewater treatment plant materials and equipment (To be paid directly by Owner to Evoqua. See Proposal/Quote 130084-D5 for scope and exclusions)	LS	1	\$1,044,175	\$1,044,175
2	Erect 0.350 MGD steel wastewater treatment plant. Note that placement of steel base ring is NOT included in the Evoqua scope and must be performed by Contractor. (To be paid directly by Owner to Evoqua. See Proposal/Quote 130084-D5 for scope and exclusions)	LS	1	\$402,875	\$402,875
3	Final protective coatings for 0.350 MGD steel wastewater treatment plant. (To be paid directly by Owner to Evoqua. See Proposal/Quote 130084-D5 for scope and exclusions)	LS	1	\$148,475	\$148,475
4	Furnish Sweco static screens (To be paid directly by Owner to Sweco)	LS	1	\$62,369	\$62,369
5	Furnish chemical storage tanks and chemical feed pumps (To be paid directly by owner)	LS	1	\$25,310	\$25,310
6	Tap 8" influent FM and extend line 55'. Relocated filter backwash drain line. Work has been completed by others, paid by Owner. See Engineer's Supplemental Information No. 1.	LS	1	\$18,000	\$18,000
7	Form and pour concrete new filter, chemical tank farm and influent screenings dumpster, including floor drain. Form and pour concrete walkway.	LS	1	65,000	65,000
8	Concrete Work as described in the Project Documents and as needed to provide a fully functional project, including all site preparation, reinforcing, forming and pouring and finishing. Complete and in place	LS	1	490,475	490,475
9	Piping, as described in the Project Documents and as needed to provide a fully functional project, both underground and above ground, including all site preparation, trenching, compaction and backfill, materials, fittings, hangers and supports. Includes but is not limited to force mains, gravity lines, chemical feed piping and drain lines. Complete and in place.	LS	1	387,390	387,390
10	Electrical Work, as described in the Project Documents and as needed to provide a fully functional project, including all conduit, conductors, control panels, disconnects, junction boxes, equipment stands and all other materials and equipment.	LS	1	585,911	585,911

00410-3 R

Wharton-Smith, Inc.
NAME OF BIDDER

ITEM NO.	DESCRIPTION	UNITS	QUANTITY	UNIT COST	TOTAL COST
11	Static screens installation, including site preparation, platforms, grating and handrails, mounting equipment and hardware, piping connections, and all ancillaries needed for installation. Complete and in place.	LS	1	140,950	140,950
12	Chemical storage tanks and chemical feed pumps installation, including all tank tie-downs, fittings, mounting hardware and miscellaneous materials. Complete and in place.	LS	1	55,900	55,900
13	Furnish and install sand filters and splitter box, including fabrication, coatings, anchors, internal and external pipe and fittings, filter media and miscellaneous materials. Complete and in place.	LS	1	250,825	250,825
14	Furnish and install mechanical equipment, including blowers, pumps, equipment platforms and associated ancillaries.	LS	1	615,940	615,940
15	Install 2 shallow injection wells, including piping	LS	1	145,800	145,800
16	Site work, including clearing and grubbing, grading, cleanup and final restoration.	LS	1	225,450	225,450
17	Bonds and Insurance	LS	1	65,545	65,545
18	Mobilization (not to exceed 5% of Contractor Base Bid)	LS	1	230,000	230,000
Owner-Purchased Equipment Total (Sum of Item No. 1 through 6)					\$1,701,204
Contractor Base Bid (Sum of Item No. 7 through 18)					3,259,186
Total Project Amount (Sum of Item No. 1 through 18)					4,960,390

00410-4 R

Wharton-Smith, Inc.
NAME OF BIDDER

Overholt Construction Corporation
 11/20/2015
 KWRU

ITEM NO.	Description	Units	Qty	Unit Cost	Total Cost
1	Furnish Evoqua 0.350 MGD steel wastewater treatment plant materials and equipment (To be paid directly by Owner to Evoqua. See Proposal/Quote 130084-D5 for scope and exclusions)	LS	1	\$1,044,175	\$1,044,175
2	Erect 0.350 MGD steel wastewater treatment plant. Note that placement of steel base ring is NOT included in the Evoqua scope and must be performed by Contractor. (To be paid directly by Owner to Evoqua. See Proposal/Quote 130084-D5 for scope and exclusions)	LS	1	\$402,875	\$402,875
3	Final protective coatings for 0.350 MGD steel wastewater treatment plant. (To be paid directly by Owner to Evoqua. See Proposal/Quote 130084-D5 for scope and exclusions)	LS	1	\$148,475	\$148,475
4	Furnish Sweco static screens (To be paid directly by Owner to Sweco)	LS	1	\$62,369	\$62,369
5	Furnish chemical storage tanks and chemical feed pumps (To be paid directly by Owner)	LS	1	\$25,310	\$25,310
6	Tap 8" Influent FM and extend line 55'. Relocated filter backwash drain line. Work has been completed by others, paid by Owner. See Engineer's Supplemental Information No.1	LS	1	\$18,000	\$18,000
7	Form and pour concrete new filter, chemical tank farm and influent screenings dumpster, including floor drain. Form and pour concrete walkway.	LS	1	\$72,000	\$72,000
8	Concrete Work as described in the Project Documents and as needed to provide a fully functional project, including all site preparation, reinforcing, forming and pouring and finishing. Complete and in place	LS	1	\$345,000	\$345,000
9	Piping, as described in the Project Documents and as needed to provide a fully functional project, both underground and above ground, including all site preparation, trenching, compaction and backfill, materials, fittings, hangers and supports. Includes but is not limited to force mains, gravity lines, chemical feed piping and drain lines. Complete and in place.	LS	1	\$135,000	\$135,000
10	Electrical Work, as described in the Project Documents and as needed to provide a fully functional project, including all conduit, conductors, control panels, disconnects, junction boxes, equipment stands and all other materials and equipment.	LS	1	\$345,200	\$345,200
11	Static screens installation, including site preparation, platforms, grating and handrails, mounting equipment and hardware, piping connections, and all ancillaries needed for installation. Complete and in place.	LS	1	\$324,000	\$324,000
12	Chemical storage tanks and chemical feed pumps installation, including all tank tie-downs, fittings, mounting hardware and miscellaneous materials. Complete and in place.	LS	1	\$175,000	\$175,000
13	Furnish and install sand filters and splitter box, including fabrication, coatings, anchors, internal and external pipe and fittings, filter media and miscellaneous materials. Complete and in place.	LS	1	\$75,000	\$75,000
14	Furnish and install mechanical equipment, including blowers, pumps, equipment platforms and associated ancillaries.	LS	1	\$759,000	\$759,000
15	Install 2 shallow injection wells, including piping.	LS	1	\$145,000	\$145,000
16	Site work, including clearing and grubbing, grading, cleanup and final restoration.	LS	1	\$365,880	\$365,880
17	Bonds and Insurance	LS	1	\$78,000	\$78,000
18	Mobilization (not to exceed 5% of Contractor Base Bid)	LS	1	\$140,000	\$140,000
	Owner-Purchased Equipment Total (Sum of Item No. 1 Through 6)				\$1,701,204
	Contractor Base Bid (Sum of Item No. 7 Through 18)				\$2,959,080
	Total Project Amount (Sum of Item No. 1 Through 18)				\$4,660,284

ITEM NO.	DESCRIPTION	UNITS	QUANTITY	UNIT COST	TOTAL COST
1	Furnish Evoqua 0.350 MGD steel wastewater treatment plant materials and equipment (To be paid directly by Owner to Evoqua. See Proposal/Quote 130084-D5 for scope and exclusions)	LS	1	\$1,044,175	\$1,044,175
2	Erect 0.350 MGD steel wastewater treatment plant. Note that placement of steel base ring is NOT Included in the Evoqua scope and must be performed by Contractor. (To be paid directly by Owner to Evoqua. See Proposal/Quote 130084-D5 for scope and exclusions)	LS	1	\$402,875	\$402,875
3	Final protective coatings for 0.350 MGD steel wastewater treatment plant. (To be paid directly by Owner to Evoqua. See Proposal/Quote 130084-D5 for scope and exclusions)	LS	1	\$148,475	\$148,475
4	Furnish Sweco static screens (To be paid directly by Owner to Sweco)	LS	1	\$62,369	\$62,369
5	Furnish chemical storage tanks and chemical feed pumps (To be paid directly by owner)	LS	1	\$25,310	\$25,310
6	Tap 8" Influent FM and extend line 55'. Relocated filter backwash drain line. Work has been completed by others, paid by Owner. See Engineer's Supplemental Information No. 1.	LS	1	\$18,000	\$18,000
7	Form and pour concrete new filter, chemical tank farm and influent screenings dumpster, including floor drain. Form and pour concrete walkway.	LS	1	178384	178384
8	Concrete Work as described in the Project Documents and as needed to provide a fully functional project, including all site preparation, reinforcing, forming and pouring and finishing. Complete and in place	LS	1	876335	876335
9	Piping, as described in the Project Documents and as needed to provide a fully functional project, both underground and above ground, including all site preparation, trenching, compaction and backfill, materials, fittings, hangers and supports. Includes but is not limited to force mains, gravity lines, chemical feed piping and drain lines. Complete and in place.	LS	1	260000	Not Including MECHANICAL 260000
10	Electrical Work, as described in the Project Documents and as needed to provide a fully functional project, including all conduit, conductors, control panels, disconnects, junction boxes, equipment stands and all other materials and equipment.	LS	1	590910	590910

00410-3 R

BILTMORE CONSTRUCTION CO., INC.
NAME OF BIDDER

ITEM NO.	DESCRIPTION	UNITS	QUANTITY	UNIT COST	TOTAL COST
11	Static screens installation, including site preparation, platforms, grating and handrails, mounting equipment and hardware, piping connections, and all ancillaries needed for installation. Complete and in place.	LS	1	64725	NOT INCLUDING MECHANICAL 64725
12	Chemical storage tanks and chemical feed pumps installation, including all tank tie-downs, fittings, mounting hardware and miscellaneous materials. Complete and in place	LS	1	2000	NOT INCL MECH 2000
13	Furnish and install sand filters and splitter box, including fabrication, coatings, anchors, internal and external pipe and fittings, filter media and miscellaneous materials. Complete and in place.	LS	1	157000	NO MECHANICAL 157000
14	Furnish and install mechanical equipment, including blowers, pumps, equipment platforms and associated ancillaries.	LS	1	290000	NOT INCLUDING MECH 290000
15	Install 2 shallow injection wells, including piping	LS	1	98960	98960
16	Site work, including clearing and grubbing, grading, cleanup and final restoration.	LS	1	968906	968906
17	Bonds and Insurance	LS	1	60000	60000
18	Mobilization (not to exceed 5% of Contractor Base Bid)	LS	1	450000	450000
Owner-Purchased Equipment Total (Sum of Item No. 1 through 6)					\$1,701,204
Contractor Base Bid (Sum of Item No. 7 through 18)					4577220
Total Project Amount (Sum of Item No. 1 through 18)					6278424

00410-4 R

BILTMORE CONSTRUCTION CO., INC.

NAME OF BIDDER

ATTACHMENT "2-2"



KW Resort Utilities Corp

6630 Front Street
Key West, FL 33040
305.295.3301
FAX 305.295.0143
www.kwru.com

2014 Administrative Group Job Descriptions

Billing/Accounts Receivable and Customer Service (Judi Irizarry)

Billing/AR description and requirements

Performs difficult technical and administrative work overseeing utility's billing and collection activities; does related work as required. Work is performed under general supervision and this position reports to the Utility's President. Supervision is exercised over subordinate technical and clerical personnel when staff is assigned by President. Utilizes El Dorado billing system to track all base rates, measured sewer revenues, customer deposits, adjustments, dis/reconnects, emergency service, field inspection and testing, and all other billable activities the Utility engages in.

- Greet customers, answers questions concerning bills and process;
- Oversees, supervises and participates in the collection and resolution of fees, utility payments, deposits, capacity assessments, and other revenues both on timely and delinquent accounts;
- Receives and resolves or processes customer inquiries and complaints on utility bills;
- Reviews accounts for necessary monthly adjustments;
- Reviews commercial account customers for irregular activity;
- Works out payment arrangements and agreements with customers and monitors compliance;
- Identifies billing errors, calculates utility bill adjustments;
- Identifies customers who are due refunds, coordinates refunds with accounting;
- Maintains records and works with the court system, banks, title companies with regard to Estoppel requests, foreclosures, etc.;
- Acting liaison between the Utility and the FCAA regarding water meter files, misreads, data conflicts, etc.
- Prepares tampering letters, theft of service letters, etc., sends letters and bills the associated fee to the customer's account when needed;
- Monitors accounts for payments and customer inquiries; participates with banks, collection agencies, title companies, property managers, attorneys with regard to changes of ownership.
- Directs and supervises utility collection and customer service activities;
- Prepares and administers disconnect list on delinquent utility accounts;
- Prepares work orders to have meters read and/or checked;
- Posts records and prepares reports concerning billing, collections, and all other pertinent reports from the billing system.
- Acts as backup for administrative and clerical positions;

Customer Service description and requirements

- Works with the Utility's customers by answering billing, collections, and service questions; suggesting information about online bill pay and working out payment agreements.
- Opens customer accounts by following Utility/PSC procedures regarding account set up and wastewater application for service information.
- Maintains customer records by updating account information.

- Resolves billing, collection or service problems by clarifying the customer's complaint; determining the cause of the problem; selecting and explaining the best solution to solve the problem; expediting correction or adjustment; following up to ensure resolution.
- Maintains financial accounts by processing customer adjustments.
- Recommends potential products or services to management by collecting customer information and analyzing customer needs.
- Prepares service reports by collecting and analyzing customer information.
- Contributes to team effort by accomplishing related results as needed.

Serves customers by providing billing and utility service information; resolving billing or service problems. Service problems are solved by identifying the cause of the problem and elevating the issue to the appropriate manager as the situation dictates.

Customer Service General Requirements: Utility Knowledge, Quality Focus, Problem Solving, Regulatory Knowledge (PSC), Documentation Skills, Listening, Phone Skills, Resolving Conflict, Analyzing Information, and Multi-tasking.

Accounting and Administrative Specialist (Brittany Mariscal – Resigned;
Lisa Giblo -Employment Terminated)

Responsible for overseeing and coordinating plant accounting processes. Ensures the integrity and accuracy of the company's financial records in compliance with Generally Accepted Accounting Principles (GAAP) and (NARUC) Uniform System of Accounting and KWRU policies and procedures, and wastewater industry standards as they relate to the utility's accounting.

Oversees the customer contributions in aid of construction accounts. Verifies, approves, and processes all customer contributions in aid of construction accounts. Audits and verifies all customer contributions in aid of construction accounts for compliance with company policies and PSC regulations.

Compiles and analyzes budget, actual, and forecast data for capital and O&M to develop operating and capital budgets. Audits and verifies data used as inputs to the budgeting process to ensure the integrity of the Budget and planning methods. On a monthly basis monitors over/under of expense accounts in order to evaluate services/products/commodity rates to ensure that the Utility can deliver service while adhering to the Budget. On a monthly basis monitors over/under of income accounts in order to evaluate revenue streams to ensure that the Utility can generate the forecast revenue to meet the Budget's requirements. Reports any irregularities or unusual trends to Utility management.

Prepares Monthly Financial Report that is provided to ownership, Board Members, and Utility Management. Prepares financial reports and compiles information to be transmitted to outside CPA to facilitate tax preparation. Prepares financial information and reports to assist outside accounting firm to prepare PSC Annual Report.

- Ensuring timely and accurate processing of accounting transactions
- Ensuring proper NARUC account codes, budget codes, and management reporting codes are used when coding financial transactions
- Reviewing necessary financial data from various sources on a timely basis in order to meet reporting requirements
- Reviewing work order entries for accuracy and consistency
- Ensuring proper NARUC policies and procedures are used when reporting Capital accounting transactions
- Preparing account reconciliations
- Preparing capital, budgetary, management, and regulatory reports and detailed analysis

- Ensuring that all work orders and plant records are maintained in compliance with GAAP, wastewater utility industry practices, PSC regulations, and NARUC requirements
- Ensure accounting policies and procedures are followed by company personnel
- Ensuring the integrity and accuracy of the financial records
- Applying accounting theory to new business transactions to ensure sound accounting practices
- Identifying process improvement opportunities, then developing and implementing action plans to improve processes
- Determining appropriate NARUC account codes, budget codes, and management reporting codes used to code financial transactions
- Resolving company work and system process issues related to work orders, plant assets, and accumulated depreciation
- Solving problems related to the daily operations of work orders, plant assets, and accumulated depreciation
- Prioritizing daily work requirements for this position
- Participating in the decision-making of department procedures, policies, and goals
- With management approval implement changes in accounting policies and procedures.
- Identify issues with financial transactions that could materially impact the company.

Clerical and Administrative (Pat Coats)

- Filing, typing, and preparing documents
- Projects such as gathering information by phone, letter, email or in person
- Research for projects for management
- Recording and updating databases
- Photocopying and scanning documents
- Sorting and handing out mail
- Staffing the reception desk, answering phones, greeting customers and vendors, taking messages, etc.
- Ordering office supplies and gathering them from local stores when necessary
- Managing Logs (callout logs, private system contact logs, emergency contact log, etc.)
- Payroll – review time cards, calculate hours, enter hours into database, record vacation and sick time, cross check call out logs to ensure all call outs that are billable have been sent to the billing department.
- Assist operations group by maintaining inventory, tracking equipment, tracking warranty periods, etc.
- Responsible for quality control of information being provided by field personnel
- In charge of documenting and administering Utility Monitoring programs (i.e. Grease Trap monitoring, back yard survey in Utility easements, etc.)
- Providing assistance when called upon to accounting/billing/customer service/etc.
- Office organization
- Performs administrative duties for management.
- Screening calls; managing calendars; making travel, meeting and event arrangements
- Preparing reports and financial data
- Training and supervising other staff
- Customer relations.
- Requires strong computer and Internet research skills
- Must be flexible and have excellent interpersonal skills
- Coordination of office activities
- Work well with all levels of internal management and staff, as well as outside clients and vendors.
- Sensitivity to confidential matters may be required.

ATTACHMENT "2-2d"

As of December 15, 2015, Debra Nickel has spent 124.5 hours working for KW Resort Utilities.

Kaitlin Bianchi

From: Debbie Nickel <debidu@live.com>
Sent: Friday, June 12, 2015 8:14 AM
To: kaitlin@kwru.com
Subject: Hours Breakdown

5/29/15 ~ 7:45 - 12:45 Meeting in Key West with Greg & Kaitlin. Travel time included per agreement

The hours listed below are all time spent on combining all information into 1 master spreadsheet. This includes the county's spreadsheet along with all other information that was obtained from the meeting at KWRU. This part of the process is still ongoing.

6/1/15 ~ 8:30 - 10:30
11:15 - 2:00

6/5/15 ~ 8:30 - 1:00

6/6/15 ~ 10:00 - 2:30

6/8/15 ~ 10:00 - 12:00
12:30 - 3:30

23:15

Please let me know if you have any further questions.

Also, do you know if you are able to send me the customer files via email that you scanned into the computer from the filing cabinet? I would like to use those for my fact gathering. Please advise, if not, then maybe we can throw them on a flash drive and I can pick up.

Thanks Kaitlin!

Debbie

Chris Johnson

From: Debbie Nickel <debidu@live.com>
Sent: Friday, June 26, 2015 2:00 PM
To: Chris Johnson
Subject: Hours
Attachments: DLN Master.xlsx

Chris,

Following is the breakdown for my hours:

6/12/15 4.5 Hours Spreadsheet Compilation & Researching Property Appraiser Website
6/14/15 5.0 Hours Spreadsheet Compilation & Researching Property Appraiser Website
6/19/15 6.0 Hours Spreadsheet Compilation & Researching Property Appraiser Website
6/22/15 7.5 Hours Spreadsheet Compilation & Researching Property Appraiser Website
6/26/15 4.5 Hours Spreadsheet Compilation & Researching Property Appraiser Website, Compile Missing Customer List

Total Hours 23

Please let me know if you have any questions. I have attached the spreadsheet to date, I have removed the College Rd properties that I had added not realizing they shouldn't be on there along with Roy's and Boyd's. If there are others that you see that I have on there that shouldn't be or you know that I'm missing please let me know at your earliest convenience.

Debbie

Kaitlin Bianchi

From: Debbie Nickel <debidu@live.com>
Sent: Monday, July 13, 2015 7:56 AM
To: bianchi kaitlin
Cc: Chris Johnson
Subject: Hours

Good morning Kaitlin,

I have a total of 5.5 hours for this pay period.

6/26 1 hour review game plan with Chris & 1 hour spreadsheet / research county. (2 total)
6/27 3.5 hours spreadsheet & county research.

Thank you,

Debbie

Sent from my iPad

Kaitlin Bianchi

From: Debbie Nickel <debidu@live.com>
Sent: Monday, July 27, 2015 10:18 AM
To: kaitlin bianchi
Subject: Hours

Good morning Kaitlin,

My hours for this next pay period are:

7/13- 1:45-4:45 Meet with Tina Lossaco to review spreadsheets

7/16- 6:30pm - 9:00 pm begin reconciling county spreadsheet with my spreadsheet

7/17- 7:00 - 2:30 (less 1/2 hr lunch) finish spreadsheets as far as I can..email Chris with items needed to finish spreadsheet to present to Tina.

Total hours 12.5

Thank you,

Debbie

Sent from my iPhone

Kaitlin Bianchi

From: Debbie Nickel <debidu@live.com>
Sent: Tuesday, August 11, 2015 10:20 AM
To: kaitlin bianchi
Subject: Re: Payroll Hours

All I have is 2.5 hrs reviewing response to audit draft and emails relating to that to Judi & Chris. If you want to bank those till next payroll that's find with me. Just let me know.

Thanks,
Debbie

Sent from my iPhone

On Aug 11, 2015, at 10:18 AM, kaitlin bianchi <kaitlin@kwru.com> wrote:

Hi Debbie,

I was wondering if you had hours to give to me so I can put them into Payroll today.

Thank you!

Kaitlin

Kaitlin Bianchi

From: Debbie Nickel <debidu@live.com>
Sent: Thursday, August 27, 2015 10:46 AM
To: Kaitlin Bianchi
Subject: RE: Payroll Hours

Kaitlin,

The hours are as follows:

8/14/15

7:30 - 11:30 4.0 Drive to & from Key West - Meet with Chris and Bart
1:00 - 3:30 2.5 Begin Review of Bart's Spreadsheet

8/17/15

7:30 - 12:00 4.5 Reconciliation of Bart's Spreadsheet to Mine
1:00 - 4:30 3.5 Reconciliation of Bart's Spreadsheet to Mine

8/21/15

9:00 - 11:30 2.5 Reviewing Discrepancies between Bart's Spreadsheet to Mine

16 hours total for this pay period. 17

Thanks Kaitlin :)

Debbie

From: kaitlin@kwru.com
To: debidu@live.com
Subject: Payroll Hours
Date: Thu, 27 Aug 2015 10:30:55 -0400

Hi Debbie,

We are submitting Payroll today, what are your hours I should put in?

Thank you,


Kaitlin

Kaitlin Bianchi

From: Debbie Nickel <debidu@live.com>
Sent: Friday, September 11, 2015 9:58 AM
To: Kaitlin Bianchi
Subject: RE: Pay time!

Here you go Kaitlin!

8/28/2015 Meeting in KW with County, Chris, Greg, Bart, Tina, Kevin & County Lawyer
7:30 - 12:15 pm 4.75 hrs
8/31/2015 Add Tina's C & A's to my spreadsheet
8:30 - 10:30 am. 2.00 hrs
9/4/2015 Meet with Chris and staff at KWRU to go over spreadsheets and compile information
7:15 - 6:15 p.m 11 hrs
9/10/2015 Phone conference with Chris & Bart
5:00 p.m - 5:30 p.m .50 hours

Total time for this pay period is 18.25 hours. (Hopefully I added it right this time )!

Have a great weekend and let me know if you have any questions.

Debbie

From: kaitlin@kwru.com
To: debidu@live.com
Subject: Pay time!
Date: Fri, 11 Sep 2015 08:26:56 -0400

Hey Debbie,

I'm going to submit Payroll today, do you have hours to give me?

Thanks!

Kaitlin Bianchi

From: Debbie Nickel <debidu@live.com>
Sent: Saturday, September 26, 2015 11:35 AM
To: Kaitlin Bianchi
Subject: RE: Payroll

Kaitlin,

Here are my hours for this upcoming pay period:

9/11 1:30 - 5 :30 Work on Spreadsheets/Notes
9/14 7:00 - 10:00 Compile documentation for Tina Verifying EDU's & for Maria to research
9/18 9:30 - 12:30 Meet with Tina in Marathon, review Spreadsheets, Email Chris/Bart after meeting

Total 9 hours. 10

Thanks Kaitlin & let me know if you have any questions.

Debbie

From: kaitlin@kwru.com
To: debidu@live.com
Subject: Payroll
Date: Fri, 25 Sep 2015 15:55:18 -0400

Hi Debbie,

I'm submitting payroll Monday at noon, if you can give me your hours by then, that would be great!

Thanks,
Kaitlin

Kaitlin Bianchi

From: Debbie Nickel <debidu@live.com>
Sent: Tuesday, October 13, 2015 8:48 AM
To: kaitlin@kwru.com
Subject: Hours Detail

Kaitlin,

Sorry I didn't get back to you sooner, crazy weekend. Here is the detail for my payroll hours:

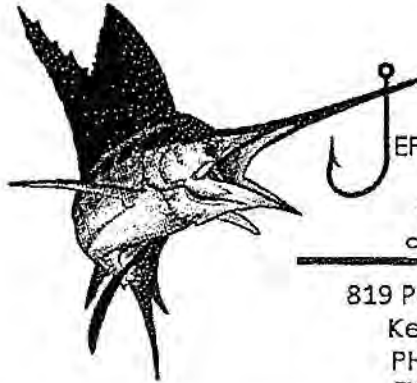
10/1/2015 7:00 - 9:00 pm Review Tina's spreadsheet and compare to my spreadsheet. 2 Hours
10/2/2015 7:30 - 5:30 Meeting in Key West with Tina Losacco and Kevin Wilson to review EDU's 10 Hours

Total - 12 Hours.

Thank you!

Debbie

7/3/2015 KB



JEFFREY E. ALLEN, P.A.
JEFF ALLEN, CPA
DENATA ENINNE, CPA
Certified Public Accountants

Invoice

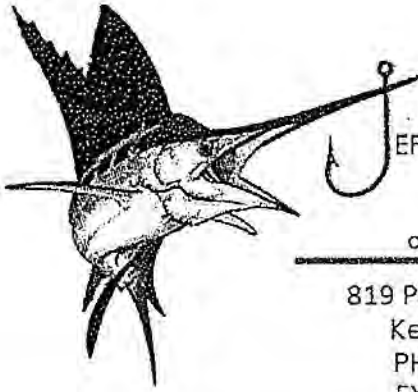
Date	Invoice #
11/30/2015	45168

819 Peacock Plaza Ste 809
Key West, FL 33040
PH: (305) 296-6591
FX: (305) 296-6598

Bill To
KW Resort Utilities P.O. Box 2125 Key West, FL 33045

Description	Amount
Monthly accounting services in November	525.00
Total 525.00	

*Please remit your payments to: Jeffrey E Allen CPA, 819 Peacock Plaza, Suite 809, Key West, FL 33040
Accounts not paid within 60 days of the invoice date are subject to a \$25 monthly late fee.*



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Certified Public Accountants

819 Peacock Plaza Ste 809
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 PH: (305) 296-6591
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Invoice

Date	Invoice #
12/31/2014	219259

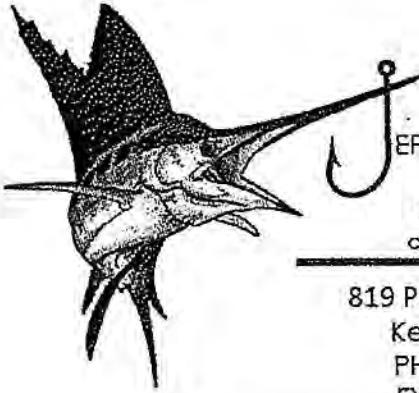
REC'D JAN 18 2012

Bill To
KW Resort Utilities P.O. Box 2125 Key West, FL 33045

Due Date
12/31/2014

Description	Hours	Rate	Amount
Professional services performed in December	1	525.00	525.00
Hourly work in addition to monthly fee	3.5	250.00	875.00
Entering Accounting Data Sept - Nov 2014			
3.5 Hours @ \$250/hr			
Total			\$1,400.00

*Please remit your payments to: Jeffrey E Allen CPA, 819 Peacock Plaza, Suite 809, Key West, FL 33040
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JEFFREY E. ALLEN, P.A.
 JEFF ALLEN, CPA
 RENATA DUNN, CPA
 Certified Public Accountants

Invoice

Date	Invoice #
2/28/2015	219429

819 Peacock Plaza Ste 809
 Key West, FL 33040
 PH: (305) 296-6591
 FX: (305) 296-6598

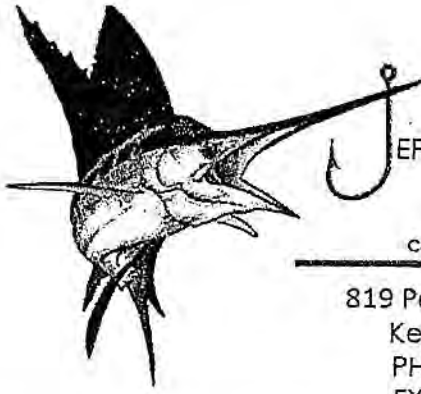
Bill To
KW Resort Utilities P.O. Box 2125 Key West, FL 33045

REC'D MAR 11 2015

Due Date
2/28/2015

Description	Hours	Rate	Amount
Professional services performed in February		525.00	525.00
Review and analyze Annual Reports: WS Utility Investment Amounts, Discuss with Bill Smith and Chris Johnson	2	250.00	500.00
Review Club Connect entries 2003 - 2004 post to Investment WS Utilities & A/R - WS Utilities	1.5	250.00	RC - 375.00
Discuss WS Utility Investment Accounts with Bart Smith, Propose entry to eliminate account balance	0.5	250.00	125.00
Reclass 2014 posting errors per C. Johnson notes	0.5	250.00	125.00
		Total	✓ \$1,650.00

*Please remit your payments to: Jeffrey E Allen CPA, 819 Peacock Plaza, Suite 809, Key West, FL 33040
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819 Peacock Plaza Ste 809
 Key West, FL 33040
 PH: (305) 296-6591
 FX: (305) 296-6598

Invoice

Date	Invoice #
3/31/2015	✓ 219579

Bill To
KW Resort Utilities P.O. Box 2125 Key West, FL 33045

REC'D APR 6 2015

Due Date
3/31/2015

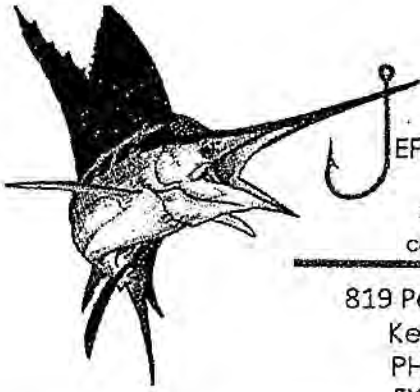
Description	Hours	Rate	Amount
Professional services performed in March: February Financials		525.00	525.00
Adjust 2009-2013 QB to March 2009-2013 Revised Annual Reports	6	250.00	1,500.00
Meeting at Bart Smith's office re: 2014 Draft Balance Sheet	1	250.00	250.00
Adjust OB Fixed Asset account balances to Milian Swain 2013 NARUC spreadsheet, Prepare Draft 2	2	250.00	500.00
Discuss Stock Island Vacuum Line Account balance with Bart Smith and Cynthia Yapp, consolidate CIAC, Prepare Draft 3	2	250.00	500.00
Discuss Fixed Assets with Cynthia Yapp, change CIAC and Accum. Amortization to L-Term Liability, Eliminate 2006 Pully Amortized Deferred Rate Case Expense, Prepare Draft 4	1	250.00	250.00
Research treatment of 2014 Appraisal Costs, reclass to Other Current Asset prepare Draft 5	1	250.00	250.00
Review 3/23 e-mail correspondence between Cynthia Yapp and Chris Johnson and provide comments regarding 2014 Fixed Assets and CIAC	1	250.00	250.00
Adjust September - December 2014 CIAC contributions for items not previously broken out in C	2.5	250.00	625.00

*Rate Case - 1,750.00
 Monthly - 525.00
 Annual Report 3,375.00*

Total

Please remit to
 Account

Peacock Plaza, Suite 809, Key West, FL 33040
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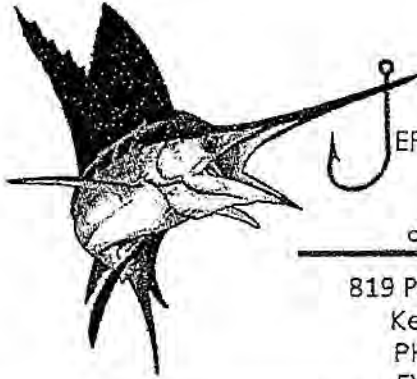
Date	Invoice #
3/31/2015	219579

Bill To
KW Resort Utilities P.O. Box 2125 Key West, FL 33045

Due Date
3/31/2015

Description	Hours	Rate	Amount
Adjust Fixed Assets to 2014 NARUC Depreciation Schedules provided by Cynthia Yapp, prepare Draft 6	2	250.00	500.00
Discuss CIAC entry with Cynthia Yapp, adjust QB amortization, Prepare Draft 7	2	250.00	500.00
Total			✓ \$5,650.00

*Please remit your payments to: Jeffrey E Allen CPA, 819 Peacock Plaza, Suite 809, Key West, FL 33040
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 FX: (305) 296-6598

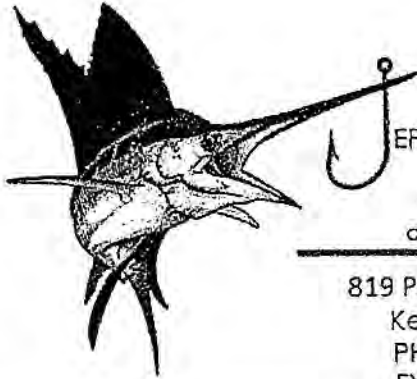
Invoice

Date	Invoice #
4/30/2015	✓ 219752

Bill To
KW Resort Utilities P.O. Box 2125 Key West, FL 33045

Description	Amount
Professional services performed in April	525.00
② Telephone discussion with Cynthia Yapp re: Misc Income and Water Testing Income —	125.00
— Conference Call re: Rate Case and Limited Proceeding	250.00
Review 2014 Preliminary Final Annual Report ○	250.00
② E-Mail Cynthia Yapp and Chris Johnson re: Discrepancies in Utility Plant and Depreciation Schedules on Preliminary Final Annual Report	125.00
— Prepare JE to reclass Rate Case Expenses to Utility Plant per C. Johnson Analysis	125.00
Adjust 2014 Depreciation entry for corrected Depreciation Schedules	125.00
Review Revised Final 2014 Annual Report	250.00
② Provide Debbie Swain requested General Ledgers and account data for MFR	125.00
REC'D MAY 13 2015	
Rate Case 750, 1861000	
Total	✓ \$1,900.00

*Please remit your payments to: Jeffrey E Allen CPA, 819 Peacock Plaza, Suite 809, Key West, FL 33040
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Invoice

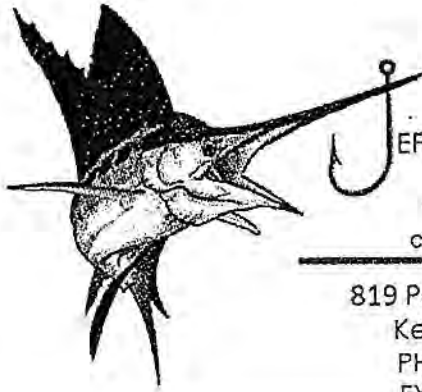
Date	Invoice #
5/31/2015	219840 ✓

819 Peacock Plaza Ste 809
Key West, FL 33040
PH: (305) 296-6591
FX: (305) 296-6598

Bill To
KW Resort Utilities P.O. Box 2125 Key West, FL 33045

Description	Amount
Professional services performed in May Completion of 2014 Form 1120S	525.00 2,000.00
REC'D JUN 9 - 2015	
Total	✓ \$2,525.00

*Please remit your payments to: Jeffrey E Allen CPA, 819 Peacock Plaza, Suite 809, Key West, FL 33040
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819 Peacock Plaza Ste 809
Key West, FL 33040
PH: (305) 296-6591
FX: (305) 296-6598

7320810
1861000 - 375⁰⁰
Docket No. 150071-SU
Data Request Responses
Exhibit CA 24, Page 133 of 269
VB

Invoice

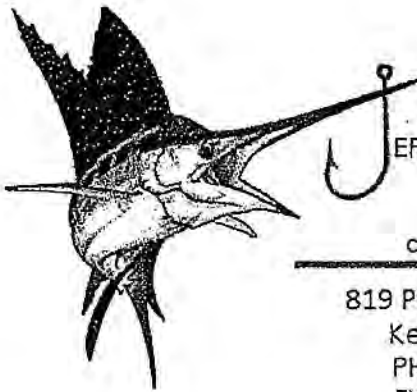
Date	Invoice #
6/30/2015	219905

Bill To
KW Resort Utilities P.O. Box 2125 Key West, FL 33045

Due Date
6/30/2015

Description	Hours	Rate	Amount
Monthly accounting services performed in June		525.00	525.00
Complete Schedule D-5, Cost of Long Term Debt	0.5	250.00	125.00
Prepare Smith Oropeza 2014 Legal Fee Invoicing Spreadsheet	0.5	250.00	125.00
Prepare Detailed Spreadsheet for B-11 Capital Expense	0.5	250.00	125.00
<p>\$ 375 = Rate Case</p>			
		Total	\$900.00

Please remit your payments to: Jeffrey E Allen CPA, 819 Peacock Plaza, Suite 809, Key West, FL 33040
Accounts not paid within 60 days of the invoice date are subject to a \$25 monthly late fee.



JEFFREY E. ALLEN, P.A.

Certified Public Accountants

819 Peacock Plaza Ste 809
 Key West, FL 33040
 PH: (305) 296-6591
 FX: (305) 296-6598

Invoice

Date	Invoice #
7/31/2015	219975 ✓

Bill To
KW Resort Utilities P.O. Box 2125 Key West, FL 33045

Due Date
7/31/2015

5/2/15

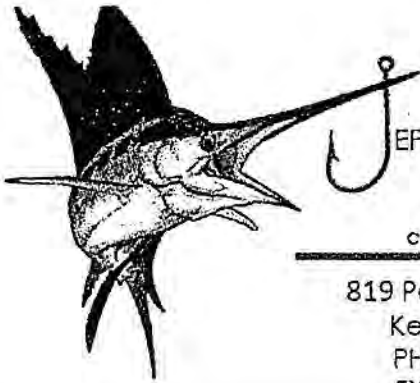
Description	Hours	Rate	Amount
Monthly accounting services performed in July 2015		525.00	525.00
Provide 2012, 2013 & 2014 CIAC Tax references	1	250.00	250.00
Provide copies of 2007 - 2014 Tax Forms 1120S to Bart Smith	0.5	250.00	125.00
Research \$19k reclassification to Bldg and Structures from Rate Case Exp 12/31/14	0.5	250.00	125.00
Respond to Millian Swain inquiries re: 2008 - 2014 AJEs	2	250.00	500.00

Rate case \$1,000
 Acct services 3525

Total ✓\$1,525.00

*Please remit your payments to: Jeffrey E Allen CPA, 819 Peacock Plaza, Suite 809, Key West, FL 33040
 Accounts not paid within 60 days of the invoice date are subject to a \$25 monthly late fee.*

KB



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819 Peacock Plaza Ste 809
 Key West, FL 33040
 PH: (305) 296-6591
 FX: (305) 296-6598

Invoice

Date	Invoice #
8/31/2015	220046

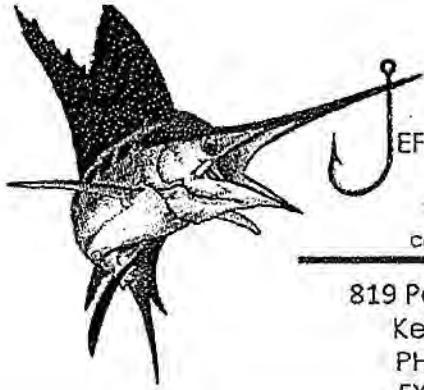
Bill To
KW Resort Utilities P.O. Box 2125 Key West, FL 33045

Due Date
8/31/2015

acct -
 ide <
 case

Description	Hours	Rate	Amount
Professional services performed in August		525.00	525.00
Provide Billing Summaries per D. Swain request	0.5	250.00	125.00
Response to Request KW 15	1	250.00	250.00
Total			\$900.00

*Please remit your payments to: Jeffrey E Allen CPA, 819 Peacock Plaza, Suite 809, Key West, FL 33040
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CPA
 STATE OF FLORIDA

Certified Public Accountants

819 Peacock Plaza Ste 809
 Key West, FL 33040
 PH: (305) 296-6591
 FX: (305) 296-6598

Invoice

Date	Invoice #
9/30/2015	220164 ✓

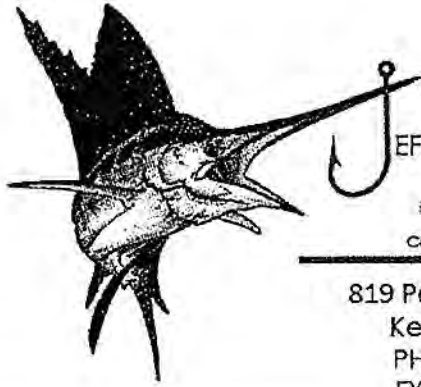
Bill To
KW Resort Utilities P.O. Box 2125 Key West, FL 33045

Due Date
9/30/2015

	Description	Hours	Rate	Amount
Gen	Monthly accounting services performed in September		525.00	525.00
Gen	Discussions re: Conversion from S-Corp to LLC for Bill Smith Estate Planning purposes	0.75	250.00	187.50
RC	Respond to Request 20: Payroll	1	250.00	250.00
Gen	Staff Training re: Chart of Accounts and GL	2	250.00	500.00
RC	Respond to Request 5: Contract Services Accounting	0.5	250.00	125.00
			Total	\$1,587.50 ✓

Please remit your payments to: Jeffrey E Allen CPA, 819 Peacock Plaza, Suite 809, Key West, FL 33040
 Accounts not paid within 60 days of the invoice date are subject to a \$25 monthly late fee.

1cB



JEFFREY E. ALLEN, P.A.

JEFF ALLEN, CPA
RENATA DUNN, CPA

Certified Public Accountants

Invoice

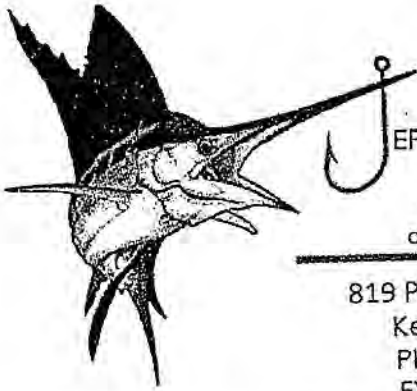
Date	Invoice #
10/30/2015	220263

819 Peacock Plaza Ste 809
Key West, FL 33040
PH: (305) 296-6591
FX: (305) 296-6598

Bill To
KW Resort Utilities P.O. Box 2125 Key West, FL 33045

Description	Amount
Professional Services performed in October	525.00
Total 525.00	

*Please remit your payments to: Jeffrey E Allen CPA, 819 Peacock Plaza, Suite 809, Key West, FL 33040
Accounts not paid within 60 days of the invoice date are subject to a \$25 monthly late fee.*



JEFFREY E. ALLEN, P.A.

Certified Public Accountants

819 Peacock Plaza Ste 809
Key West, FL 33040
PH: (305) 296-6591
FX: (305) 296-6598

Invoice

Date	Invoice #
1/31/2015	219317

Bill To
KW Resort Utilities P.O. Box 2125 Key West, FL 33045

Due Date
1/30/2015

Description	Hours	Rate	Amount
Professional services performed in January		525.00	525.00
Hourly work in addition to monthly fee:	2.25	250.00	562.50
Change RAF and Profit & Loss reporting to agree with Milian Swain & Assoc. Annual reporting			
Hourly work in addition to monthly fee	0.75	250.00	187.50
Complete November 2014 accounting data entry			
Hourly work in addition to monthly fee	3	250.00	750.00
Change methods of reporting capital expenditures and reclassification of 2014 capital expenditures			
Tax Return Preparation: Retainer per Executed Engagement Letter		1,500.00	1,500.00
Total			\$3,525.00

REC'D FEB 16 2015

*Please remit your payments to: Jeffrey E Allen CPA, 819 Peacock Plaza, Suite 809, Key West, FL 33040
Accounts not paid within 60 days of the invoice date are subject to a \$25 monthly late fee.*

ATTACHMENT "2-4a"

3544000 Structures & Improvements - Treatment & Disposal

<u>Date</u>	<u>Payee</u>	<u>Memo</u>	<u>Amount</u>
2015-11-16	Smith Oropeza Hawks P.L.	Last Stand	23.63
2015-09-16	Smith Oropeza Hawks P.L.	Last Stand	750.50
2015-08-15	Smith Oropeza Hawks P.L.	Last Stand	5,863.77
2015-08-09	Weiler Engineering	Last Stand	47.50
			\$6,685.40

ATTACHMENT "2-5"

2

[Home](#)

[Change
Password](#)

[Site
Locator](#)

[Contact
Us](#)

[Logout](#)

Account#: [REDACTED] Name: KW RESORT UTILITIES CO

My Account

Account Information

Statements & Reports

Payment History

Maintain Users

Pay Bill On-line

My Cards

Vehicle Profiles

Vehicle Cards

Driver PINs

My Tools

View Transactions

Optional Reports

Report Builder

Thank you for your payment, your tracking number is K-1114-2643469.

OK

CHEVRON AND TEXACO
 BUSINESS CARD
 PO BOX 921729
 NORCROSS, GA 30010

CUSTOMER DETAIL STATEMENT



For billing questions call: (866) 435-3201
 Manage your account on-line at www.chevrontexacobusinesscard.com

KW RESORT UTILITIES CO
 6630 FRONT ST
 KEY WEST FL 33040-6050

ACCOUNT NUMBER: [REDACTED]
 STATEMENT NUMBER: 42789412
 STATEMENT DATE: 11/12/2014
 REFERENCE #: 611301

PERIOD START: 10/12/2014 PERIOD END: 11/11/2014

TOTAL NEW BILL GROUP CHARGES			\$1,005.33
TOTAL NEW CHARGES			\$1,016.61
PRODUCT	QUANTITY	GROSS AMOUNT	NET TOTAL
Plus Unleaded	17.621	\$65.00	\$65.00
Unleaded	273.202	\$951.61	\$951.61
Total Purchases	290.823	\$1,016.61	\$1,016.61

\$ 1,005.33

Transaction Detail for - KW RESORT UTILITIES CO - 10/12/2014 - 11/11/2014

DATE	TIME	REFERENCE/ INVOICE	SITE	DRIVER ID	PRODUCT	QTY	PPG	NET AMOUNT	
		60006530600005	Utility Card A						
10/14	12:40	9350767	47393	200000	Unleaded	22.570	3.589	\$81.00	
10/14	13:08	9350773	47393	200000	Unleaded	21.142	3.589	\$75.88	
10/20	11:51	9352464	47393	200000	Unleaded	20.099	3.519	\$70.73	
10/21	08:33	9352622	47393	200000	Unleaded	22.733	3.519	\$80.00	
10/22	10:12	9352827	47393	200000	Plus Unleaded	17.621	3.689	\$65.00	
10/22	13:10	9352850	47393	200000	Unleaded	19.147	3.499	\$67.00	
10/23	09:45	9353035	47393	200000	Unleaded	28.720	3.499	\$100.49	
10/29	10:46	9354740	47393	200000	Unleaded	17.421	3.459	\$60.26	
10/30	12:51	9354952	47393	200000	Unleaded	36.573	3.459	\$126.51	
10/30	13:14	9354955	47393	200000	Unleaded	19.846	3.459	\$68.65	
11/03	10:11	9355832	47393	200000	Unleaded	25.155	3.459	\$87.01	
11/06	10:56	9356546	47393	200000	Unleaded	18.491	3.369	\$62.30	
11/07	14:42	9356894	47393	200000	Unleaded	21.305	3.369	\$71.78	
TOTAL						290.823		\$1,016.61	

OTHER CHARGES

11/11/2014	Special Summer Savings 200	-\$11.28
------------	----------------------------	----------

SITE LEGEND

SITE #	SITE NAME	ADDRESS	CITY	STATE
47393	Stock Isl Chevrr	5220 Overseas Hw	Key West	FL

v

✓

[Faint, mostly illegible text]

**BLACK F150
37125**

STATION ISLAND OFFICE
5220 9th St.
SFM 941395
10/30/14 14:10:28
E/11: 1000
XXXXXXXXXXXXXXXXXXXX
Invoice# 9194955
Route 460020
Phone #
10/30/14 14:10:28
R/10/30/14 14:10:28
Total: 1.00
E/11: 1000
4117032 01/11/14
9/11/14

*Teds
Tavack*

10/30/14 14:10:28
9/11/14

v

✓

F-250

F-250

[Faint, mostly illegible text]

STOK ISLAND CHEVRON
5220 U.S. 1
SIN 00047093

*Trucks
Truck*

STOK ISLAND
CHEVRON
KEY WEST FL. 33040

STOK ISLAND CHEVRON
5220 U.S. 1 KEY WEST FL
SIN# 00047093

Credit Card Receipt

KU RESORT UTILITIES CO

XXXXXXXXXX-FA0005 UTILITIES
STY TEL TEL 2.99
9900 STY TEL TEL 2.99
PLUS BIRTH Fuel Ticket #15/6035
Pump No 17 0200 2 93.00070 2 65.60

Item: 1 50.00
1.00
.00

10/20/14 11:09:00

EXPIRE HOUR
XXXXXX-FA0005
Invoice# 935496
AUTH# 899494

Pump# 4
39.00000 2 3.51970
RENTAL 10.00
Total 70.70

SURRENDER BOOK #
4117882 Utility C
and KU RESORT U
UTILITIES CO

THANK YOU FOR
YOUR PATRONAGE
THE HAAS FAMILY

STOK ISLAND CHEVRON
5220 U.S. 1
SIN 00047093

10/20/14 12:44:53

EXPIRE HOUR
XXXXXXXXXX-FA0005
Invoice# 935496
AUTH# 405273

Pump# 6
36.50000 2 3.45970
RENTAL 11.00
Total 126.51

SURRENDER BOOK #
4117882 Utility C
and KU RESORT U
UTILITIES CO

THANK YOU FOR
YOUR PATRONAGE
THE HAAS FAMILY

*GREY
Truck
Chev. white
GAS CAN*

DODGE 2500

BLACK F150
36978

BLACK F150
36848

MAT P (MP)

CHEVR

SIN 001
10 21 14 06:29:12

E. FLEETCOR
XXXXXXXXXXXXXXXXXXXX0005
Invoice# 9552622
Auth# 083898

Pump# 5
22.7330 @ \$ 3.519/G
REGU/Self \$ 80.00

Total \$ 80.00

BURKEMPER, MARK, 1
4117692 Utility C
ard A RV RESORT U
UTILITIES CO

F-230

THANK YOU FOR
YOUR P
THE M

Trucks
Truck

NOVEMBER 13, 2014 10:26 AM

TODD'S GARAGE
5587 2ND AVE
KEY WEST, FL 33040
305-295-6878

COMP ID: VTRA TERM ID: 081958500020002

CARD TYPE: MASTERCARD

ACCOUNT #: 0000005886

PC PRODUCT	QTY	PRICE	AMOUNT
050 AUTOMOTIVE PRODUCTS			
01 UNITS	0	\$ 885.65	\$ 885.65

APPROVAL CODE: 01345K STAN: 002495

CUSTOMER COPY

carefully, check one below, and sign:

I am entitled to a written estimate as long as the estimate is not more than 100 days old. I am not entitled to a written estimate if the vehicle is more than 100 days old. I am not entitled to a written estimate if the vehicle is more than 100 days old.

Date: _____

VEHICLE USED

DESCRIPTION	SALE AMT
Oil	247.94
Filter	25.00
Wash	79.62
Tax	126.30

TODD'S GARAGE, INC.

FLORIDA REGISTRATION #MV-38507

Auto & Truck Service

5587 2nd Ave. • Key West, FL 33040
Phone (305) 295-6878 • Fax (305) 295-6887

WARRANTY

____ month / ____ mile warranty on all parts & labor unless otherwise specified

19048

INTENDED PAYMENT METHOD

Cash Check Visa MC AmEx

Name: KWKU Home Ph: _____
 Address: _____ Work Ph: _____
 City/State/Zip: _____ Date: _____ Time: _____
 Other Authorized Person: _____ < Phone _____
 Year/Make: 97 DODGE Model: Ram 2500 8.0 Tag: 80Y QSI Miles In: _____
 Save Old Parts? Yes No (Core may apply) Miles Out: 78653

VIN # _____ Vehicle _____
 Customer Complaint/Problem: FUEL LEAK

Labor Charges based on:
 Flat Rate _____ Hourly Rate _____ Both Apply _____
 Estimate/Diagnostic Fee: \$ _____ / or hourly at \$ _____ /hour
 Estimated Repair Cost/Shop Supplies: \$ _____
 A storage fee of \$10 per day may be applied to vehicles which are not claimed within 3 working days of notification of completion.

INSTRUCTIONS:	Labor Charge
REVIEW In-Tank Pump Module & Repair Pressure Valve 2.0	170.00
REVIEW FRONT SHOCKS	2.0
REVIEW REAR SHOCKS	170.00

Date Promised _____ Retain Parts for Inspection Discard Parts
 * This charge represents costs and profits to the motor vehicle repair facility for miscellaneous shop supplies or waste disposal.
 Estimate good for 30 days. Not responsible for damage caused by theft, fire or acts of nature.
 I hereby authorize the above repairs, including sublet work, along with the necessary materials. You and your employees may operate my vehicle for the purpose of testing, inspection and delivery at my risk. If I cancel repairs prior to their completion for any reason, a teardown and reassembly fee of \$ _____ will be applied.
 Customer's Signature: _____ Date: 11/12/14

Total Labor	340.00
Total Parts	473.86
Sublet Repairs	
Shop Supplies*	10.00
Sub-Total	823.86
Tax	61.79
TOTAL	885.65

KW RESORT UTILITIES CORP.

Docket No. 150071-SU
Data Request Responses
Exhibit CAJ-4, Page 148 of 269

12/12/2014	William Smith					6911
Date	Type	Reference	Original Amount	Balance Due	Payment	
12/10/2014	Bill	BOD-2014	500.00	500.00	500.00	
			Check Amount		500.00	

1310000 BB&T Opera 500.00

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KW RESORT UTILITIES CORP.

12/12/2014	Alexander Smith -DIRECTOR					6910
Date	Type	Reference	Original Amount	Balance Due	Payment	
12/10/2014	Bill	BOD 2014	500.00	500.00	500.00	
			Check Amount		500.00	

1310000 BB&T Opera 500.00

© CHECKS UNLIMITED® • SECURIGUARD PREMIUM CLASSIC BLUE • TO REORDER: 1-800-667-2439 • www.ChecksUnlimited.com

KW RESORT UTILITIES CORP.

12/12/2014	Barton Smith- Director					6909
Date	Type	Reference	Original Amount	Balance Due	Payment	
12/10/2014	Bill	BOD 2014	500.00	500.00	500.00	
			Check Amount		500.00	

1310000 BB&T Opera 500.00

© CHECKS UNLIMITED® • SECURIGUARD PREMIUM CLASSIC BLUE • TO REORDER: 1-800-667-2439 • www.ChecksUnlimited.com

ATTACHMENT "2-6c"

Johnson Constructors, L.L.C. 35-2267350

651113

OMB No. 1545-0123

Schedule K-1
(Form 1065)

2014

Department of the Treasury
Internal Revenue Service

For calendar year 2014, or tax
year beginning _____, 2014
ending _____, 20

Partner's Share of Income, Deductions, Credits, etc.
▶ See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
35-2267350

B Partnership's name, address, city, state, and ZIP code
Johnson Constructors LLC
1212 Von Plister St.
Key West, FL 33030

C IRS Center where partnership filed return
Ogden UT 84201-0011

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number

F Partner's name, address, city, state, and ZIP code
Christopher A. Johnson
1212 Von Plister St.
Key West, FL 33040

G General partner or LLC member-manager Limited partner or other LLC member

H Domestic partner Foreign partner

I1 What type of entity is this partner?

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	50.000 %	50.000 %
Loss	50.000 %	50.000 %
Capital	50.000 %	50.000 %

K Partner's share of liabilities at year end:

Nonrecourse \$ _____

Qualified nonrecourse financing \$ _____

Recourse \$ _____

L Partner's capital account analysis:

Beginning capital account	\$	3428
Capital contributed during the year	\$	0
Current year increase (decrease)	\$	0
Withdrawals & distributions	\$	(0)
Ending capital account	\$	3428

Tax basis GAAP Section 704(b) book

Other (explain)

M Did the partner contribute property with a built-in gain or loss?
 Yes No
If "Yes," attach statement (see instructions)

Final K-1 Amended K-1
Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1 Ordinary business income (loss)	0	15 Credits
2 Net rental real estate income (loss)		
3 Other net rental income (loss)		16 Foreign transactions
4 Guaranteed payments		
5 Interest income		
6a Ordinary dividends		
6b Qualified dividends		
7 Royalties		
8 Net short-term capital gain (loss)		
9a Net long-term capital gain (loss)		17 Alternative minimum tax (AMT) items
9b Collectibles (28%) gain (loss)		
9c Unrecaptured section 1250 gain		
10 Net section 1231 gain (loss)		18 Tax-exempt income and nondeductible expenses
11 Other income (loss)		
12 Section 179 deduction		19 Distributions
13 Other deductions		
14 Self-employment earnings (loss)	0	20 Other information

*See attached statement for additional information.

For IRS Use Only

1/11/2015 7:05 AM

671114

OMB No. 1545-0123

Schedule K-1
(Form 1120S)
 Department of the Treasury
 Internal Revenue Service

2014

Final K-1 Amended K-1

For calendar year 2014, or tax
 year beginning _____
 ending _____

Shareholder's Share of Income, Deductions, Credits, etc.
 ▶ See back of form and separate instructions.

Part I Information About the Corporation

A Corporation's employer identification number
46-0510166

B Corporation's name, address, city, state, and ZIP code
KEYS ENVIRONMENTAL, INC.
1212 VON PHISTER STREET
KEY WEST FL 33040

C IRS Center where corporation filed return
E-FILE

Part II Information About the Shareholder

D Shareholder's identifying number
 [REDACTED]

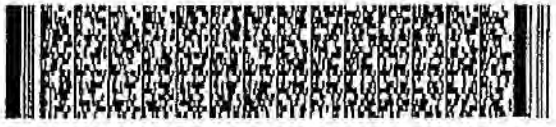
E Shareholder's name, address, city, state, and ZIP code
CHRISTOPHER A. JOHNSON
1212 VON PHISTER STREET
KEY WEST FL 33040

F Shareholder's percentage of stock ownership for tax year **100.000000 %**

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items			
1	Ordinary business income (loss)	13	Credits
	26,107		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
11	Section 179 deduction	16	Items affecting shareholder basis
		C*	102
12	Other deductions	D	6,500
		17	Other information

* See attached statement for additional information.

For IRS Use Only



ATTACHMENT "2-6d"



KW Resort Utilities Corp

6630 Front Street
Key West, FL 33040
305.295.3301
FAX 305.295.0143
www.kwru.com

25-30.440 (8)

2014 KW Resort Utilities Field Employees

Method of allocation. Christopher Johnson's salary is allocated to 703 Officer Salaries. All other employees carry out the operations and maintenance work on behalf of the Utility therefore each of their salaries are allocated to 701.

Christopher Johnson – State of Florida Class A WWTP Operator (# A13917) President KW Resort Utilities Corp – Airvac Certification # 1020, Professional Engineer Intern (Illinois License #061-030504)

Provide operational and administrative management and oversight for the KW Resort Utilities wastewater utility. Operational responsibilities include the management of the third largest wastewater treatment plant in the Keys, and a public sewer system comprised of both vacuum and force main systems. Other responsibilities include laboratory management, compliance with State regulations, facilities management, and management of the largest reclaimed water system in the Keys. Administrative responsibilities include budgeting, capital planning, accounting, information systems, data management, billing, financial planning and reporting, and reporting to a Board of Directors. Capital project responsibilities including the review of bid packages, design, contractor qualifications, submitted bids, financing, and bonding. Additional responsibilities include personnel management, development of strategic partnerships, and contract negotiation. Scheduled for "on call" duty, and serves as Plant Operator on weekends on a rotating basis.

Mark Burkemper – State of Florida Class B Operator (# B5355) – Senior plant operator/safety Officer – Airvac Certification # 1125

Senior Plant operator in charge of day to day operations of treatment plant, process control decisions, plant laboratory, and plant maintenance schedules. Also provides safety meetings to field crews. On scheduled "on call" duty, along with Plant Operator duty on weekends on a rotating basis.

Robert Bellino – State of Florida Class C Operator (# C21394) – Senior Systems Engineer Airvac Certified

Supervisor in charge of tracking, scheduling, and documenting all preventative maintenance on Wastewater Treatment Plant, Vacuum Station, and entire collection system. In charge of ordering all parts for plant and collection system. Responsible for all pumps (inventory, ordering and repairs). Supervised outside contractors when working on the WWTP. On scheduled "on call" duty, along with Plant Operator duty on weekends on a rotating basis.

Blaine Grassi – Airvac Certified

Field Technician

Perform overall maintenance and repairs in the vacuum system, lift stations, vacuum pits and buffer tanks. Analyze problems, make necessary corrections. On scheduled "on call" duty.

Eddie Roberis – Airvac Certified

Operator Trainee

Worked closely with Ted Yarbrow in learning the overall maintenance and repairs of the WWTP and Collection System. In charge of inspections in regard to leaking laterals in the collection system. Work with homeowners and the plumbers in repair of the leaking laterals. Inspection of all new sewer hook ups. On scheduled "on call" duty.

Theodor Yarbrow – Class B Operator (# 013317) – Operations Manager

Perform technical, supervisory, and managerial work directing the overall maintenance and repair of the wastewater treatment plant, vacuum station, lift stations, vacuum pits, buffer tanks and all related valves, controls, and appurtenances. Plan, prioritize, assign, supervise, review, and evaluate the work of staff and interface with vendors in the course of maintaining wastewater facilities. On scheduled "on call" duty along with Plant Operator on weekends on a rotating basis..

Pierre Amboise – Field Technician

Checks all lift station each morning fills out run times sheets and reports any problems. Performs maintenance and repairs in the vacuum system, lift station and vacuum pits. Handles emergency call outs and weekend runs when needed. On scheduled "on call duty".

Keith Waddell – Field Technician Plant and Collection System

Daily maintenance of plant grounds. Assist head mechanic with pulling and installing pumps. Assisted with general work and maintenance where needed. On scheduled "on call" duty.

Sean Bindranauth – Field Technician – Plant and Collection System (Replaced Blaine Grassi)

Perform overall maintenance and repairs in the vacuum system, lift stations, vacuum pits and buffer tanks. Analyze problems, make necessary corrections. On scheduled "on call" duty.

Matt Pellerito – Maintenance Plant and Collection System (Replaced Robert Bellino) Airvac Certified.

Perform technical, supervisory, and managerial work directing the overall maintenance and repair of the wastewater treatment plant, vacuum station, lift stations, vacuum pits, buffer tanks and all related valves, controls, and appurtenances. On scheduled "on call" duty.

ATTACHMENT "2-9"

Utility Travel



KW Resort Utilities, Corp.

6630 Front Street
Key West, FL 33040
305.295.3301
FAX 305.295.0143
www.kwru.com

Travel Budget

Employee Christopher Johnson
Reason: Docket No. 150071-SU
Attend PSC Commission Meeting March 1, 2015

Travel for the Utility President to attend the PSC Commission Meeting in Tallahassee on March 1, 2016.
Round trip air from Key West - Tallahassee, 2 nights hotel in Tallahassee, and meals.

2 nights (Feb 29, Mar 1)	Hotel	Fairfield Inn	\$	425.25	
Rnd Trip	Airfare	Silver Airlines	\$	480.20	
Transportation	Airport to Hotel		\$	20.00	est
Transportation	Hotel to Airport		\$	20.00	est
	Feb-29 Dinner		\$	20.00	est
	1-Mar Lunch & Dinner		\$	35.00	est
	Incidentals		\$	10.00	est
		Total	\$	1,010.45	est

ATTACHMENT “2-9”

Management & Regulatory Consultants

Management & Regulatory Consultants, Inc.
 Summary of Rate Case Expense from Invoices through November 30, 2015
 Key West Resort Utilities

BILLED EXPENSE

		Prepare MFRs	Assist w/ & Repond to Data Req. & New Info.	Corrections to MFR	Expenses	Totals
Frank Seidman	Hours	48.50	6.50			55.00
Billing Rate: \$125/hr	Amount	\$6,062.50	\$812.50	\$0.00	\$658.21	\$7,533.21

PROJECTED REMAINING EXPENSE

		Prepare MFRs	Assist w/ & Repond to Data Req. & New Info.	Prepare for Agenda	Exp. (est.)	Totals
Frank Seidman	Hours		10.00	2.00		10.00
Billing Rate: \$125/hr	Amount		\$1,250.00	\$250.00	\$0.00	\$1,500.00
Cumulative Total, Billed and Remaining						\$9,033.21

36 Yacht Club Dr. #403
 North Palm Beach, FL 33408
 Phone or Fax (561) 207-6083
 e-mail: frankdenjup@att.net

Management & Regulatory Consultants, Inc.

CHRISTOPHER JOHNSON
 KW RESORT UTILITIES CORP.
 6630 FRONT STREET
 KEY WEST, FL 33040

03/05/15
 21510.10

CONSULTING - RATE CASE USED & USEFUL

		HOURS	
PREVIOUS BALANCE			\$ 0.00
<u>Week of:</u>			
02/09/15	FS CONSULTING - REVIEW PSC & DOCUMENTS PROVIDED	2.25	281.25
02/16/15	FS CONSULTING - CONFERENCE CALL W/C. JOHNSON	0.25	31.25
02/23/15	FS CONSULTING - PREPARE F SCHEDULES FOR CURRENT SERVICES RENDERED	<u>2.50</u> 5.00	<u>312.50</u> \$ 625.00
PAYMENTS AND CREDITS			(00.00)
BALANCE DUE			\$ 625.00

36 Yacht Club Dr. #403
 North Palm Beach, FL 33408
 Phone or Fax (561) 207-6083
 e-mail: frankdenjup@att.net

Management & Regulatory Consultants, Inc.

CHRISTOPHER JOHNSON
 KW RESORT UTILITIES CORP.
 6630 FRONT STREET
 KEY WEST, FL 33040

04/01/15
 21510.10

CONSULTING - RATE CASE USED & USEFUL

PREVIOUS BALANCE \$ 625.00

<u>Week of:</u>		HOURS	
03/02/15	FS CONSULTING - Meet WITH SWAIN/YAPP RE RATE CASE.	0.75	93.75
03/02/15	FS CONSULTING - TRAVEL TO/FROM KEY WEST FOR ON SITE VISIT (10.75HRS @ 1/2 BILLING RATE); MEET W/JOHNSON, WRIGHT; TOUR PLANT& SERVICE AREA.	10.75 3.50	671.88 437.50
03/09/15	FS CONSULTING - WORK ON U/U & F SCHEDULES. FOR CURRENT SERVICES RENDERED	<u>5.00</u> 20.00	<u>625.00</u> \$1828.13

EXPENSES:		
03/03&04/2015 - TRAVEL - 494 MILES @ \$0.55/MI		271.70
03/04/2015 - LODGING		330.75
03/03&04/2015 - MEALS - 2 LUNCHES & 1 DINNER		<u>25.76</u>
TOTAL EXPENSES		658.21

PAYMENTS AND CREDITS, 3-17-15	(625.00)
BALANCE DUE	<u>\$2486.34</u>

36 Yacht Club Dr. #403
 North Palm Beach, FL 33408
 Phone or Fax (561) 207-6083
 e-mail: frankdenjup@att.net

Management & Regulatory Consultants, Inc.

CHRISTOPHER JOHNSON
 KW RESORT UTILITIES CORP.
 6630 FRONT STREET
 KEY WEST, FL 33040

06/30/15
 21510.10

CONSULTING - RATE CASE USED & USEFUL

PREVIOUS BALANCE \$ 2486.34

<u>Week of:</u>		HOURS	
04/06/15	FS CONSULTING - CONFERENCE CALL W/CLIENT COUNSEL, CONSULTANTS; REVIEW INPUT RE WWTP ADDITIONS & GROWTH	2.00	250.00
04/13/15	FS CONSULTING - COMMUNICATE W/JOHNSON, STUDY WWTP ADDITIONS & BASIS FOR GROWTH	1.50	187.50
05/04/15	FS CONSULTING - WORK ON U/U; COMPLETE PRELIMINARY "F" SCHEDULES.	7.25	906.25
05/18/15	FS CONSULTING - CONFER W/B. SMITH RE CAPACITY AGREEMENTS & COMMITMENTS.	2.50	312.50
06/01/15	FS CONSULTING - WORK ON HISTORICAL USE AND SFRs For "F" SCHEDULES.	0.50	62.50
06/08/15	FS CONSULTING - WORK ON U/U; REVISE PRELIMINARY "F" SCHEDULES.	2.00	250.00
06/22/15	FS CONSULTING - WORK ON U/U; REVISE PRELIMINARY "F" SCHEDULES; REVIEW ENGINEERING DATA; CONFERENCE CALL.	3.25	406.25

Management & Regulatory Consultants, Inc.

KWRU

Page 2

06/29/15 FS CONSULTING -		
PREPARE FINAL F SCHEDULES		
FOR FILING.	<u>4.50</u>	<u>562.50</u>
FOR CURRENT SERVICES RENDERED	23.50	2937.50
PAYMENTS AND CREDITS, 5-16-15		<u>\$ (2486.34)</u>
BALANCE DUE		\$2937.50

36 Yacht Club Dr. #403
 North Palm Beach, FL 33408
 Phone or Fax (561) 207-6083
 e-mail: frankdenjup@att.net

Management & Regulatory Consultants, Inc.

CORRECTED: 7/12/2015

CHRISTOPHER JOHNSON
 KW RESORT UTILITIES CORP.
 6630 FRONT STREET
 KEY WEST, FL 33040

04/01/15
 21510.10

CONSULTING - RATE CASE USED & USEFUL

PREVIOUS BALANCE \$ 625.00

Week of:		HOURS	
03/02/15	FS CONSULTING - Meet WITH SWAIN/YAPP RE RATE CASE.	0.75	93.75
03/02/15	FS CONSULTING - TRAVEL TO/FROM KEY WEST FOR ON SITE VISIT (10.75HRS @ 1/2 BILLING RATE); MEET W/JOHNSON, WRIGHT; TOUR PLANT& SERVICE AREA.	10.75 3.50	1343.75 437.50
03/09/15	FS CONSULTING - WORK ON U/U & F SCHEDULES.	5.00	625.00
	FOR CURRENT SERVICES RENDERED	20.00	\$1820.13 \$2500.00
EXPENSES:			
03/03&04/2015	- TRAVEL - 494 MILES @ \$0.55/MI		271.70
03/04/2015	- LODGING		330.75
03/03&04/2015	- MEALS - 2 LUNCHESES & 1 DINNER		25.76
	TOTAL EXPENSES		658.21

PAYMENTS AND CREDITS, 3-17-15	(625.00)
BALANCE DUE	\$2486.34
	\$3158.21
PAID 6-15-15	(\$2486.34)
ADDITIONAL AMOUNT DUE	\$671.87

36 Yacht Club Dr. #403
 North Palm Beach, FL 33408
 Phone or Fax (561) 207-8083
 e-mail: frankdenjup@att.net

Management & Regulatory Consultants, Inc.

CHRISTOPHER JOHNSON
 KW RESORT UTILITIES CORP.
 6630 FRONT STREET
 KEY WEST, FL 33040

10/01/15
 21510.10

CONSULTING - RATE CASE USED & USEFUL

PREVIOUS BALANCE (FROM CORRECTED 4/01/15 INVOICE) \$ 671.87
 PREVIOUS BALANCE (FROM 6/30/15 INVOICE) \$2937.50

<u>Week of:</u>		<u>HOURS</u>	
09/07/15	FS CONSULTING - ASSIST WITH RESPONSE TO PSC STAFF 1 ST DATA REQUEST.	0.75	93.75
09/14/15	FS CONSULTING - PSC STAFF CONFERENCE CALL; ASSIST WITH RESPONSE TO PSC STAFF 2 ND DATA REQUEST, STAFF QUESTIONS AT CONF. CALL & OPC SEPT. 10 LETTER TO STAFF.	5.00	625.00
09/21/15	FS CONSULTING - ASSIST WITH RESPONSE TO PSC STAFF STAFF QUESTIONS AT CONF. CALL & OPC SEPT. 10 LETTER TO STAFF. FOR CURRENT SERVICES RENDERED	0.75 6.50	93.75 \$ 812.50
PAYMENTS AND CREDITS, 6-30-15			-\$2937.50
BALANCE DUE			\$1484.37

ATTACHMENT "2-9"

Milian, Swain & Associates

Milian, Swain & Associates, Inc
 K W Resort Utilities Corp

Summary of Rate Case Expense Billed September 2, 2015 through October 30, 2015 and Estimated Cost to Complete

Response to Item 9 of Staff's 2nd Data Request :

For detailed hours worked see Time/Expenses by Project Report attached.				
	Cynthia Yapp	Gabriel Milian	Debbie Swain	Total
Billing # 9- September 29, 2015	3.75		33.00	36.75
Billing # 10 - November 2, 2015	6.00		18.25	24.25
Billing # 11 - December 1, 2015	12.50	1.00	1.50	15.00
<hr/>				
Total Hours: Response to Audit request, Staff's 1st Data Request, OPC Letter, confer with Client	22.25	1.00	52.75	76.00
Billing Rate	\$ 150.00	\$ 108.00	\$ 200.00	
Amount Invoiced	\$ 3,337.50	\$ 108.00	\$ 10,550.00	\$ 13,995.50
<hr/>				
MSA TOTAL AS OF 11/6/2015 - ACTUAL				
Actual Hours	22.25	1.00	52.75	76.00
Actual Fees	\$ 3,337.50	\$ 108.00	\$ 10,550.00	\$ 13,995.50

See attached copy of Invoice #s

42355
 42395
 42435

See Time/Expenses by Project Report attached.

Estimate - Additional Hours through PAA:				
1. Provide support to client - Response to Staff's Data Requests, including updates to rate case expense	5		1	6.00
5. Review Staff Recommendations, testing recommended revenue requirements and resulting rates, including suppression calculations, and discuss with client	4		1	5.00
6. Review PAA Order, testing final approved revenue requirements and resulting final rates, including suppression calculations, and discuss with client	4		1	5.00
<hr/>				
Estimated Hours to Complete	13		3	16
Billing Rate	\$ 150.00	\$ 150.00	\$ 200.00	
Total Estimate to Complete	\$ 1,950.00	\$ 450.00	\$ 600.00	\$ 2,550.00

MSA RATE CASE EXPENSE (from September 2, 2015 - Completion):

MSA Projected Hours from September 2, 2015 - Completion	35.25	1.00	55.75	92.00
Rate	\$ 150.00	\$ 150.00	\$ 200.00	
MSA Projected Rate Case Expense from September 2, 2015 - Completion	\$ 5,287.50	\$ 150.00	\$ 11,150.00	\$ 16,587.50

Milian, Swain & Associates, Inc.
2025 S. W. 32nd Avenue
Miami, Florida 33145
Tel.: 305-441-0123 Fax: 305-441-0688

INVOICE

Invoice No 42355
September 29, 2015
Page 1, Billing #9

Barton W Smith, Esq
Smith Oropeza, P.L.
138-142 Simonton Street
Key West, Florida 33040

For Professional services rendered through September 25, 2015 in connection with application to increase rates (MFR's)

General Rate Case

	Hours	Rate	Amount
Principal			
Deborah Swain	33.00	200.00	6,600.00
Senior Staff Accountant			
Cynthia Yapp	3.75	150.00	562.50
General Rate Case			\$7,162.50

Deficiencies

	Hours	Rate	Amount
Principal			
Deborah Swain	25.75	200.00	5,150.00
Senior Staff Accountant			
Cynthia Yapp	5.75	150.00	862.50
Deficiencies			\$6,012.50

Total Amount Due invoice #42355 \$13,175.00

Aged Receivables:
Invoice #42312-\$16,150.00
Invoice #42174R- \$862.50

Please make check payable to *Milian Swain & Associates, Inc.*

Milian, Swain & Associates, Inc.
2025 S. W. 32nd Avenue
Miami, Florida 33145
Tel.: 305-441-0123 Fax: 305-441-0688

INVOICE

Invoice No 42395
November 2, 2015
Page 1, Billing #10

Barton W Smith, Esq
Smith Oropeza, P.L.
138-142 Simonton Street
Key West, Florida 33040

For Professional services rendered through October 30, 2015 in connection with application to increase rates (MFR's)

General Rate Case

	Hours	Rate	Amount
Principal			
Deborah Swain	18.25	200.00	3,650.00
Senior Staff Accountant			
Cynthia Yapp	6.00	150.00	900.00
General Rate Case			\$4,550.00

Deficiencies

	Hours	Rate	Amount
Principal			
Deborah Swain		200.00	
Senior Staff Accountant			
Cynthia Yapp		150.00	
Deficiencies			\$0.00

Total Amount Due invoice #42395 \$4,550.00

Aged Receivables:
Invoice #42355- \$13,175.00

Please make check payable to *Milian Swain & Associates, Inc.*

Milian, Swain & Associates, Inc.
2025 S. W. 32nd Avenue
Miami, Florida 33145
Tel.: 305-441-0123 Fax: 305-441-0688

INVOICE

Invoice No 42435
December 1, 2015
Page 1, Billing #11

Barton W Smith, Esq
Smith Oropeza, P.L.
138-142 Simonton Street
Key West, Florida 33040

For Professional services rendered through November 27, 2015 in connection with application to increase rates (MFR's)

General Rate Case

	Hours	Rate	Amount
Principal			
Deborah Swain	1.50	200.00	300.00
Staff Engineer			
Gabriel Milian	1.00	108.00	108.00
Senior Staff Accountant			
Cynthia Yapp	12.50	150.00	1,875.00
General Rate Case			\$2,283.00

Deficiencies

	Hours	Rate	Amount
Principal			
Deborah Swain		200.00	
Senior Staff Accountant			
Cynthia Yapp		150.00	
Deficiencies			\$0.00

Total Amount Due invoice #42435 \$2,283.00

Aged Receivables:
Invoice #42355- \$13,175.00
Invoice #42395- \$4,550.00

Please make check payable to *Milian Swain & Associates, Inc.*

Time/Expenses by Project Report

Order Time By: P/E
 Order Expense By: Expense #
 Status: Ready Hold Billed Never Billed

Milian, Swain & Associates
 Project: K08-03
 Period: 09/02/2015 — 11/27/2015

Project	Project Name							SJ Ctrl #	SJ Inv #
Phase/Task/Employee	Employee Name	Dep	Staff	P/E	Work Date	OVT	ST STATE	Hours Worked	Billable Hours
K08-03 KWRU MFRs 2014									
01 General Rate Case									
CY	Cynthia Yapp	FIN	007	09/04/2015	09/04/2015	N	R	1.00	1.00
8/31/2015: Response for Audit Request #29									
9/3/2015: Teleconference w/ FPSC Staff K Thompson									
DS	Deborah Swain	FIN	001	09/04/2015	09/04/2015	N	R	13.00	13.00
Audit									
CY	Cynthia Yapp	FIN	007	09/11/2015	09/11/2015	N	R	0.75	0.75
Provided documentation for Rate Case Expense per data request									
CY	Cynthia Yapp	FIN	007	09/18/2015	09/18/2015	N	R	0.75	0.75
Informal conference call meeting w/Commission staff, OPC, client									
DS	Deborah Swain	FIN	001	09/18/2015	09/18/2015	N	R	9.00	9.00
Audit, data requests									
CY	Cynthia Yapp	FIN	007	09/25/2015	09/25/2015	N	R	1.25	1.25
Review response to Staff's 1st Data request & Audit request # 40									
DS	Deborah Swain	FIN	001	09/25/2015	09/25/2015	N	R	1.00	1.00
OPC letter									
DS	Deborah Swain	FIN	001	09/25/2015	09/25/2015	N	R	10.00	10.00
Audit, telcon C Johnson									
DS	Deborah Swain	FIN	001	10/02/2015	10/02/2015	N	R	4.00	4.00
Audit									
DS	Deborah Swain	FIN	001	10/02/2015	10/02/2015	N	R	2.00	2.00
OPC letter									
DS	Deborah Swain	FIN	001	10/09/2015	10/09/2015	N	R	1.25	1.25
Audit									
GM	Gabriel Milian	ENG	004	10/09/2015	10/09/2015	N	R	1.00	1.00
looking for permit information through oculus, calling maurice barker and barbara skates									
DS	Deborah Swain	FIN	001	10/16/2015	10/16/2015	N	R	1.25	1.25
Project coordination									
CY	Cynthia Yapp	FIN	007	10/23/2015	10/23/2015	N	R	2.75	2.75
10/19/2015 Review Audit Report									
DS	Deborah Swain	FIN	001	10/23/2015	10/23/2015	N	R	2.25	2.25
Audit report - review & discussion									
CY	Cynthia Yapp	FIN	007	10/30/2015	10/30/2015	N	R	3.25	3.25
Review audit report UPIS adjustments									
DS	Deborah Swain	FIN	001	10/30/2015	10/30/2015	N	R	7.50	7.50
Audit Report Review									
CY	Cynthia Yapp	FIN	007	11/06/2015	11/06/2015	N	R	12.50	12.50
Review audit report, draft response for Finding #1									
DS	Deborah Swain	FIN	001	11/06/2015	11/06/2015	N	R	1.50	1.50
Audit report									
Subtotal Task								76.00	76.00
Subtotal Phase 01								76.00	76.00
02 Deficiencies									
CY	Cynthia Yapp	FIN	007	09/11/2015	09/11/2015	N	R	5.75	5.75
Response to E-2 and E-14 deficiencies									
DS	Deborah Swain	FIN	001	09/11/2015	09/11/2015	N	R	8.00	8.00
Audit requests / data requests									
DS	Deborah Swain	FIN	001	09/11/2015	09/11/2015	N	R	14.25	14.25
deficiencies									

Time/Expenses by Project Report

Order Time By: P/E

Milian, Swain & Associates

Page 2

Order Expense By: Expense #

Project: K08-03

Status: Ready Hold Billed Never Billed

Period: 09/02/2015 — 11/27/2015

Project	Project Name							SJ Ctrl #	SJ Inv #	
Phase/Task/Employee	Employee Name	Dep	Staff	P/E	Work Date	OVT	ST STATE	Hours Worked	Billable Hours	
K08-03 KWRU MFRs 2014										
DS	Deborah Swain	FIN	001	09/18/2015	09/18/2015	N	R		3.00	3.00
	<i>Deficiencies</i>									
DS	Deborah Swain	FIN	001	09/25/2015	09/25/2015	N	R		0.50	0.50
	<i>Deficiencies</i>									
								Subtotal Task	31.50	31.50
								Subtotal Phase 02	31.50	31.50
								Total Project K08-03	107.50	107.50

ATTACHMENT "2-9"

Friedman & Friedman

K W Resort Utilities Corp.
 Docket No. 150071-SU
 Friedman & Friedman, P.A.

- Actual Attorney Fees through December 8, 2015 (Invoices Attached or previously provided): \$12,428.00 (Includes \$1,188.00 to correct deficiencies)
- Actual Costs through December 8, 2015 (Invoices Attached or previously provided): \$1,573.58
- Filing Fee: \$4,500.00

ESTIMATE TO COMPLETE RATE CASE THROUGH PAA ORDER

Hours	Description
13.0 hrs.	Travel to and from Key West and attend Customer meeting; Post meeting conference with client
16.0 hrs.	Respond to formal and informal data requests from Staff and OPC and any other discovery requests, and miscellaneous correspondence and telephone conferences with client;
2.5 hrs.	Review Staff recommendation; Conference with client and consultants regarding recommendation; Conference with Staff regarding recommendation.
15.0 hrs.	Travel to and from Tallahassee; Prepare for and attend Agenda conference, discuss Agenda with client and Staff.
1.0 hrs.	Review PAA Order; conference with client and consultants regarding PAA Order.
3.0 hrs.	Prepare revised tariff sheets, obtain Staff approval of tariffs; Draft customer notice, obtain Staff approval; Draft Affidavit of Mailing; Coordinate mailing of customer notices and implementation of tariffs.
50.5 hrs. @ \$360/hr.	\$18,180.00 - TOTAL ESTIMATED ATTORNEYS FEES

Estimate of costs to complete:

\$ 1,400.00 Attend Agenda Conference and Customer meeting; travel/meals/hotel
 \$ 10.00 Estimated photocopier costs
 \$ 1,410.00 TOTAL ESTIMATED AND UNBILLED COSTS

TOTAL ACTUAL AND ESTIMATED LEGAL FEES: \$30,608.00
 TOTAL ACTUAL AND ESTIMATED COSTS: \$2,983.58
 TOTAL ACTUAL FILING FEE: \$4,500.00

Friedman & Friedman, P.A.

766 North Sun Drive, Suite 4030
Lake Mary, Florida 32746
Phone: (407) 830-6331

FILE # 16-448033-4

October 6, 2015

KW Resort Utilities Corp.
6630 Front Street
Key West, FL 33040 USA

Invoice No.: 2242
File No.: 34000.01

PLEASE REFER TO
INVOICE NUMBER WHEN
REMITTING.

Attention: Christopher A. Johnson, President

RE: 2014 TY RATE CASE

Balance Due Now \$3,804.75

FEES

		<u>Hours</u>	<u>Amount</u>
09/02/15	MSF telephone conference with Ms. Thompson of PSC Staff who telephoned; Review response and follow-up telephone conference with Ms. Thompson; Telephone Conference with Ms. Swain and respond to Ms. Thompson	0.40	\$144.00
09/08/15	MSF Begin draft of 1st data request responses; Correspondence from PSC attorney Barrera and letter to Mr. Johnson and others; Review and revise proposed responses	1.60	\$576.00
09/10/15	MSF Correspondence with attorney Smith and Ms. Swains; Review and continue draft of responses to 1st Data Request; Review OPC letter to PSC and letter to Mr. Johnson and others concerning same;	0.90	\$324.00
09/11/15	MSF Continue review, research and draft of responses to 1st data request	0.90	\$324.00

09/12/15	MSF	Continue review, and draft responses to Staff's 1st data request;	0.50	\$180.00
09/14/15	MSF	Finalize and file responses to Staff's 1st Data Request	1.20	\$432.00
09/16/15	MSF	Review correspondence from Ms. Swain and revised Schedules and letter to PSC Clerk concerning same; Review Second Deficiency Letter and letter to Mr. Johnson and others concerning same;	0.40	\$144.00
09/17/15	MSF	Correspondence with attorney Smith, Mr. Seidman and Ms. Swain; Conference call with staff; telephone conference with attorney Smith who telephoned;	1.00	\$360.00
09/18/15	MSF	Correspondence with Mr. Seidman and attorney Smith regarding responses to OPC questions; follow-up correspondence with Mr. Swain and Mr. Seidman	0.30	\$108.00
	MSF	Correspondence with Ms. Swain and review documents in response to second deficiency letter; Correspondence with PSC attorney Barerra; Telephone Conference with attorney Smith who telephoned;	0.40	\$144.00
09/19/15	MSF	Review and comment upon proposed deficiency responses;	0.10	\$36.00
	MSF	Correspondence with Mr. Seidman and Ms. Swain;	0.10	\$36.00
09/21/15	MSF	Review and comment upon responses to Second Deficiencies and correspondence with attorney Smith and Ms. Swain concerning same;	0.20	\$72.00
09/22/15	MSF	Finalize and file responses to Second Deficiencies	0.30	\$108.00
09/25/15	MSF	Review letter from PSC acknowledging Official Filing Date and letter to Mr. Johnson and others concerning same; Follow-up correspondence with attorney Smith	0.20	\$72.00
09/26/15	MSF	Review proposed responses to OPC's "concerns" and	0.20	\$72.00

begin draft of response; Letter to all concerning same;

09/28/15	MSF	Review and incorporate Mr. Seidman's and Ms. Swain's comments to OPC response; Begin draft of Synopsis; Letter to PSC Staff with Synopsis; Review, finalize and file responses to OPC questions.	1.80	\$648.00
		Total Fees	10.50	\$3,780.00

DISBURSEMENTS

	<u>Amount</u>
Photocopies	\$24.75
Total Disbursements	\$24.75
Total Fees & Disbursements	\$3,804.75

Friedman & Friedman, P.A.
766 North Sun Drive, Suite 4030
Lake Mary, Florida 32746
Phone: (407) 830-6331

F.E.I.: 46-4480334

November 4, 2015

KW Resort Utilities Corp.
6630 Front Street
Key West, FL 33040 USA

Invoice No.: 2351
File No.: 34000.01

PLEASE REFER TO
INVOICE NUMBER WHEN
REMITTING.

Attention: Christopher A. Johnson, President

RE: 2014 TY RATE CASE

Balance Due Now **\$1,672.44**

FEES

			<u>Hours</u>	<u>Amount</u>
10/02/15	MSF	Correspondence with PSC attorney Barrera; Draft letter to PSC clerk waiving statutory deadline;	0.20	\$72.00
10/07/15	MSF	Review PSC Docket and letter to Ms. Norris at PSC regarding customer meeting; Telephone Conference with Ms. Norris who telephoned; letter to Mr. Johnson;	0.30	\$108.00
10/15/15	MSF	Review comments from Staff on the Synopsis and revise accordingly; Draft letters to City Manager and County Administrator with Synopsis; Letters to Librarian and Mr. Johnson pursuant to PSC Noticing Rules; Research and draft Customer Meeting Notice; Research and draft Affidavits of Mailing initial Customer Notice and Customer Meeting Notice;	2.30	\$828.00
10/19/15	MSF	Review staff Audit and correspondence concerning same;	0.40	\$144.00

10/20/15	MSF	Review staff revisions to initial customer notice, draft affidavit of mailing and letter to Mr. Johnson concerning same;	0.40	\$144.00
10/28/15	MSF	Telephone Conference with Mr. Maurey who telephoned; Letter to Mr. Johnson; Follow-up correspondence with attorney Smith and Mr. Johnson; Review and comment upon Ms. Swain's proposed audit response	0.40	\$144.00
10/29/15	MSF	Call with attorney Smith and Mr. Johnson; Telephone Conference with Mr. Maurey; Correspondence with Mr. Johnson and Ms. Swain;	0.60	\$216.00
		Total Fees	4.60	\$1,656.00

DISBURSEMENTS

		Amount
10/19/15	UPS-Shipping	\$16.44
	Total Disbursements	\$16.44
	Total Fees & Disbursements	\$1,672.44

Friedman & Friedman, P.A.
766 North Sun Drive, Suite 4030
Lake Mary, Florida 32746
Phone: (407) 830-6331

F.E.L.: 46-4480334

December 2, 2015

KW Resort Utilities Corp.
6630 Front Street
Key West, FL 33040 USA

Invoice No.: 2426
File No.: 34000.01

Attention: Christopher A. Johnson, President

PLEASE REFER TO
INVOICE NUMBER WHEN
REMITTING

RE: 2014 TY RATE CASE

Balance Due Now **\$972.00**

FEES

			<u>Hours</u>	<u>Amount</u>
11/02/15	MSF	Research, draft and file Notice of Filing Affidavit of Mailing Initial Customer Notice	0.20	\$72.00
11/05/15	MSF	Review and comment upon proposed audit responses and comments from others;	0.30	\$108.00
11/06/15	MSF	Letter to Mr. Maurey at PSC regarding customer meeting; Telephone Conference with Ms. Norris who telephoned; Revise Customer Notice and Draft Affidavit of Mailing and letter to Mr. Johnson concerning same;	0.30	\$108.00
11/09/15	MSF	Review Audit responses and letter to PSC Clerk concerning same; Correspondence with Ms. Swain regarding other Audit Findings	0.30	\$108.00
11/16/15	MSF	Review Affidavit of Mailing and Draft and File Notice of Filing same;	0.20	\$72.00

11/17/15	MSF	Telephone Conference with Ms. Norris of PSC Staff who telephoned and draft responses to Audit Findings 2-17 and letter to Mr. Johnson and others concerning same;	0.40	\$144.00
11/23/15	MSF	Telephone Conference with Mr. Johnson regarding upcoming customer meeting;	0.40	\$144.00
11/27/15	MSF	Review Staff's second data request and letter to Mr. Johnson and others concerning same; Follow-up correspondence with attorney Smith;	0.30	\$108.00
11/30/15	MSF	Review BOCC agenda items and emails and telephone Conference with attorney Smith who telephoned;	0.30	\$108.00
		Total Fees	2.70	\$972.00
		Total Fees & Disbursements		\$972.00

ATTACHMENT "2-9"

Smith Oropeza Hawks

K W Resort Utilities Corp.
 Docket No. 150071-SU
Smith Oropeza Hawks, P.L.

- Actual Attorney Fees through November 15, 2015 (Invoices and Report Attached): \$13,536.00
- Actual Costs through November 15, 2015 (Invoices and Report Attached): \$543.62

ESTIMATE TO COMPLETE RATE CASE THROUGH PAA ORDER

<u>Hours</u>	<u>Description</u>
10.0 hrs.	Prepare for and attend meeting with Monroe County regarding its agenda item from staff requesting to intervene and contest rate case
8.0 hrs.	Travel to County Commission meeting; Attend County Commission meeting and discuss with County Commission its agenda item from staff requesting to intervene and contest rate case
2.0 hrs.	Review Staff recommendation; Conference with client and consultants regarding recommendation.
1.0 hrs.	Review PAA Order; conference with client and consultants regarding PAA Order.
20 hrs. @ \$385/hr.	\$7,700.00 – TOTAL ESTIMATED ATTORNEYS FEES

TOTAL ACTUAL AND ESTIMATED LEGAL FEES: \$21,236.00
TOTAL ACTUAL AND ESTIMATED COSTS: \$543.62

Smith | Oropeza | Hawks, PL

138-142 Simonton Street
Key West, FL 33040
(305)296.7227 (305)296.8448
Bart@SmithOropeza.com
www.SmithOropeza.com

Invoice

Invoice #: 9187
Invoice Date: 11/17/2015
Due Date: Due on Receipt

Bill To:
KWRU - Rate Case
Chris Johnson
6630 Front Street
Key West, FL 33040

Item	Date	Description	Hours	Rate	Amount
LR	10/20/2015	Review e-mail messages from BWS; save documents to file.	0.4	120.00	48.00
BWS6	10/28/2015	Review D. Swain analysis of work papers; Emails from and to M. Friedman regarding moving meeting	0.6	385.00	231.00
BWS6	10/29/2015	Conference call with CJ, M. Friedman and D. Swain regarding audit and continuing hearing date	0.6	385.00	231.00
BWS6	11/5/2015	Review response to audit; Email questions on same	0.3	385.00	115.50
LR	11/10/2015	Review e-mail messages from BWS; save documents and e-mail messages to file.	0.6	120.00	72.00

Total \$697.50

Payments/Credits \$0.00

Balance Due \$697.50

Please remit your payments to:
Smith Oropeza Hawks, P.L.
138 Simonton Street, Key West, FL 33040.

Smith | Oropeza | Hawks, PL

138-142 Simonton Street
 Key West, FL 33040
 (305)296.7227 (305)296.8448
 Bart@SmithOropeza.com
 www.SmithOropeza.com

Invoice

Invoice #: 9015
 Invoice Date: 10/16/2015
 Due Date: Due on Receipt

Bill To:

KWRU - Rate Case
 Chris Johnson
 6630 Front Street
 Key West, FL 33040

Item	Date	Description	Hours	Rate	Amount
LR	9/16/2015	Review e-mail messages from BWS and save documents and e-mail messages to file.	0.6	0.00	0.00
BWS6	9/16/2015	Review deficiency letter and attachment; Email M. Friedman regarding same	0.3	385.00	115.50
BWS6	9/17/2015	Attend conference call with PSC regarding rate case; Telephone call with M. Friedman regarding same; Email from and to F. Seidman regarding same	1.3	385.00	500.50
LR	9/17/2015	Review e-mail messages from BWS; save documents and e-mail messages to file.	1.6	0.00	0.00
BWS6	9/18/2015	Draft responses to OPC	1.5	385.00	577.50
LR	9/18/2015	Review e-mail messages from BWS; save documents and e-mail messages to file.	1.3	0.00	0.00
BWS6	9/21/2015	Revise responses to OPC; Multiple correspondence with D. Swain regarding affiliates; Emails from and to F. Seidman regarding used and useful calculations	1.5	385.00	577.50
LR	9/22/2015	Review e-mail messages from BWS; save documents and e-mail messages to file.	1.7	0.00	0.00
BWS6	9/22/2015	Multiple emails from and to team regarding OPC and responses to same; Review revisions to plant in service	0.4	385.00	154.00
BWS6	9/23/2015	Review reconciliation of Weiler invoices; Telephone call with C. Johnson regarding same;	0.5	385.00	192.50
NB3	9/24/2015	Review litigation summary for potential privilege.	0.1	250.00	25.00
BWS6	9/24/2015	Emails from and to client regarding Siemens invoicing	0.1	385.00	38.50

Total

Payments/Credits

Balance Due

Smith | Oropeza | Hawks, PL

138-142 Simonton Street
 Key West, FL 33040
 (305)296.7227 (305)296.8448
 Bart@SmithOropeza.com
 www.SmithOropeza.com

Invoice

Invoice #: 9015
 Invoice Date: 10/16/2015
 Due Date: Due on Receipt

Bill To:
 KWRU - Rate Case
 Chris Johnson
 6630 Front Street
 Key West, FL 33040

Item	Date	Description	Hours	Rate	Amount
LR	9/24/2015	Review e-mail messages from BWS; save documents and e-mail messages to file.	1.2	0.00	0.00
LR	9/24/2015	Review e-mail messages from BWS; save documents and e-mail messages to file.	1.6	0.00	0.00
LR	9/25/2015	Review e-mail messages from BWS; save documents and e-mail messages to file.	0.9	0.00	0.00
LR	9/30/2015	Review e-mail messages from BWS; save documents and e-mail messages to file.	0.8	0.00	0.00
LR	10/2/2015	Review e-mail messages from BWS; save documents and e-mail messages to file.	0.6	0.00	0.00
LR	10/12/2015	Review e-mail messages from BWS; save documents and e-mail messages to file.	0.7	0.00	0.00

Total \$2,181.00

Payments/Credits \$0.00

Balance Due \$2,181.00

Please remit your payments to:
Smith Oropeza Hwaks, P.L.
 138 Simonton Street, Key West, FL 33040.

Smith | Oropeza | Hawks, PL

138-142 Simonton Street
 Key West, FL 33040
 (305)296.7227 (305)296.8448
 Bart@SmithOropeza.com
 www.SmithOropeza.com

Invoice

Invoice #: 8855
 Invoice Date: 9/17/2015
 Due Date: Due on Receipt

Bill To:
 KWRU - Rate Case
 Chris Johnson
 6630 Front Street
 Key West, FL 33040

Item	Date	Description	Hours	Rate	Amount
LR	8/17/2015	Review e-mail messages from BWS re: audit requests and save documents and e-mail messages to file.	1.3	120.00	156.00
ANS	8/17/2015	Telephone conference with Chris Johnson to discuss response to audit request.	0.1	300.00	30.00
BWS6	8/17/2015	Meet with ANS to discuss drafting response to PSC.	0.1	385.00	38.50
ANS	8/18/2015	Review of Audit Request No. 37, the complaint that was filed relative to the matter, and settlement agreement reached to prepare our response to the audit request, and prepare same.	1.2	300.00	360.00
ANS	8/18/2015	Prepare correspondence to Chris Johnson to provide him with the complaint and settlement agreement to respond to Audit Request No. 37.	0.1	300.00	30.00
BWS6	8/18/2015	Review and revise response regarding Monroe County litigation; email to CJ	0.6	385.00	231.00
BWS6	8/20/2015	Review adjustments to 2007 - 2009 to CIAC; Email CJ regarding same	0.3	385.00	115.50
BWS6	8/27/2015	Draft response to audit question 34	0.8	385.00	308.00
BWS6	8/28/2015	Finish drafting response to audit question 34; Emails to and from CJ regarding same	0.7	385.00	269.50
BWS6	9/3/2015	Emails from and to D. Swain regarding KWRU legal for Monroe County Jail; Review file and respond to same; Emails from and to D. Swain regarding confidential information and legal bills	1	385.00	385.00
BWS6	9/4/2015	Email from and to D. Swain regarding documents; Telephone call with CJ regarding same; Emails from and to E. Castle regarding same	0.7	385.00	269.50

Total

Payments/Credits

Balance Due

Smith | Oropeza | Hawks, PL

138-142 Simonton Street

Key West, FL 33040

(305)296.7227 (305)296.8448

Bart@SmithOropeza.com

www.SmithOropeza.com

Invoice

Invoice #: 8855

Invoice Date: 9/17/2015

Due Date: Due on Receipt

Bill To:

KWRU - Rate Case

Chris Johnson

6630 Front Street

Key West, FL 33040

Item	Date	Description	Hours	Rate	Amount
BWS6	9/8/2015	Review legal breakdown for Monroe County funds; Emails from and to D. Swain regarding same; Review items needed for PSC audit request	0.3	385.00	115.50
BWS6	9/10/2015	Review responses to data request; revise responses; Review OPC deficiency letter; Email M. Friedman regarding same	1.4	385.00	539.00
BWS6	9/14/2015	Review response to data request and revise same; Email to M. Friedman	0.5	385.00	192.50
BWS6	9/15/2015	Emails from and to D. Swain, CJ and J. Allen regarding remaining items to be compiled; Provide permit and other information requested	0.4	385.00	154.00

Total \$3,194.00

Payments/Credits \$0.00

Balance Due \$3,194.00

ATTACHMENT "2-10"

KWRU Reclaimed Water Main Replacement as KWGC

Item	Description	Units	QTY	Unit Cost	Extended Cost
	Mobilization	LS	1	\$15,000.00	\$15,000.00
	Bonds & Insurance	LS	1	\$5,950.00	\$5,950.00
	Excavation and removal of existing reclaimed water main	LF	2600	\$25.00	\$65,000.00
	Install 8" C-900 reclaimed water main, bed, backfill and compact	LF	2600	\$55.00	\$143,000.00
	Reclaimed water main pressrue testing	LS	1	\$500.00	\$500.00
	Asphalt cart path restoration	SY	4.6667	\$150.00	\$700.00
	Fairway Restoration, Sod	SY	1011.1	\$25.00	\$25,277.78
	Rough restoration, seed	SY	1011.1	\$3.00	\$3,033.33
Total					\$258,461.11

Assumptions:

1. Trench averages 3.5' wide. Damage to fairway and rough is about 7' wide
2. Cross the cart path twice, sawcut at 3.5' wide, no other damage
3. 50% of trench is in rough, 50% in fairways



January 13, 2016

VIA E-FILING

Carlotta S. Stauffer, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Docket No. 150071-SU – Application for increase in Wastewater rates in Monroe County by K. W. Resort Utilities Corp.
Our File No. 34000.01

Dear Ms. Stauffer:

The following are K.W. Resort Utilities Corp.'s ("Utility" or "KWRU") responses to the Staff's Third Data Request dated December 28, 2015:

I. In response to staff's audit report, the utility disagreed with the removal of several plant additions and maintained that they should have been capitalized. The following items relate to the disagreed upon audit adjustments.

- a. The invoice dated June 6, 2007 shows a charge for a \$110.50 service call. Please explain the reason for this service call and any maintenance performed, and the impact on the useful life of any plant worked on.

Response: This work was performed by an electrical contactor who specializes in generator repair. The work was required to put the asset in working order and the replacements and repairs extended the life of the asset. This invoice was grouped with other invoices as part of a larger generator repair project. Utility records indicate generator repair contractors were on site performing work on the generator in 2007 on June 12, 13, 18, 19 and 20.

- b. The invoice dated December 8, 2006 describes a charge of \$811.19 for debris clean-up for construction. Which construction project or projects were associated with the debris?

Response: The Utility project the expense relates to was the Clay Replacement Project that was put out to bid in the Second Quarter of 2005. There were 3 responsive contractors/bidders and the winning bidder (BRIAN Inc.) mobilized into the Keys in September 2005 and didn't substantially complete the project until December 2006. It was agreed by both parties that the contractor would utilize the WWTP site as a construction yard and that the Utility would be responsible to haul off the construction debris. This arrangement was beneficial to the Utility as it reduced project cost as the contractor didn't

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have to lease yard space nor did they need to guess at how much debris removal there might be. Typically when contractors are unsure about something, like how much debris removal there may be, they tend to pad their bids with high side/worst case bid amounts. The Utility agreed that debris removal is a project cost and by paying direct the Utility only paid for the actual debris removed.

- c. The invoice dated March 6, 2008 shows a charge of \$1,326.50 for a pump lift station. Please describe how this relates to preparing the plant for Advanced Wastewater Treatment (AWT) standards.

Response: This work was performed by Sweetwater Environmental and was not for a "Pump lift station at WWTP" as the invoice states. There isn't a lift station at the WWTP, this work was for the cleaning of the mud well which is where the Utility's polishing filters back wash into. The work was clearly notated in the WWTP Operator's log. The reason the mud well required cleaning was because during the AWT upgrade project a centrifuge was leased. The polymer and centrate process water were returned to the mud well and residual from the centrifuge operation had built up over time. The centrifuge was leased only during the AWT project and therefore the cleanup required as a result of it is directly related to the AWT expansion project of (2008).

- d. Various invoices dated October 17, 2008 through June 5, 2009 show a total of \$27,913.62 spent on Sodium Acetate, Molasses, and Sodium Hydroxide. Please describe the process or processes which used these chemicals. Please also describe the disposition of any remaining chemicals once the testing period ended.

Response: In 2008, during testing of the AWT process, Sodium Acetate and Molasses were considered for the Utility's carbon augmentation. The following article gives an overview of carbon and how it is used in the nutrient removal process. Keep in mind the article below only uses 5 mg/L as a Total Nitrogen (TN) target but Advanced Waste Treatment (AWT) which the Utility must meet by State Law is a maximum of 3 mg/L Total Nitrogen TN. The difference between a 5mg/L and 3mg/L TN is quite significant.

Biological nutrient removal with carbon augmentation

Performance of a Biological Nutrient Removal (BNR) system is strongly affected by the characteristics of the wastewater influent to each zone of the processes. Neither biological nitrogen removal nor EBPR can be accomplished without sufficient biodegradable organic substrate. Carbon augmentation is needed when there is insufficient carbon available to achieve complete denitrification. This is normally the case when low levels of Total Nitrogen (TN), e.g., < 5 mg/L, are required in the treated effluent. For typical medium-strength municipal wastewater, readily biodegradable COD (rbCOD, which is typically 1.6 times BOD), TN and Total Phosphorus (TP) are 300, 40, and 7 mg/L, respectively.

Based on rbCOD/N of 5.8 and rbCOD/P of 25 required for denitrification and EBPR, theoretically 365 mg rbCOD/L is required to achieve TN of 5 mg/L and TP of 0.5 mg/L, respectively. This results in a shortfall of rbCOD, so addition of an external carbon source is required. In a wastewater treatment facility, a considerable portion of influent rbCOD is utilized through aerobic respiration. This means just a portion of the 300 mg rbCOD/L is practically available for denitrification and EBPR processes.

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The choice of a carbon source can have profound implications, not just on the efficacy of nutrient removal but also on plant and personnel safety, sludge yields, aeration adequacy, environmental sustainability, overall effluent quality and other factors. Recent studies also indicate that different carbon sources could have differing effects on nitrogen and phosphorus removal, even in the same treatment process.

Soluble and readily degradable substrates support the highest rate of denitrification. Methanol has been the most widely used external carbon source. But it often requires an adaption period of up to seven months before denitrification rates significantly increase, due to low growth rates of methylotrophs. The flammability, safety concerns and price fluctuations for methanol have limited its use for wastewater treatment.

Agriculturally derived carbon sources such as molasses, glycerol, corn syrup, sucrose and MicroC™, tend to have more predictable and less volatile price profiles.

Recently, glycerin has drawn significant attention as an alternative to alcohols (methanol and ethanol) for denitrification application and acetate for enhanced biological phosphorus removal. It is safer, noncorrosive and nonflammable. Its price, biodegradability, high COD value and ability to promote nutrient removal behaviour are all advantages that make this supplemental carbon source a viable alternative. In addition, glycerin's abundance in nature has led to microbial adaptations for its uptake and use as a source of carbon and energy. End of reference.

Presently, the Utility has found that the most cost effective carbon source is *MicroC™*

Sodium Hydroxide is used to adjust and control the pH of the treatment process. Sodium Hydroxide is used as a source of alkalinity and this is fed into the aeration basin at the very beginning of the treatment process to control pH. Proper pH control is vital to the biological activity within the wastewater treatment process. Without a source of alkalinity a wastewater treatment plant operator can't effectively control the pH of the treatment process which is not practical with today's water quality standards (AWT). Operator's must have this ability in their toolbox.

Testing was run until all chemicals were exhausted.

- e. The invoice dated August 20, 2007 billed Key West Golf Club \$1,008 for repairing a backhoe that was damaged while employees of Keys Environmental, Inc. (KEI) were using it. Please explain why the utility should be responsible for the cost of the repair.

Response: The Utility asset was damaged (the forks) from normal wear and tear. Forks scrape on the ground when they move under the things that they are lifting so the protective paint coating wears off and leaves bare metal which oxidizes. When the forks get rust they weaken and then are prone to fail as they can no longer lift their rated loads. KEI was using the backhoe that was provided by the Utility to carry out utility work, and in the course of doing the work the rusty fork failed. Backhoes are complicated machines, with multiple sets of controls, hydraulics, etc. and equipment such as backhoes often require periodic repair as a result of wear and tear from normal use and being out in the elements in a salt water environment. The Utility provided the asset as a tool to be used by the contract operator only for Utility business and the asset and it's upkeep was to be the owners/Utility's

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responsibility. Since the Utility didn't have a diesel mechanic on staff or an account set up with Nortrax the parts were ordered by the diesel mechanic of the Key West Golf Club and the repair parts for the asset was billed and paid for directly by the Utility at cost.

2. Please provide any additional invoices or bids, excluding those provided in staff's second data request, documenting pro forma plant additions not reflected in Audit Finding No. 2.

Response: See Attachment "3-2".

3. In both the original and revised estimate of the pro forma plant expansion project, the utility included \$156,000 for CEI with the notation "mostly in-house." However, in response to staff's first data request, Item 13g, the utility stated that employees are not involved in the pro forma plant additions. It also described the extent of oversight on capital expenditures provided by Green Fairways and Chris Johnson as part of their normal responsibilities. Please clarify who is providing this service and how the utility estimated this expenditure.

Response: The notation "mostly in-house" referred to the Utility's Engineer (Weiler Engineering Corp.) as opposed to hiring a consultant or outsourcing the work to another engineering firm who would assign a project engineer to the Expansion Project. \$156,000 represents 3.3% of the total project cost (project cost based on the low bid from Overholt Construction of \$4,660,284 provided in PSC Data Request #2.) CEI of 3.3% is well within the normal range for projects installing facilities with higher than average design difficulty (i.e. wastewater treatment plants). See Attachment "3-3".

The Utility began operations at its current site in 1983. Since the plant was built, the Utility has had 2 expansions; a west plant was constructed in 1995 and the plants were upgraded to Advanced Waste Treatment (AWT) in 2008. In 33 years there have been 2 major plant expansions this works out to one every 16 years. To assert that Green Fairways is responsible to provide construction inspection and engineering on a project of this scale is not reasonable. The context of the response was annual expenditure oversight which is completely different than a major \$4.9 - \$5.1M Utility expansion project.

The President of the Utility, Chris Johnson, actively manages the Utility's day to day activities, serves as a scheduled weekend operator the WWTP utilizing his class A WWTP license, and is on call 24hrs/day for 7 consecutive days per month. Mr. Johnson works 45 hours on average Monday to Friday and then works on call and as plant operator as well. Mr. Johnson is very much involved in normal capital expenditure decisions. Clearly the .849 MGD expansion project is a major event in the 33 year history of the Utility and not something that would be part of Mr. Johnson's day to day duties. The project will require construction engineering and inspection by qualified individuals and the Utility does not carry this kind of staffing as part of normal operations.

4. In the utility's response to Audit Request No. 7, it provided two contracts from Charley Toppino & Sons, dated February 12, 2015, for concrete slab work in the amount of \$32,250. One was modified to replace the original contract, but both were unsigned. Please provide an executed copy of this contract.

Response: See Attachment "3-4"

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5. In its response to staff's second data request, Item 2a, the utility stated that it calculated the test year increase to contractual services-accounting by estimating one additional hour of work at \$250 for 49.5 weeks due to the increase in transactions. The following items relate to the utility's response.

a. Given that the additional transactions fall within the scope of the professional services rendered by Mr. Allen for \$525 month, per his engagement letter, why is it reasonable to apply an additional hourly rate, which is nearly half of his monthly fee?

Response: The current monthly fee of \$525 is based on an estimated two hours of work plus an additional \$25 per month to cover additional minor inquiries and preparation of the semi-annual RAF. The Utility believes that it is reasonable to estimate that future additional accounting work may require an additional hour of Mr. Allen's time per month.

b. Has the utility attempted to get an estimate of an updated monthly fee that would cover the additional volume of transactions? If so, what is the estimate?

Response: Yes, the utility has had discussions with Mr. Allen regarding an updated monthly fees estimate to cover the additional volume of transactions. Mr. Allen feels the additional \$250 is reasonable based on his knowledge of the business and what we are telling him, but until the amount of work is known he is unable to provide an estimate better than the additional hour of work per month at \$250.

6. The following items relate to Attachment 13c, which was provided by the utility in its response to staff's first data request.

a. Please provide the hourly rate for all hourly employees in the test year, including those that resigned or were terminated.

Response: See Attachment "3-6a".

b. Aside from Pat Coats, were all employees represented in test year salaries and wages expense considered full-time?

Response: Yes.

c. The Schedule of KWRU Operations Group indicates that eight employees worked overtime in the test year. Please provide a breakdown of the overtime for each employee that includes the hours along with the overtime rate.

Response: See Attachment "3-6c".

d. The field employee positions indicate that two of the three positions left vacant in the test year (Bellino, Grassi, and Roberts) were filled with replacements in the test year. Has the Operator Trainee position, left vacant by Mr. Eddie Roberts, been filled? If not, when does the utility plan to fill the vacancy?

Response: Mr. Grassi and Mr. Roberts, and Mr. Bellino were hired by a competing wastewater utilities (Florida Keys Aqueduct Authority and City of Marathon Wastewater). 2 new hires; Keith Waddell (hire date 5/12/2014) and Sean Bindranouth (hire date

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7/28/2014). It should be noted that the Utility hired Bobby Bellino as a mechanic but while he worked at the Utility he became a licensed Wastewater Plant Operator. This illustrates how competitive it is to hire WWTP Operators in the Keys. The Utility hired a part time operator, Glenn Miller (Class B WWTP Operator) on 4/14/2015 as he could only work part time as he was the contract operator for the US Navy wastewater plant at the time. Mr. Miller's contract with the US Navy ended and he then became a full time employee on 7/7/2015. Mr. Miller resigned 10/29/2015 for health reasons as he has undergone a series of brain surgeries. The Utility is currently seeking an operator but it should be noted every wastewater entity in the Keys is currently hiring operators and actively advertising. It should also be noted that as of January 1, 2016 the Utility is required by DEP Permit to have an Operator on both Saturday and Sunday. Prior to this the DEP only required a licensed operator on one weekend day.

- e. Please explain why the list of the utility's fleet vehicles includes two trucks assigned to individuals not included as employees in the test year.

Response: The Red F-150 was mainly utilized by Ted Yarbro in 2014 but was being used by John Welsh in 2015 (John Welsh was the name included – which was a scrivener's error.) The white Dodge Ram was purchased in 2015 and used by an employee hired in 2015 – this addition was also a scrivener's error.

7. The utility stated that all pro forma salaries were compared and found to be in the range of salaries for other Florida Keys Utilities. Please provide this analysis along with the sources utilized.

Response: The utility will file this with its supplemental responses on January 18, 2016.

8. In its response to staff's second data request, Item 3a, the utility referenced a pro forma salary increase of four additional employees totaling \$194,000 which is \$38,004 greater than the pro forma increase of \$155,996 on line 32 of MFR Schedule B-3, as well as all documentation previously provided to staff. The following items relate to the utility's response.

- a. Has the utility's requested pro forma increases to pensions and benefits of \$42,762 and workman's comp insurance of \$25,555 on lines 33 and 42, respectively, of MFR Schedule B-3 also changed? Please provide the basis for both estimated increases that includes the components and sources of the utility's calculation.

Response: The utility will file this with its supplemental responses on January 18, 2016.

- b. Is the Admin Assistant position proposed in the 2016 pro forma budget a replacement of the Accounting and Administrative Specialist position left vacant in the test year? If not, please explain why this incremental new position is necessary.

Response: The utility will file this with its supplemental responses on January 18, 2016.

9. In the utility's response to staff's second data request, Item 3c, the utility provided basic reasons to support the pro forma increase to contractual services-engineering, contractual services-other, and miscellaneous expenses. However, the utility did not provide work papers to support how the adjustments were estimated. With the exception of the amortized legal fees, please provide a basis

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for each estimated increase that includes the components and sources of the utility's calculation for each of these three accounts.

Response: The utility will file this with its supplemental responses on January 18, 2016..

10. In its response to staff's second data request, Item 4a, the utility provided a schedule of additional legal fees associated with the Last Stand litigation in the amount of \$6,638. Please provide support documentation (i.e. invoices and description of work performed) for this additional amount. In addition, please provide support documentation for all legal fees associated with the litigation.

Response: See Attachment "3-10". All legal fee documentation has been provided to PSC audit staff and labeled as attorney-client privileged and is confidential as the case is still on-going. Until such time as the case is final, this information is deemed attorney-client privileged and is confidential.

11. Did the utility expense any legal fees associated with the Last Stand litigation in 2014? If so, please provide the specific amount expensed along with support documentation.

Response: No, the utility did not expense any legal fees associated with the Last Stand litigation in 2014. All legal fee supporting documentation has been provided to PSC audit staff and labeled as attorney-client privileged and is confidential as the case is still on-going. Until such time as the case is final, this information is deemed attorney-client privileged and is confidential.

12. The utility's response to staff's second data request, Item 6b, states that Mr. Johnson is not involved in the daily operations of Keys Environmental, Inc. (KEI). The utility also stated in Item 11a that 100 percent of KEI's labor is provided by the utility. Please explain how KEI processes a request for its services and, in turn, coordinates its need for labor with the utility. Specifically, please explain and demonstrate how Mr. Johnson is not being compensated by the utility for services provided to both the utility and KEI.

Response: The utility will file this with its supplemental responses on January 18, 2016.

13. Since the last rate case and restructuring of utility operations, KEI's rental of the utility's on-site trailer has decreased to \$1,200 annually. Aside from the shared office space, does the utility also share office resources such as a computer, printer/copier, office supplies, a landline phone, etc.? If so, please explain and demonstrate how the utility allocates shared overhead.

Response: No, the Utility does not share office resources, Keys Environmental has its own 24-hour answering service, computer and printer and runs different accounting software from that of the Utility. KEI maintains all of their own stationary, postage stamps, and office supplies.

14. Does Mr. Johnson maintain a separate cell phone for business related to KEI?

Response: Yes KEI maintains a separate account of their own for Mr. Johnson's cell phone.

15. Has the utility made regular payments of principal and interest on its loan from its parent company? If so, please document how much has been paid toward this loan over the past three years.

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Response: No, this is an interest only loan.

Current balance is \$852,903.05

Interest due on loan 2330100 paid to WS Utility:

August 2013 to December 2015: Total paid was \$123,671.08 (at \$4,264.52 a month.)

January to July 2013: Total paid was \$35,188.85 (at \$4,955.57 a month.)

Principal was reduced by payments to WS Utility on the following dates:

December 31, 2009 - \$95,658.18

December 28, 2012 - \$100,000.00

June 30, 2013 - \$37,096.95

16. In response to staff's first data request, Item 15, the utility provided invoices for accounting services provided by Mr. Jeffrey Allen to be included in rate case expense. The specific hours and fees associated with the current rate case are noted on each invoice. For each of the following months, please explain how the work performed pertains to the current rate case:

- a. February 2015

Response: The \$1,125 of expense on Jeffery E. Allen Invoice 219429 was for work done to aid in the restatement of prior year's Annual Reports. This work is integral to the current rate case as the restatement work is of a nature where corrections carry forward therefore the records are part and parcel to the current rate case.

- b. March 2015

Response: The \$1,750 of expense on Jeffery E. Allen Invoice 219579 is for the accounting work to synch the Utility's internal books with the changes made during the restatement of the Utility's Annual Reports. This work is integral to the current rate case as the restatement work requires adjustment of internal books which may be examined during the current rate case.

- c. July 2015

Response: The \$1,000 of expense on Jeffery E. Allen Invoice 219579 is for the accounting work to provide accounting information required by Millian Swain for their work the restatement of prior year's Annual Reports. This work is integral to the current rate case as the restatement of prior year's annual reports requires source information from the Utility's records and accounting systems.

17. The following items relate to legal services included in rate case expense.

- a. Please provide a distinction between the legal services provided by Mr. Friedman and Mr. Smith on this current rate case. Specifically, please justify the need for additional counsel from a different firm and explain how the services are not duplicative.

Response: Mr. Friedman is acting as counsel for KWRU before the Public Service Commission.

Mr. Smith's firm has represented KWRU for over 5 years and has in depth familiarity with the on-going operations and legal issues of the Utility. During this rate case, a focal point has been the Last Stand litigation and its effect on the plant expansion, used and useful of the prospective new plant subject to the Last Stand litigation, capacity of the existing plant, requirements of conversion to Advanced Wastewater Treatment standards, reconciliation of records with Monroe County as to the South Stock Island line extension, allocation of expenditures from the Monroe County jail PSC action, and other matters.

Mr. Smith has provided his legal assistance to KWRU in regards to inquiries into the Last Stand litigation and his analysis of the case as requested by PSC staff. Mr. Friedman was not involved in this case.

The Last Stand litigation is the appeal of the major modification to KWRU's operating permit to construct the additional .350 MGD plant. Numerous questions have been inquired as to the size of the plant as compared to KWRU's position that it should be considered 100% used and useful, including current legal issues with DEP issuing dry lines, KWRU no longer capable of agreeing to execute capacity reservation agreements, and the general status of the plant's capacity. Mr. Smith has provided legal assistance in responding to these inquiries by the PSC auditors, PSC staff and OPC.

In fact, at the customer meeting, several customers brought up that they believed KWRU was only operating at 168,383 gpd, including OPC's counsel. Mr. Smith was able to correct this misunderstanding after the meeting by advising that it was not 168,383 gpd, but 168,383,000 gallons per year that were treated in 2014, equaling to 461,323 gpd. Mr. Smith has significant understanding of the projected wastewater flows and the current capacity of the plant based on his representation of the Utility on an on-going basis.

Mr. Smith's representation has also dealt with ensuring compliance with the Advance Wastewater Treatment deadline which equates to over 50% of the rate case expenditures. Mr. Smith has assisted in responding to questions regarding AWT. KWRU has engaged Mr. Smith in PSC inquiries into AWT compliance.

Mr. Smith was counsel for KWRU on the complaint filed with the PSC involving Monroe County's payments for additional capacity at the Monroe County jail and other issues regarding contracts with Monroe County. Mr. Smith utilized this knowledge to lower costs in responding to both PSC staff and PSC audit questions regarding the substance of the matter, status of matter and allocations of costs from this matter. Mr. Friedman was not involved in this case and would have been more costly to respond to these inquiries.

More recently, Monroe County contemplated moving to intervene in the current matter and put forth an agenda item regarding same. Monroe County is KWRU's largest customer equaling approximately 12% of total revenues. Mr. Smith assisted KWRU in presenting information as to the purpose of the rate case and provided information regarding the necessity of the rate increase, including meeting with Monroe County staff, which resulted in Monroe County not moving forward with an unnecessary and potentially more costly

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intervention. Mr. Friedman does not reside in Monroe County and this expenditure would have been significantly higher had Mr. Smith not represented KWRU in this regard.

Mr. Friedman will be attending the Agenda Conference. Mr. Smith will not be attending the Agenda Conference unless requested by PSC staff.

There are numerous parts of this process which are more suited to counsel located in the service area than PSC counsel located outside the service area. In order to ensure the lowest cost for legal representation, KWRU has utilized local counsel and PSC counsel to ensure these matters are responded to by the lowest cost legal counsel.

- b. Mr. Smith's first invoice, dated January 16, 2015, is comprised of rate case activity in conjunction with other consultants. According to the support documentation of the other consultants, they did not start working on the case until the end of the month. Please explain the work Mr. Smith billed for on that invoice.

Response: In 2014, Mr. Smith first discovered errors in the financial accounting of the former consultants of KWRU and reviewed the annual reports to confirm his suspicion was correct. Upon determining potential issues with the financial accounting, Mr. Smith worked with KWRU to determine what the errors were, and to what extent they effected the records of KWRU. Many of the issues dealt with the South Stock Island expansion that was paid for by Monroe County and which KWRU then remitted a portion of the capacity reservation fees back to Monroe County as repayment of an advance for construction. These fees were not properly recorded by either KWRU's outside financial nor were they reported. More importantly, approximately 800 customers were assessed directly by Monroe County for amounts due to KWRU, which Monroe County did not report the assessment to KWRU, leading to the reduction in the advance in construction not being recorded on the financial statements of KWRU. Mr. Smith worked with Monroe County to determine the customers that had been connected but were not assessed on tax rolls prior to and after Milian Swain was engaged to correct the books. These phone calls identified in 2015 were after Milian Swain had worked on the books and evidence the switch from resolving the records to beginning rate case preparation. Attorney Smith's call to Mr. Seidman was regarding his engagement in the rate case and involved his retention including discussing the rate case and Last Stand matter as it applied to used and useful calculations and the current dry line status of permit connections.

18. Please provide an update of actual and estimated rate case expense along with any necessary supporting documentation (i.e. invoices or receipts). In addition, please provide a detailed explanation and calculations to justify estimated expense to completion.

Response: See Attachment "3-18".

19. With respect to O&M expenses associated with AWT, please provide the amount of O&M expenses associated with the existing facilities and the incremental amount of O&M expenses related to the 350k gallon tank expansion and new wells.

Response: The utility will file this with its supplemental responses on January 18, 2016.