

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in wastewater
rates in Monroe County by K W Resort Utilities
Corp.

Docket No. 20170141-SU

Filed: March 14, 2018

DIRECT TESTIMONY AND EXHIBITS

OF

HELMUTH W. SCHULTZ, III

ON BEHALF OF THE CITIZENS

OF THE STATE OF FLORIDA

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	KWRU REQUESTED REVENUE INCREASE.....	3
III.	ORGANIZATION OF TESTIMONY	3
IV.	OVERALL FINANCIAL SUMMARY	4
V.	RATE BASE.....	5
	Working Capital.....	5
	Service Truck with Crane	9
	Cherrington Sand Sifter	10
	New Office Building.....	10
	Accumulated Depreciation.....	14
	Retirements	16
VI.	NET OPERATING INCOME	18
	Replacement Phone System.....	18
	Salaries and Wages – Employees	20
	Officers Compensation	25
	Pension Plan.....	26
	Bad Debts.....	27
	Hurricane Expenses	28
	Dues	32
	Advertising Expense	33
	Materials and Supplies.....	35
	Contractual Services – Engineering.....	36
	Insurance – Workman’s Compensation.....	38
	Non-Utility Expenses.....	39
	Rental of Equipment	39
	Employee Training Expense	41
	Benefit Expense	42
	Payroll Tax Expense	42
	Rate Case Expense.....	43
VII.	CAPITAL STRUCTURE.....	44
VIII.	SUMMARY	44

1 **DIRECT TESTIMONY AND EXHIBITS**

2 **OF**

3 **Helmuth W. Schultz, III**

4 On Behalf of the Office of Public Counsel

5 Before the

6 Florida Public Service Commission

7 Docket No. 20170141-SU

8

9

I. INTRODUCTION

10

11 **Q. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS.**

12

A. My name is Helmuth W. Schultz, III. I am a Certified Public Accountant licensed in the State of Michigan and a senior regulatory consultant at the firm Larkin & Associates, PLLC, (“Larkin”) Certified Public Accountants, with offices at 15728 Farmington Road, Livonia, Michigan, 48154.

13

14

15

16

17

Q. PLEASE DESCRIBE THE FIRM LARKIN & ASSOCIATES, PLLC.

18

A. Larkin & Associates, PLLC, is a Certified Public Accounting and Regulatory Consulting Firm. The firm performs independent regulatory consulting primarily for public service/utility commission staffs and consumer interest groups (public counsels, public advocates, consumer counsels, attorneys general, etc.). Larkin has extensive experience in the utility regulatory field as expert witnesses in over 800 regulatory proceedings, including numerous electric, water and wastewater, gas and telephone utility cases.

19

20

21

22

23

1 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE FLORIDA PUBLIC**
2 **SERVICE COMMISSION?**

3 A. Yes, I have previously testified before the Florida Public Service Commission (“FPSC” or
4 “Commission”).

5

6 **Q. HAVE YOU PREPARED AN APPENDIX DESCRIBING YOUR**
7 **QUALIFICATIONS AND EXPERIENCE?**

8 A. Yes. I have attached an Appendix which is a summary of my regulatory experience and
9 qualifications. In addition, I have attached Exhibit HWS-1, which contains my schedules,
10 and Exhibit HWS-2, which is a composite exhibit containing discovery responses and other
11 documents I reference in my testimony.

12

13 **Q. ON WHOSE BEHALF ARE YOU APPEARING?**

14 A. Larkin was retained by the Florida Office of Public Counsel (“OPC” or “Citizens”) to
15 review the rate request of K W Resort Utilities Corp. (“KWRU” or “Company”).
16 Accordingly, I am appearing on behalf of the OPC of the State of Florida.

17

18 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

19 A. I am presenting OPC's overall recommended revenue requirement in this case. I also
20 sponsor most of the OPC's recommended adjustments to the Company's proposed rate base
21 and operating income.

22

23 **Q. ARE YOU INCORPORATING ANY RECOMMENDATIONS OF OTHER OPC**
24 **WITNESSES?**

1 A. Yes. Andrew Woodcock has made recommendations regarding KWRU's requested pro
2 forma plant additions that I am incorporating into my testimony.

3

4 **II. KWRU REQUESTED REVENUE INCREASE**

5

6 **Q. PLEASE DESCRIBE THE COMPANY'S REQUESTED INCREASE IN**
7 **REVENUES.**

8 A. The Company initially proposed a revenue increase of \$1,349,690 which is a 57.9%
9 increase on its current rates (Company Schedule B-2). MFR revisions filed on December
10 12, 2017 and December 13, 2017 continued to reflect an increase of \$1,349,690. On
11 February 19, 2018, the Company submitted a third¹, revised Schedule B-8 that reflected a
12 reduction to Operations and Maintenance ("O&M") expenses from \$2,533,058 to
13 \$2,520,930. I am not aware of a subsequent filing of Schedule B-2 to reflect this change
14 and the impact to the Company's requested revenue increases.

15

16 **III. ORGANIZATION OF TESTIMONY**

17

18 **Q. HOW WILL YOUR TESTIMONY BE ORGANIZED?**

19 A. In Section IV, I present the overall financial summary for the base rate change, showing
20 the revenue requirement decrease for the test year ended June 30, 2017 as recommended
21 by OPC. In Section V, I discuss my proposed adjustments to rate base. In section VI I
22 discuss my adjustments to operating income. In Section VII, I discuss the capital structure.
23 Exhibit HWS-1 presents the schedules and calculations in support of the test year ended
24 June 30, 2017 revenue requirement. Exhibit HWS-2 is a compilation of discovery
25 responses referenced in my testimony.

¹ The page submitted in Document No. 01510-2018 indicated Second Revised; it is the third revision submitted by KWRU.

1 **IV. OVERALL FINANCIAL SUMMARY**

2

3 **Q. WHAT IS THE JUNE 30, 2017 BASE RATE REVENUE REQUIREMENT**
4 **DEFICIENCY OR EXCESS FOR KWRU?**

5 A. As shown on Exhibit HWS-1, Schedule C-1, Line 11, the OPC's appropriate adjustments
6 in this case result in a recommended revenue increase for KWRU for the June 30, 2017
7 test year of approximately \$701,267. This is \$648,423 less than the base rate revenue
8 increase of \$1,349,960 million requested by KWRU in its filing.

9

10 **Q. PLEASE DISCUSS THE EXHIBIT YOU PREPARED IN SUPPORT OF YOUR**
11 **TESTIMONY AS IT PERTAINS TO THE JUNE 30 2017 TEST YEAR.**

12 A. Exhibit HWS-1, consists of Schedules A, A-1, B, B-1 through B-6, C-1 through C-16,
13 and D.

14

15 **Q. WHAT IS SHOWN ON SCHEDULE A?**

16 A. Schedule A presents the revenue deficiency for the June 30, 2017 test-year, giving effect
17 to all of the adjustments I am recommending in this testimony, along with the impacts of
18 the recommendations made by OPC witness Andrew Woodcock.

19

20 **Q. WHAT IS SHOWN ON SCHEDULE B?**

21 A. Schedule B presents OPC's adjusted rate base and identifies the adjustments impacting rate
22 base that are recommended by OPC witnesses in this case. Schedules B-1 through B-6
23 provide supporting calculations for these adjustments.

1 **Q. WHAT IS SHOWN ON SCHEDULE C-1?**

2 A. OPC's adjusted net operating income is shown on Schedule C-1, page 1. The adjustments
3 to net operating income are listed on Schedule C-1, page 2. Schedules C-2 through C-16
4 provide supporting calculations for these adjustments.

5

6 **Q. WHAT IS SHOWN ON SCHEDULE D?**

7 A. Schedule D presents OPC's recommended capital structure and overall rate of return.

8

9 **Q. WOULD YOU PLEASE DISCUSS EACH OF YOUR SPONSORED**
10 **ADJUSTMENTS TO KWRU'S FILING?**

11 A. Yes, I will address each adjustment I am sponsoring below.

12

13 **V. RATE BASE**

14 Working Capital

15 **Q. WHAT IS THE CASH BALANCE PORTION OF THE COMPANY'S REQUEST**
16 **FOR WORKING CAPITAL?**

17 A. The Company has included a cash balance of \$911,826 in working capital. This is 25% of
18 its annual requested revenue requirement and represents a significant and excessive
19 increase of \$593,848 over the amount approved in the Company's most recent rate case.

20

21 **Q. WHY IS IT INAPPROPRIATE TO HAVE AN EXCESSIVE AMOUNT OF CASH**
22 **IN WORKING CAPITAL?**

23 A. If KWRU has accumulated a significant amount of cash that is not readily needed to operate
24 the Company on a daily basis, it should find alternative uses for that cash. It could invest
25 that cash in an interest-bearing account, pay off debt, or use that money for business

1 purposes. A well-run company would not include almost a million dollars in a non-interest-
2 bearing cash account.

3

4 **Q. DID THIS ISSUE ARISE IN KWRU'S PRIOR RATE CASE?**

5 A. Yes. In the prior case, Docket No. 20150071-SU, the Company requested a cash balance
6 of \$877,289 in working capital. This was an increase of \$666,869 over the amount allowed
7 in the Company's previous case. This large increase was rejected by the Commission as
8 indicated on page 32 of Order No. PSC-17-0091-FOF-SU in Docket No. 20150071-SU
9 issued March 13, 2017:

10 In its filing, KWRU's working capital allowance included cash of \$877,289.
11 OPC witness Merchant testified that the requested test year cash balance
12 was excessive and represented an anomaly for the Utility. She specifically
13 cited comparisons to the cash balance approved in KWRU's last rate case,
14 which was \$666,869 lower, and the cash balance reflected in its 2015
15 Annual Report, which was \$515,752 lower. Witness Merchant asserted that
16 building a major plant expansion did not support the need for such a large
17 balance of cash. The 13-month average cash balance based on available
18 data from 2016 during the time frame of activity on the pro forma plant
19 expansion is \$317,978. We believe this balance is more reflective of
20 ongoing Utility operations and cash shall be decreased by \$559,311.

21

22 As you can see, the Commission rejected KWRU'S requested increase of \$666,869 to the
23 cash balance in working capital in 2017 as excessive. In the current docket, the Company
24 is now requesting a substantial increase of \$593,848, which is again not supported and
25 should be rejected. The cash balance in working capital should be held to the amount
26 approved by the Commission less than a year ago in 2017.

27

28 **Q. HAS THE COMMISSION MADE OTHER ADJUSTMENTS TO THE CASH**
29 **BALANCE PORTION OF WORKING CAPITAL IN OTHER CASES?**

30 A. Yes, it has. In a rate case in Charlotte County, the Commission addressed the fact that the
31 utility included a large cash balance in its working capital calculation. The Commission

1 stated that the utility had not sufficiently demonstrated the need for the large cash balance
2 in an account that was not earning interest. The Commission found that an amount equal
3 to 4 percent of the utility's total revenues is sufficient for the utility to meet its financial
4 obligations.² Applying this same methodology for KWRU would result in a cash balance
5 of \$147,289, based on the Company's requested revenue requirement.

6

7 **Q. WHAT IS YOUR ADJUSTMENT TO THE CASH BALANCE PORTION OF**
8 **WORKING CAPITAL?**

9 A. While the cash balance could be reduced as low as \$147,289, I believe that it is reasonable
10 in this case to default to the amount approved by the Commission in the most recent rate
11 case for KWRU and to hold the balance to the previous amount of \$317,978. This reflects
12 a reduction of \$593,848 to the Company's request.

13

14 **Q. ARE THERE ANY ADDITIONAL WORKING CAPITAL ADJUSTMENTS?**

15 A. Yes, there are. I recommend excluding what is identified as special deposits (FPSC Escrow
16 Accounts) because I understand these are ratepayer funds in escrow and they are earning
17 interest. Therefore, ratepayers should not be required to pay a return on these funds. An
18 adjustment of \$281,123 should be made.

19

20 **Q. DO YOU HAVE ANOTHER ADJUSTMENT TO WORKING CAPITAL?**

21 A. Yes, I believe that the Company has overstated the average balance for deferred rate case
22 expense for the last rate case. In Commission Order No. PSC-2017-0091-FOF-SU, the
23 Commission allowed rate case expense in the amount of \$430,828. However, the 13-month

² See Order No. PSC-96-0663-FOF-WS, issued May 13, 1996, in Docket No. 19950336-WS, In re: Application for rate increase in Charlotte County by Rotonda West Utility Corporation.

1 average for rate case expense as shown on Schedule A-18 Page 2 of 2 includes amounts
 2 that exceed this amount. The 13-month average should not include any amounts exceeding
 3 the Commission's previously allowed expense. The chart below shows where I have
 4 capped the monthly amounts and the correct balance. This results in a decrease to working
 5 capital allowance of \$29,055.

6

2015 Deferred Rate Case Expense			
	MFR Schedule A-18	OPC Balance	
June 2016	318,000	318,000	
July 2016	349,888	349,888	
August 2016	383,326	383,326	
September 2016	414,370	414,370	
October 2016	492,439	430,828	
November 2016	550,115	430,828	
December 2016	430,828	430,828	
January 2017	432,728	430,828	
February 2017	444,417	430,828	
March 2017	478,600	430,828	
April 2017	484,129	430,828	
May 2017	484,339	421,852	
June 2017	430,828	413,064	
	438,001	408,946	(29,055)
Order No. PSC-2017-0091-FOF-SU issued March 13, 2017			
Order capped rate case expense at \$430,828			

7

8

9 **Q. WHAT OTHER ADJUSTMENTS ARE YOU RECOMMENDING?**

10 A. As will be discussed later I am recommending changes to the amount of hurricane costs to
 11 be recovered. This reduces the unamortized hurricane costs by \$22,586. My overall
 12 recommended reduction to working capital is \$897,557. This adjustment is shown on
 13 Exhibit HWS-1, Schedule B-3

1 Service Truck with Crane

2 **Q. WHAT HAS THE COMPANY INCLUDED AS PRO FORMA PLANT IN THE**
3 **FILING?**

4 A. On page 9 of KWRU Christopher A. Johnson’s testimony, he states the Company has
5 included \$74,174 for a used service truck with crane.

6
7 **Q. WHY ARE YOU MAKING AN ADJUSTMENT TO THE COST OF THIS TRUCK?**

8 A. I am making the adjustment because the Company did not spend \$74,174. The Company’s
9 response to Citizens’ Interrogatory No. 29 states:

10 KWRU was ultimately able to purchase a suitable truck for \$40,163.02,
11 excluding tax, title, license fees, and necessary improvements and repair
12 parts for safe operation.

13 ...

14 The total cost spent to date is \$43,177.94, and when the remaining items are
15 purchased the total cost is anticipated to be approximately \$44,777.

16
17 Therefore, ratepayers should only pay \$44,777 for this truck.

18
19 **Q. WHAT IS YOUR ADJUSTMENT?**

20 A. The adjustment is to remove the difference between the estimate and the actual cost of the
21 truck, a reduction of \$29,397. This adjustment is shown on Exhibit HWS-1Exhibit HWS-
22 1, Schedule B-3.

1 Cherrington Sand Sifter

2 **Q. PLEASE EXPLAIN YOUR ADJUSTMENT FOR THE SAND SIFTER.**

3 A. On page 12 of Witness Johnson’s testimony, he states the Company’s Cherrington Sand
4 Sifter needed to be replaced as a result of Hurricane Irma damage and included an estimate
5 of \$44,300.

6
7 **Q. DID THE COMPANY PROVIDE THE ACTUAL COST OF THE SAND SIFTER?**

8 A. Yes, it did. The response to Citizens’ Interrogatory No. 30 states that the actual cost was
9 \$43,110.16.

10

11 **Q. WHAT IS YOUR ADJUSTMENT?**

12 A. The adjustment is to reduce the Company’s Pro Forma adjustment by \$1,189.84 (\$44,300
13 - \$43,110.16) to reflect the actual cost paid for the sand sifter. This adjustment is shown
14 on Exhibit HWS-1, Schedule B-5.

15

16 New Office Building

17 **Q. HAS THE COMPANY REQUESTED RECOVERY OF FUNDS FOR A NEW**
18 **OFFICE BUILDING?**

19 A. Yes, it has. Pages 9-10 of Witness Johnson’s testimony describe the storm damage to the
20 Company’s previous office and provide details about the new office. The requested new
21 office is an approximately 1,200 square foot modular building with a total estimated cost
22 of \$288,000. That equates to \$240 per square foot.

23

24 **Q. DID THE COMPANY PROVIDE DOCUMENTATION SUPPORTING THE NEW**
25 **MODULAR OFFICE BUILDING?**

1 A. In Exhibit CAJ-21 to Mr. Johnson’s testimony, the Company provided a five-page contract
2 between KWRU and PP Keys 2016, LLC which states the office will be installed and shall
3 be ready to occupy by March 31, 2018. However, based upon subsequent responses by
4 KWRU, that is not going to happen.

5

6 **Q. ARE YOU FAMILIAR WITH THE COMPANY PP KEYS 2016, LLC?**

7 A. No, I am not. In fact, I looked up this company on the State of Florida Division of
8 Corporations website (Sunbiz.org) and could not find the company name PP Keys 2016,
9 LLC as being registered in the state of Florida. There are other names with some similarity
10 but this specific company name could not be found.

11

12 **Q. DO YOU OBJECT TO THE COMPANY’S REQUEST FOR A NEW BUILDING?**

13 A. No, I do not object. The Company needs a new office. The issue is with the cost of the
14 new building. The Company’s request of \$288,000 is excessive and unsupported. OPC
15 requested the construction documents for the office project (KWRU’s Response to
16 Citizens’ Request for Production of Documents No. 39) and the utility responded that the
17 construction drawings have not been completed due to requested changes to the plans by
18 KWRU. Based on this response, it appears that the utility is still designing its new office
19 and that the requested pro forma amount may change. Subsequently the Company provided
20 a drawing as an update to the response but the drawing does not provide sufficient
21 justification that the building will be in service within the rate year or that the price is
22 reasonable. In fact, the updated response to Citizens’ Request for Production of Documents
23 No. 39 states that “To date, the specific unit sought has not been approved”.

1 **Q. DID THE COMPANY UTILIZE A BIDDING PROCESS FOR THIS PROJECT?**

2 A. No, it did not. The Company's responses to Citizens' Interrogatory Nos. 118 and 90
3 indicate that a bidding process was not used in selecting a builder for the new office.

4
5 **Q. WHAT IS THE CURRENT STATUS OF THE PROJECT?**

6 A. The Company's response to Citizens' Interrogatory No. 75 states:

7 ...there is a backlog in the availability of manufactured homes/offices
8 across the country, as a result of the impacts of Hurricane Harvey and
9 Hurricane Irma increasing demand. As such, there is not a date certain when
10 KWRU will receive its modular permanent office. KWRU is working
11 diligently to ensure the quickest delivery of an acceptable unit, but the
12 timetable is still uncertain.
13

14 **Q. WHY IS THE COMPANY'S REQUEST EXCESSIVE?**

15 A. While I am not a contractor, I have familiarity with construction projects and the costs in
16 reviewing project costs based upon my 40 plus years of experience in utility accounting. A
17 cost of \$240 per square foot is high. An online review of construction costs indicated costs
18 for office buildings (2-4 stories) of \$140 per square foot to \$240 per square foot. The \$240
19 per square foot is in New York City. Another cost estimate was for a 2,324 square foot
20 home in Broward County. That cost was \$137 per square foot. On another site, I located
21 a commercial construction cost calculator and requested an estimate for a 1200 square foot
22 building in Miami and in West Palm Beach. The calculator came up with a cost of \$83 per
23 square foot in Miami and \$80 per square foot in West Palm Beach. Clearly, the different
24 cost estimates show the Company's \$240 per square foot is excessive, even for Key West.
25 Ratepayers should not foot the bill for imprudent spending by the Company.

1 **Q. HASN'T THE COMPANY INDICATED COSTS ARE HIGHER IN KEY WEST**
2 **FLORIDA?**

3 A. In response to Citizens' Interrogatory No. 118, the Company stated the cost of living and
4 labor in the Florida Keys is higher than anywhere else in the state of Florida. The problem,
5 however, is the Company did not get any other bids other than estimates to repair the old
6 office. The repairs were approximately one-half of constructing a new structure.

7

8 **Q. WHAT IS YOUR ADJUSTMENT?**

9 A. The adjustment is to remove all costs at this time, a reduction of \$288,000. The Project is
10 still in planning and there is no assurance the modular unit will be in place during the
11 projected test year. In addition, KWRU should use prudent business practices to seek
12 competitive bids, and consider whether it is more beneficial to construct a new building or
13 purchase and install a modular building. This adjustment is shown on Exhibit HWS-1,
14 Schedule B-6.

15

16 **Q. ARE THERE ANY OTHER ADJUSTMENTS TO PLANT?**

17 A. Yes. OPC witness Andrew Woodcock is recommending the following:

18

Project	CAJ Exhibit	Requested Amount	Recommended Amount	Adjustment
Rehabilitation of Wastewater Treatment Plants	CAJ-9	\$1,104,763.75	\$983,483	(121,281)
WWTP Generator Replacement	CAJ-12	\$321,005.85	\$214,145	(106,861)
Lift Station L2A Replacement	CAJ-11	\$146,393	\$123,620	(22,773)
Portable Generator	CAJ-14	\$83,470	\$0	(83,470)

1 Accumulated Depreciation

2 **Q. WITH THE ABOVE ADJUSTMENTS TO PLANT, WHAT IS THE IMPACT ON**
3 **ACCUMULATED DEPRECIATION?**

4 A. Accumulated Depreciation will decrease by \$16,337 as shown on Exhibit HWS-1,
5 Schedule B-2, Page 1 of 3.

6 **Q. SINCE ACCUMULATED DEPRECIATION IS ADJUSTED IS THERE ALSO A**
7 **FLOW THROUGH ADJUSTMENT TO DEPRECIATION EXPENSE**
8 **ASSOCIATED WITH THE PLANT ADJUSTMENT?**

9 A. Yes, there is. The adjustment to accumulated depreciation for Pro Forma Plant Additions
10 as determined by KWRU was based on 50% of the added depreciation expense. Using that
11 as a factor I am reducing depreciation expense by twice the accumulated depreciation
12 adjustment of \$16,337 for a reduction of \$32,674.

13
14 **Q. DOES THAT RESOLVE ALL YOUR CONCERNS WITH ACCUMULATED**
15 **DEPRECIATION AND DEPRECIATION EXPENSE?**

16 A. No it does not. In analyzing the various detail for plant, accumulated depreciation and
17 depreciations expense it was discovered that the Company's accounting records and the
18 adjustment detail have variances. In the KWRU filing information is a worksheet labeled
19 Plant Additions. This worksheet summarizes the Pro Forma additions to plant, the
20 depreciation and accumulated depreciation. The worksheet also summarizes the plant
21 added during the test year and shows the calculation of the annualization to accumulated
22 depreciation and depreciation expense. The first issue is, this work sheet and the KWRU
23 trial balance are not consistent. The Plant Additions worksheet shows adjustments of
24 \$3,824,162 to plant account 354.4 Structures and Improvements, \$78,652 to plant account

1 364.2 Flow Measuring Devices, \$1,591,112 to account 380.4 Treatment and Disposal
2 Equipment and \$100,100 to account 381.4 Plant Sewers. The worksheet labeled Trial
3 Balance does not show any increase in 2017 for the plant account 364.2 Flow Measuring
4 Devices, does not show an increase of \$1,591,112 to account 380.4 Treatment and Disposal
5 Equipment and it does not show an increase to account 381.4 Plant Sewers. According to
6 the Trial Balance worksheet all the amounts are included in account 354.4 Structures and
7 Improvements. Since each of the accounts are depreciated over a different life there could
8 be an impact on depreciation expense and the annualization adjustment made by KWRU.

9

10 **Q. ARE YOU RECOMMENDING AN ADJUSTMENT BASED ON THE**
11 **CLASSIFICATION OF THE PLANT?**

12 A. No I am not. I am assuming the KWRU books are improperly reflecting the plant and the
13 filing is reflecting the proper distribution. However, I am recommending an adjustment to
14 the KWRU annualization adjustment because of another accounting inconsistency.

15

16 **Q. WHAT IS THE ACCOUNTING INCONSISTENCY THAT YOU ARE**
17 **RECOMMENDING BE ADJUSTED?**

18 A. The Plant Additions worksheet determined the annualization adjustment by prorating the
19 plant additions annual depreciation expense of \$250,145 based on when the plant is listed
20 as going into service. The annualization adjustment by KWRU was \$185,311. This would
21 mean that KWRU assumed recorded depreciation of \$64,834 on its books in 2017
22 associated with plant additions in 2017. In reviewing the depreciation expense for the test
23 year July 2016 through June 2017, I discovered that the assumptions by KWRU are not
24 consistent with what was recorded in the test year. It was noted that from July to December
25 2016 the monthly depreciation expense was \$32,835 or \$197,010 for the six months of

1 2016. Beginning in 2017 the depreciation expense changed first increasing to \$50,867 in
2 January 2017 and then from February 2017 through June 2017 the depreciation expense
3 was 50,811. The increase could only be attributed to plant additions in 2017. The total
4 depreciation for the six months of 2017 was \$304,922 which means there was an
5 incremental increase of \$107,912 (\$304,922 - \$197,010) associated with changes to plant,
6 as reflected on the books of KWRU. As discussed above the annualization adjustment
7 calculated by KWRU assumed KWRU only recorded depreciation of \$64,834 on its books
8 in 2017. This inconsistency means depreciation expense is overstated by \$43,078
9 (\$107,912 - \$64,834) and using the 50% assignment to accumulated depreciation the
10 adjustment to accumulated depreciation would be \$21,539. The calculation of the
11 depreciation reduction of \$43,078 and the reduction to accumulated depreciation of
12 \$21,539 are reflected on Exhibit HWS-1, Schedule B-2, Page 2 of 3.

13

14 Retirements

15 **Q. HAS THE COMPANY REFLECTED THE APPROPRIATE RETIREMENTS**
16 **RELATED TO THE REQUESTED PRO FORMA PLANT ITEMS?**

17 A. No. The Company has not reflected appropriate retirements for the following items:
18 Chlorine Contact Chamber, Lift Station, Generator, and New Office.

19

20 **Q. WHY SHOULD THEY BE REFLECTED AS RETIREMENTS?**

21 A. Each of the items is being replaced. As such, these original assets should be retired.

22

23 **Q. AREN'T THE ITEMS STILL IN USE?**

24 A. According to the response to Citizens' Interrogatory No. 71, the four items are still in use.
25 However, the Company does not intend for their continued use. Once the replacements are

1 in use, the current items will no longer be necessary. Further, the Company is requesting
2 funds for their replacements. It is inappropriate and unfair to ratepayers to include the costs
3 for replacements without reflecting the retirements of the original items.
4

5 **Q. WHAT IS YOUR RECOMMENDED ADJUSTMENT?**

6 A. The adjustment reducing depreciation expense \$56,672 is to reflect the depreciation
7 associated with the retirement of the Chlorine Contact Chamber, Lift Station and
8 Generator. The adjustments are shown on Exhibit HWS-1, Schedule B-2, Page 3 of 3 and
9 are based on Commission precedent that uses 75% of the replacement value as the amount
10 for retired plant.
11

12 **Q. WOULD EXPLAIN WHY YOU DID NOT ADJUST FOR THE OFFICE
13 DEPRECIATION AND REFLECT THE RETIREMENTS TO PLANT AND
14 ACCUMULATED DEPRECIATION?**

15 A. Yes. The Office depreciation was not reflected because I have recommended the new
16 office be excluded from rates. I have not reflected the retirements to plant and accumulated
17 depreciation because they would offset each other so the impact on rate base would be zero.
18

19 **Q. PLEASE SUMMARIZE THE VARIOUS ADJUSTMENTS TO ACCUMULATED
20 DEPRECIATION AND DEPRECIATION EXPENSE.**

21 A. The specific recommended plant disallowance reduced depreciation expense and
22 accumulated depreciation \$32,674 and \$16,337, respectively. The adjustment for the error
23 in annualization of depreciation reduced depreciation expense and accumulated
24 depreciation \$43,078 and \$21,539 respectively. The adjustment associated with
25 retirements reduces depreciation expense \$56,672. The total recommended adjustments to

1 depreciation expense and accumulated depreciation are \$132,424 (Exhibit HWS-1,
2 Schedule C-1) and \$37,876 (Exhibit HWS-1, Schedule B), respectively.

3

4 **Q. PLEASE SUMMARIZE YOUR RATE BASE ADJUSTMENTS.**

5 A. The utility proposed an adjusted average rate base of \$7,043,724. I recommend adjusting
6 this by \$1,548,403, resulting in a total rate base of \$5,495,321.

7

8 **VI. NET OPERATING INCOME**

9 Replacement Phone System

10 **Q. WHAT AMOUNT HAS THE COMPANY INCLUDED FOR THE REPLACEMENT**
11 **PHONE SYSTEM?**

12 A. Witness Johnson discusses the request for a replacement phone system on pages 8-9 of his
13 testimony. The Company has requested \$15,000 for a replacement phone system and
14 \$1,053.88 in monthly costs.

15

16 **Q. WHY DID THE COMPANY REQUEST A NEW PHONE SYSTEM?**

17 A. On page 8 of his testimony, Mr. Johnson explains why the Company decided a new phone
18 system was necessary as follows:

19 After Hurricane Irma the Utility's voice and data communications were
20 knocked out completely. Comcast provides this service to the Utility via
21 co-axial cable run aerially. The service still does not operate. Comcast has
22 no estimated time frame for restoring service. The Utility has elected to
23 switch to AT&T as its primary service provider as AT&T has proven more
24 reliable after Hurricane Irma and Hurricane Wilma, and Comcast is not
25 operating the existing service.

26

27 **Q. WHAT IS YOUR ISSUE WITH THE REPLACEMENT PHONE SYSTEM?**

28 A. The issue is that KWRU is requesting ratepayers to pay for the new replacement phone
29 system and also to continue paying for the existing phone system.

1 **Q. WHY WOULD THE COMPANY NEED TWO PHONE SYSTEMS?**

2 A. Page 9 of Mr. Johnson’s testimony states “...at this juncture, no phone service has been
3 proven to be completely reliable and our utility plant SCADA system is controlled through
4 the internet requiring redundancy.”

5

6 **Q. DO YOU AGREE THAT REDUNDANCY IS NECESSARY?**

7 A. I do not. In my forty plus years of experience in ratemaking, I have not encountered a
8 utility requesting a phone system redundancy such as in this case. This is an unnecessary
9 and unreasonable cost to ratepayers to pay for two separate phone systems.

10

11 **Q. WHAT IS YOUR ADJUSTMENT FOR THE NEW PHONE SYSTEM?**

12 A. The adjustment is to remove \$4,742.48 paid to AT&T and Comcast during the test year.
13 The chart below is an extract from KWRU’s Response to OPC Request for Production of
14 Documents No. 4 which shows all the charges to AT&T and Comcast for the period July
15 1, 2016 through June 30, 2017. Schedule B-3, Line 31 includes \$12,647 for the cost of the
16 new telephone system. The \$12,647 is supported through CAJ-15 which annualizes the
17 new monthly cost of \$1,053.88. Because the Company reflected the annual cost of the new
18 service the historic test year amounts should be removed to avoid a duplication of the
19 annual expense. The adjustment is shown on Exhibit HWS-1, Schedule C-2.

Test Year Telephone Expense					
7750830 Telephone & Fax					
	07/04/2016	ATT7-4-16	AT&T		340.99
	08/04/2016	ATT8-4-16	AT&T		344.40
	08/16/2016	CB8-22-16	Comcast	High speed internet (\$164.90/month). Plus one time fee of \$199 for Install fee on 8/16/2016. (AT&T internet was cancelled).	379.95
	09/27/2016		AT&T	Sept 2016 phone bill	340.79
	10/04/2016	ATT10-18-16	AT&T	The bill showed an amount due of double what we pay. Called AT&T and they are crediting our account \$438.46 (10-18-16). See backup in AT&T vendor file for additional information.	230.79
	10/12/2016	CB10-18-16	Comcast	High speed internet	166.03
	11/12/2016	CB11-17-16	Comcast	High speed internet	166.03
	12/21/2016	ATTFINAL	AT&T	Final bill from AT&T. Adjustments all in from cancellation back in November. Two credit checks in the amount of \$98.02 and \$75.49 have been sent to KWRU.	531.07
	01/12/2017	CB1-30-17	Comcast	High speed internet and phone service. Added new service for phones - Comcast billed KWRU incorrectly and also never sent an invoice for the month of December. They are crediting our account on our next bill.	376.67
	02/12/2017	CB3-3-17	Comcast	Amount is high due to never sending us a bill in December (plus new installation charges that were incurred in December), and prorating and adding charges from November. Now, the monthly bill for internet/phone service should be approx \$298.00.	709.59
	03/12/2017	CB3-12-17	Comcast	High speed internet and phones	288.87
	04/12/2017	CB4-12-17	Comcast	High speed internet and phones	289.10
	05/12/2017	CB5-12-17	Comcast	High speed internet and phones	289.10
	06/12/2017	CB6-12-17	Comcast	High speed internet and phones	289.10
				Total Test Year AT&T and Comcast	4,742.48

1

2

Salaries and Wages – Employees

3

Q. WHAT IS THE COMPANY’S REQUEST FOR SALARIES AND WAGES?

4

A. As shown on MFR Schedule B-8, the Company is requesting \$752,549 in the test year for Salaries and Wages – Employees. This is a 46.5% increase, or \$238,881 over the 2016 amount of \$513,668. In fact, the request represents a substantial increase over all of the five previous years as shown in the chart below utilizing information from the Company’s annual reports.

5

6

7

8

Salary & Wages - Employees				
2012	2013	2014	2015	2016
392,632	421,904	449,108	427,879	513,668

9

1 **Q. HOW DOES THE COMPANY SUPPORT THIS INCREASE?**

2 A. On pages 12-13 of his testimony, Witness Johnson discusses what he considers to be an
3 error in the expenses approved by the Commission for employees in the last rate case. He
4 states the following:

5
6 In the 2014 rate case, Docket No. 150071-U, the Utility had 9.5 positions
7 consisting of two officers and 7.5 staff positions prior to the expansion and
8 conversion to operations at Advanced Wastewater Treatment Standards. As
9 part of the 2014 rate case, the utility requested four additional employees be
10 approved, two operators, one mechanic and one administrative position, be
11 approved to operate the third plant and the entire system at AWT. The
12 utility provided pro forma expenses for these employees, which were
13 approved except for approximately \$2,000.00. However, the pro forma
14 employee additions were not added to the 9.5 positions based on the
15 annualized salary for the existing staff positions plus the pro forma
16 employee positions. Instead, the order approving the additional positions
17 took the employee expenses for the prior twelve months and added the pro
18 forma costs to these amounts.

19
20 This was in error because during the prior twelve months there were several
21 vacancies which dramatically reduced the total employee expenses
22 throughout the year. The reduced staff for extended periods led to
23 additional turnover due to employees being overworked.
24

25 **Q. DO YOU AGREE WITH MR. JOHNSON'S ASSERTION THAT THE ORDER**
26 **WAS IN ERROR?**

27 A. No, I do not. The Order was not in error because the requested additions did not
28 materialize. KWRU's exhibit CAJ-23 shows there are currently nine employees on staff.
29 The 2014 employee wages were \$449,108. With 7.5 staff positions that equates to \$59,881
30 per employee. Assuming no increases in wages, the 2016 wages of \$513,668 would equate
31 to 8.6 employees. As noted in the Company testimony above, 4 employees were requested;
32 however, as of 2016, only the equivalent of 1 was added.

33

34 It is common for companies to request an increase for additional employees without taking
35 into account current vacancies and/or employee attrition. For instance, a company may

1 state that it currently has 10 positions and is adding two new positions and request total
2 compensation for 12 employees. However, if that company continues to have two unfilled
3 positions, compensation for 10 employees is what is actually warranted. If the company
4 were to lose another employee and fail to replace that employee, only 9 employees should
5 be reflected. Vacancies are part of the reality of utility employment that must be factored
6 into the equation.

7

8 **Q. DO VACANCIES PLAY A ROLE IN THE CURRENT PROCEEDING?**

9 A. Yes, they do. Vacancies should always be considered; however, in the current case they
10 play an even more important role.

11

12 **Q. PLEASE EXPLAIN.**

13 A. KWRU's filing supports the fact that vacancies are an issue for the Company. As stated
14 above in the excerpt from Mr. Johnson's testimony, the Company had several vacancies
15 which led to even more turnover.

16

17 **Q. HAS THE COMPANY CONTINUED TO HAVE TROUBLE WITH VACANCIES?**

18 A. Yes, it has. The Company's response to Citizens' Interrogatory No. 42 states that KWRU
19 had a number of vacancies in 2015, 2016, and 2017 despite filling a number of positions.

20 Further, on page 13 of his direct testimony, Mr. Johnson states:

21 KWRU has had employee retention issues and has frequent turn over on a
22 year over year basis.

23

24 The Utility lost 50% of its operations staff in the first two Quarters of 2011.

25 ...

26 In 2014, the Operations Group was comprised of 67% new staff.

1 The Company is also requesting a profit-sharing plan and increased advertising to
2 attract and retain employees; therefore, vacancies are clearly an issue.

3

4 **Q. WHY ARE VACANCIES AN ISSUE?**

5 A. Although companies may optimistically project a certain number of employees, ratepayers
6 should only be responsible for the costs of actual employees, not budgeted employees that
7 are never hired or provide service. KWRU has admitted that it has a problem with
8 vacancies and these vacancies need to be considered in the calculation of this expense. As
9 noted earlier, the Company in Docket No. 20150071-SU requested 4 new positions in
10 addition to the 7.5 on hand. According to KWRU Exhibit CAJ-23, there were 9 positions
11 filled as of November 2017, thus 2.5 of the requested positions remain unfilled. Based on
12 the Company's response to Citizens' Interrogatory No. 93, that did not change as of
13 December 2017.

14

15 **Q. WHAT ADJUSTMENT ARE YOU MAKING TO SALARIES AND WAGES?**

16 A. The adjustment is a reduction to salaries and wages of \$160,026 for vacant positions. The
17 adjustment is shown on Lines 5 through 7 of Exhibit HWS-1, Schedule C-3.

18

19 **Q. SHOULD THIS ADJUSTMENT BE UPDATED IF THE COMPANY STATES
20 THAT IT HAS OR WILL SOON FILL THE VACANT POSITIONS?**

21 A. No, it should not. The Company has consistently had vacancies and detailed its own
22 experiences with employee retention. The 2017 year-end figure is the closest to a known
23 and measurable amount; therefore, given the Company's history the vacancy issue will
24 continue.

1 **Q. DO YOU HAVE ANY OTHER ADJUSTMENTS TO SALARY EXPENSE?**

2 A. Yes, I do. The Company included in its payroll expense what has been classified as
3 amortization of overtime for an extraordinary event. This amortization should have been
4 included as part of the hurricane cost and not payroll since it does not represent normal
5 overtime. Schedule B-3 of the MFRs includes \$10,605 for hurricane overtime to be
6 amortized over 5 years. The \$10,605 equates to Extraordinary Event Overtime of \$53,025
7 (\$10,605 x 5). In reviewing the historic overtime the Company incurred on average
8 \$16,435 of overtime from 2013 through 2016. This calculation is based on the response to
9 Citizens' Interrogatory No. 93 and the calculation of the average is reflected on Exhibit
10 HWS-1, Schedule C-3. As shown on Exhibit HWS-1, Schedule C-3 the Company incurred
11 \$38,995 of overtime in 2017 not \$53,025 plus a normal level of overtime. Based on the
12 \$38,995 the incremental amount of overtime is \$22,560 and amortizing that over 5 years
13 results in added payroll of \$4,512, not \$10,605. The difference of \$6,093 is being adjusted
14 on Exhibit HWS-1, Schedule C-3, Line 8.

15
16 **Q. HOW DID THE COMPANY DETERMINE ITS OVERTIME AMOUNT?**

17 A. KWRU states that the \$10,605 figure refers to a "hypothetical 1,302 hours of overtime for
18 a 42-day period, amortized over five years." Any adjustment to amortize hurricane
19 expenses should be based on actual expenses and not on a "hypothetical" amount. KWRU
20 provided an Excel schedule in response to Citizens' Interrogatory No. 88 that shows the
21 calculation used. This calculation includes nine employees, and assumes 4 employees
22 worked 4 hours of overtime every day for 42 days. It also assumes 5 employees worked 3
23 hours of overtime for each of the 42 days. Citizens' Interrogatory No. 88 also requested
24 time sheets to support the number of hours worked for each employee. In its response,
25 KWRU admits that one employee included in the calculation resigned from the position

1 before beginning work. In addition, KWRU provided one time sheet for each employee
2 and these reflected only the hourly rate for overtime and did not support the overtime hours
3 allegedly worked.

4

5 **Q. WHAT IS THE TOTAL RECOMMENDED ADJUSTMENT TO PAYROLL?**

6 A. As shown on Exhibit HWS-1, Schedule C-3, Line 3, the total adjustment to salaries is
7 \$166,119.

8 Officers Compensation

9 **Q. IS THERE A CONCERN WITH OFFICERS COMPENSATION?**

10 A. Yes, there is. In the Company's prior rate case (Docket No. 20150071-SU), the 2014
11 officer compensation was \$141,792. This is consistent with the annual report filed with
12 the Commission. However, in just two years, the 2016 officer compensation was \$246,790
13 which represents an increase of 74%. The current request for the June 30, 2017 adjusted
14 test year is for \$261,581, an increase of 6%. Of the recent rate cases I have reviewed,
15 increases to officer's compensation have resulted in a maximum of 3%.

16

17 **Q. ARE YOU MAKING AN ADJUSTMENT TO OFFICERS COMPENSATION?**

18 A. No, not at this time. I included this testimony because it is important to note that the
19 increase to officer's compensation from 2014 to 2016 was significant and the 2017 increase
20 is twice what is the normal increase in rate cases I have reviewed and participated in. The
21 significance of the increase is only magnified by the fact that the KWRU has indicated that
22 compensation is an issue in retaining employees yet the increase in compensation is
23 focused on officers and not the operating employees that need to be retained.

1 Pension Plan

2 **Q. PLEASE DISCUSS THE COMPANY’S REQUEST TO IMPLEMENT A**
3 **TRADITIONAL PENSION PLAN.**

4 A. According to Witness Johnson on pages 13 and 14, the Company determined that it was
5 losing employees to other utilities due to “higher wage/benefit packages and less required
6 on call duty.” As a result, the Company decided that it could “improve retention and reduce
7 turnover by implementing a more traditional Pension Plan.”

8

9 **Q. WHAT IS THE COST OF THE TRADITIONAL PENSION PLAN?**

10 A. According to KWRU’s response to Citizens’ Interrogatory No. 123, the cost of the
11 traditional pension plan is estimated to be \$35,445.

12

13 **Q. DO YOU AGREE WITH THE COMPANY’S REQUEST FOR A MORE**
14 **TRADITIONAL PENSION PLAN?**

15 A. No, I do not. First, companies are replacing traditional pension plans with 401K
16 arrangements. It is not appropriate for a public utility to offer gold-plated benefits to its
17 employees so far above and beyond those received by the average ratepayer. Thus, the
18 Company should not be allowed to buck the trend and move towards traditional benefit
19 plans.

20

21 Second, the Company has not offered sufficient support for either the claim that its high
22 turnover rate is due to its benefit package or the claim that a pension plan will solve its
23 employee retention problems. KWRU was asked to support the former claim in OPC
24 Request for Production of Documents No. 73. The Company’s response provided only
25 email exchanges with the project manager at CH2M and employees at FKAA discussing

1 salary ranges, health and vacation benefits and standby time. This information alone does
2 not substantiate the claim that benefits are causing the Company's turnover issues.

3

4 The Company was also asked in OPC Request for Production of Documents No. 72 to
5 support its claim that the proposed traditional pension plan would improve retention and
6 reduce turnover. KWRU's response states that pension plans for various comparable
7 utilities in the Florida Keys had been reviewed online. However, the fact that KWRU
8 reviewed other company's pension plans does not support its claim that retention and
9 turnover would be improved. The bottom line is that the Company's request is both
10 unsupported and inappropriate.

11

12 The Company overlooks the fact that other companies are able to hire and retain employees
13 without a traditional pension plan. If that were not the case, businesses would not be
14 turning away from traditional pension plans. Although the cause of the Company's hiring
15 and retention issues is not clear, the Company claims in its response to Citizens'
16 Interrogatory No. 43 that it is due to overtime.

17

18 **Q. WHAT IS YOUR ADJUSTMENT FOR THE PENSION PLAN?**

19 A. The adjustment is to remove all costs related to the proposed new plan, a reduction of
20 \$35,445. The adjustment is shown on Exhibit HWS-1, Schedule C-4.

21 Bad Debts

22 **Q. HAVE YOU IDENTIFIED A NON-RECURRING COST ASSOCIATED WITH**
23 **EMPLOYEES BENEFITS?**

24 A. Yes, I have. In February 2017, KWRU wrote off \$2,442.73 in bad debt expense. In
25 response to Citizens' Interrogatory No. 64, the Company explained that it loaned a new

1 employee \$1,675 that was to be fully forgiven if the employee remained employed until
 2 July 2, 2017. The second loan of \$1,675 was to be repaid in equal installments over a one-
 3 year period. However, the employee did not remain employed until July 2, 2017 and the
 4 Company decided not to pursue the unpaid amounts based on the cost of collection
 5 outweighing the potential recovery. Because KWRU did not attempt to collect the unpaid
 6 loan, that amount should be excluded from rates. Ratepayers should not be burdened with
 7 a cost the Company chose not to act on. In addition, this debt should not be considered as
 8 recurring since the employee is no longer employed with KWRU. This adjustment is
 9 shown on Exhibit HWS-1, Schedule C-5.

10

11 Hurricane Expenses

12 **Q. DID YOU REVIEW THE HURRICANE EXPENSES INCLUDED AS AN**
 13 **ADJUSTMENT ON SCHEDULE B-3, LINE 32?**

14 A. Yes, I did. Based upon my review, adjustments should be made to these amounts to exclude
 15 duplication and to remove unreasonable expenses.

16

17 **Q. PLEASE DISCUSS THE EXPENSES THAT ARE DUPLICATES.**

18 A. The Company has requested that \$216,074 in Hurricane Costs be amortized for recovery
 19 over 4 years. The below lists the components of this amount.

Temporary Office Space	18,444.37	CAJ-16
Information Technology Services	7,396.28	CAJ-17
Backup Rental Generator	83,632.00	CAJ-18
Backup Portable Generator	11,642.46	CAJ-19
Hurricane Irma Expenditures	75,279.15	CAJ-20
Estimated Outstanding Hurricane Irma Invoices	15,000.00	None
Repair Roof of Maintenance Building	4,680.00	CAJ-22
Total Other Costs	216,074.26	
Amortize over 4 years	54,018.57	

20

1 The following amounts are included as duplicate line items. Therefore, these amounts,
2 totaling \$14,145 should be removed.

3 • Two charges to Information Technology Solutions for \$142.50 and \$1,722.50 are
4 included in CAJ-17 and CAJ-20. Page 11 of Witness Johnson's testimony, Lines
5 4-10, identifies the total costs for IT due to Hurricane Irma and specifically
6 references these invoices as identified in Exhibit CAJ-17. However, these invoices
7 are also specifically listed on CAJ-20.

8 • CAJ-20 includes a charge of \$2,899 to Nearshore Electric to set up the electrical in
9 the temporary office trailer. However, page 10 of witness Johnson's testimony,
10 Lines 11 and 12 include \$6,000 for utility installation costs. Therefore, the \$2,899
11 should be removed.

12 • One charge to Sunbelt Rentals for \$1,940.41 is included in CAJ-19 and CAJ-20.
13 Page 11 of witness Johnson's testimony, Lines 23-4, identifies CAJ-19 as including
14 six months of rental expense for the tow behind generator. Therefore, the one
15 invoice included in CAJ-20 should not be included as it is a duplicate.

16 • There are 6 charges included in CAJ-20 that are labeled Paychex Overtime. These
17 charges total \$7,440.27. KWRU has included as a separate adjustment in Schedule
18 B-3 an amount to amortize the hurricane overtime. I have discussed this earlier in
19 my testimony. As these charges are already included as part of payroll, they should
20 be removed from this list.

21

22 **Q. DID THE OPC REQUEST AN EXPLANATION FOR THE DUPLICATION OF**
23 **THESE EXPENSES?**

24 A. Yes, we did. KWRU's response to Citizens' Interrogatory No. 76 states that although the
25 invoices are listed in both CAJ-17 and CAJ-20, they are only paid once. This supports my

1 argument why an adjustment is necessary. The costs are listed twice but paid only once.
2 CAJ-17 and CAJ-20 both reconcile with Total Other Costs of \$216,074.26 listed on the
3 Summary of Pro Forma Operations & Maintenance Expenses. CAJ-19 is also included in
4 that total making the invoice for \$1,940.41 a duplicate cost as well. The Company further
5 claims that the CAJ-16 does not include the \$2,899. However, the Company's document,
6 CAJ-20, specifically states that the \$2,899 is "Included in CAJ-16."

7

8 **Q. DO YOU HAVE ANY OTHER ISSUES WITH THE HURRICANE COSTS?**

9 A. Yes, I do. Page 12 of Witness Johnson's testimony, Lines 5-8, includes \$15,000 for
10 estimated hurricane repairs where invoices have not been provided. In response to OPC's
11 Request for Production No. 59, KWRU included several invoices that had not been
12 previously provided. However, my review indicates that many of these have already been
13 included in the estimated expenses in other categories (generator rentals, demolition and
14 installation costs, etc. Therefore, I do not believe that the Company has justified the
15 inclusion of the \$15,000 and it should be adjusted. In my analyses I was able to identify
16 approximately \$10,000 of costs that may be related to the hurricane. Therefore, I am
17 recommending an adjustment of \$5,000 to the estimate.

18 **Q. PLEASE EXPLAIN YOUR ADJUSTMENT FOR INSURANCE PROCEEDS.**

19 A. KWRU's response to Citizens' Interrogatory No. 117 included a letter received from
20 SafePoint Insurance Company dated November 12, 2017 relating to an insurance claim for
21 wind damages to its building. SafePoint offered to settle the Company's claim for
22 \$19,393.31.

1 **Q. HAS THE COMPANY ACCEPTED THE SETTLEMENT?**

2 A. It appears from a transaction receipt that the Company received the full amount of the
3 insurance proceeds. However, based on an enclosed letter dated January 17, 2018, the
4 Company is seeking a total of \$75,000 for reimbursement. Whatever amount the Company
5 receives should be a further reduction to storm costs being amortized.

6
7 **Q. WHY SHOULD THE AMOUNT BE DEDUCTED?**

8 A. The Company did not reflect any insurance proceeds in the filing. Since the Company
9 recovers insurance premiums as an expense from ratepayers, ratepayers are entitled to and
10 should receive the benefit of that insurance.

11
12 **Q. WHAT IS YOUR ADJUSTMENT FOR THE INSURANCE PROCEEDS?**

13 A. The adjustment is to remove \$19,393 from Hurricane Irma Storm costs. Further, at a future
14 date, if the Company receives a larger settlement, the amount above \$19,393.31 should be
15 credited to ratepayers.

16
17 **Q. DO YOU HAVE ANY OTHER ISSUE WITH THE AMORTIZATION OF THE
18 HURRICANE COSTS?**

19 A. Yes, I do. As stated previously, KWRU has requested that these costs be amortized over
20 four years. However, Rule 25-30.433(8), F.A.C., states that non-recurring expenses shall
21 be amortized over a five-year period unless a shorter or longer period of time can be
22 justified. Therefore, I have adjusted the amortization period to five years.

1 **Q. PLEASE SUMMARIZE YOUR TOTAL ADJUSTMENTS TO THE HURRICANE**
2 **COSTS.**

3 A. After removing the duplicate and inappropriate costs and amortizing the remaining amount
4 over five years, I have reduced the Company's requested expense of \$54,018 to \$35,507,
5 an adjustment of \$18,511. This adjustment is shown on Exhibit HWS-1, Schedule C-6.

6

7 Dues

8 **Q. WHAT AMOUNT IS THE COMPANY REQUESTING FOR DUES?**

9 A. The Company was asked in Citizens' Interrogatory No. 106 to provide the amount of
10 membership payments to non-industry associations in the test year. KWRU's response
11 stated \$1,812.54 was included, primarily for the Rotary Club of Key West. In Citizens'
12 Interrogatory No. 114, the Company was asked to provide amounts included in the test
13 year for industry dues and memberships. KWRU's response stated that \$350 was included
14 for the Florida Rural Water Association.

15

16 **Q. SHOULD THESE DUES BE EXCLUDED?**

17 A. Yes, they should. Memberships or donations to such clubs tend to be an image-building
18 expense. The Company's shareholders, not ratepayers, are the beneficiaries of
19 improvements to the Company's image. As such, the Company's ratepayers should not be
20 responsible for this expense.

21

22 **Q. WHAT IS YOUR ADJUSTMENT?**

23 A. The adjustment is to remove the entire amount of dues, a reduction of \$2,162.54 to
24 operating expenses. This adjustment is shown on Exhibit HWS-1, Schedule C-7.

1 Advertising Expense

2 **Q. WHAT AMOUNT HAS THE COMPANY INCLUDED FOR ADVERTISING**
3 **EXPENSE?**

4 A. According to KWRU Schedule B-8, the Company has included \$5,803 for Advertising
5 Expense, an increase of \$4,728 or 400% from the prior test year (December 31, 2014) of
6 \$1,075.

7
8 **Q. HOW DOES THE COMPANY EXPLAIN THE INCREASE OF OVER 400% TO**
9 **THIS COST?**

10 A. KWRU indicates this increase is related to attracting new employees. On Schedule B-8,
11 the Company states “Extreme turnover yields advertising expense for Help Wanted Ads.
12 Utility hired wastewater specific personnel and therefore had to advertise in trade
13 publications that were statewide.” KWRU’s response to Citizens’ Interrogatory No. 63
14 states that advertising appears online, in local newspapers, Craigslist, and publications such
15 as Florida Water Resource Journal, Florida Water and Pollution Control Operator
16 Association, and Florida Rural Water Association. The placement of the ads depends on
17 the position to be filled.

18
19 **Q. DO YOU TAKE ISSUE WITH THE COMPANY’S REQUEST FOR**
20 **ADVERTISING EXPENSE?**

21 A. Yes, I do. The inflated amount should not be used for the adjusted test year. Since KWRU
22 is not planning on extreme turnover in future years the increased level of spending is
23 unnecessary. The chart below uses information from the Company’s annual reports. The
24 chart shows that advertising expense has fluctuated over the previous five years. KWRU’s
25 response to Citizens’ Interrogatory No. 41 states the Company hired 3 employees in 2013,

1 4 in 2014, 8 in 2015, and 8 in 2016. The Company is trying to fill 3 positions and have
2 done that in each of the 4 years without expending \$4,728. Thus, this request is excessive.

Advertising Expense					
2012	2013	2014	2015	2016	Avg.
635	1,426	2,764	631	1,376	1,366

3
4
5 **Q. HOW SHOULD AN APPROPRIATE LEVEL BE DETERMINED?**

6 A. Because the amounts rise and fall over the years, the use of an average is the most
7 appropriate method to estimate future expense. A five-year average is long enough to
8 smooth out low and high years but recent enough to provide a relevant estimate.

9
10 **Q. IN RESPONSE TO CITIZENS' INTERROGATORY NO. 39, THE COMPANY**
11 **PROVIDED AMOUNTS FOR 2017 FOR EACH OF THE CATEGORIES ON**
12 **SCHEDULE B-8. WHY DID YOU NOT USE THOSE AMOUNTS IN YOUR**
13 **CALCULATIONS OF 5-YEAR AVERAGES FOR ADVERTISING AND OTHER**
14 **EXPENSES THAT APPEAR ON THAT SCHEDULE?**

15 A. KWRU's response to Citizens' Interrogatory No. 39 states "Please note that amounts after
16 June 30, 2017, have not been audited and are preliminary, based on KWRU's allocation of
17 expenses." As these numbers are preliminary, they are inappropriate for use in these
18 calculations. The amounts reported to the Florida Public Service Commission by the
19 Company in its annual reports, on the other hand, have been certified and can be considered
20 the Company's official numbers. As such, I have used only the information from the
21 annual reports in determining averages for advertising expense, materials and supplies,
22 contractual services – engineering, and rental of equipment.

1 It should also be noted that, in its response to Citizens' Interrogatory No. 87, the Company
2 provided amounts for the years 2015 – 2017. The amounts for advertising expense and
3 contractual services reconcile to the Company's annual reports. For equipment, materials
4 and supplies, the amounts did not reconcile. Therefore, for the reasons stated above, I
5 applied the figures from the Company's annual reports for each of the four issues.

6

7 **Q. WHAT IS THE ADJUSTMENT TO ADVERTISING EXPENSE?**

8 A. The recommended adjusted test year amount is the five-year average of \$1,366, a
9 reduction of \$4,437 to Advertising Expense (\$5,803 - \$1,366). This adjustment is shown
10 on Exhibit HWS-1, Schedule C-8.

11 Materials and Supplies

12 **Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO MATERIALS AND SUPPLIES.**

13 A. KWRU's Schedule B-8 states the Company included \$86,041 for materials and supplies in
14 the adjusted test year, an increase of \$54,922 over the prior test year ended December 31,
15 2014 expense of \$31,119.

16

17 **Q. HOW DOES THE COMPANY EXPLAIN THIS INCREASE?**

18 A. On Schedule B-8, KWRU states:

19 Materials and supplies are directly related to the number of plant and maintenance
20 personnel. For example, when the Utility carries less staff the Utility often can't
21 do small capital projects in house. Generally, in these cases the small capital
22 projects are awarded to outside contractors.
23

24 **Q. IS THAT A SATISFACTORY EXPLANATION FOR THE INCREASE?**

25 A. No, it is not. This explanation does not explain or support the need to almost triple the
26 expense from the 2014 test year level.

1 **Q. HOW DID YOU DETERMINE THE ADJUSTMENT TO THIS EXPENSE?**

2 A. As seen in the chart below, materials and supplies expense fluctuates over time. This also
3 seems to indicate that there is no correlation with employees as suggested in the
4 explanation on Schedule B-8.

Materials and Supplies					
2012	2013	2014	2015	2016	Avg.
48,099	46,076	43,884	27,506	22,267	37,566

5

6
7 As such, the use of an average is more appropriate. An average of the previous five years
8 is applicable since it is recent enough to reflect current costs but enough years to smooth
9 out any abnormally low or high years. The average for materials and supplies over the
10 previous five years is \$37,566.

11

12 **Q. WHAT IS THE ADJUSTMENT TO MATERIALS AND SUPPLIES?**

13 A. The adjustment is a reduction of \$48,475 (\$86,041-\$37,566), resulting in an adjusted test
14 year amount of \$37,566. This adjustment is shown on Exhibit HWS-1, Schedule C-9.

15

16 Contractual Services – Engineering

17 **Q. HAS THE COMPANY INCLUDED COSTS IN ITS FILING FOR CONTRACTUAL**
18 **SERVICES – ENGINEERING?**

19 A. Yes, as stated on Company Schedule B-8, KWRU has included \$20,765 for Contractual
20 Services – Engineering in the adjusted test year.

1 **Q. HAVE YOU MADE AN ADJUSTMENT FOR THIS EXPENSE?**

2 A. Yes, I have. The chart below, utilizing information from the KWRU's annual reports from
3 2012-2016, demonstrates that this expense has fluctuated during those years with only one
4 of the five years exceeding the Company's request.

Contractual Services - Engineering					
2012	2013	2014	2015	2016	Avg.
22,523	9,196	7,270	2,896	15,343	11,446

5

6
7 As this is an expense that increases and decreases over time, the use of an average is an
8 appropriate means to estimate future amounts. A five-year average is \$11,446.

9

10 **Q. DID YOU FIND ANY REASON FOR THE TEST YEAR EXPENSE TO BE SO**
11 **HIGH?**

12 A. Yes, I did. My review found test year charges to this account that should be removed. The
13 description for the first three charges indicates work performed related to a DEP Permit
14 renewal. In its response to Citizens' Interrogatory No. 55, the Company indicated the
15 permit renewal is for 5 years. Therefore the \$11,658.75 should be amortized over five
16 years. This results in a reduction to the expense of \$9,327. The remaining four items are
17 described as work related to plant projects and these should be removed and included in
18 Utility Plant in Service. This results in a further reduction of the expense of \$1,425. This
19 results in a total reduction to Contractual Services – Engineering of \$10,752.

08/05/2016	General Services: permit renewal work	11,167.50	Permit
08/05/2016	Admin met with CJ and Greg, discuss projects, meet with Bill re: vac tank replacement and permit renewal; WWTP renewal application correspondence w/Ed	396.25	Permit
06/02/2017	Review FDEP permit mod, check rules re staffing & testing; advise Greg to renew staffing exemption	95.00	Permit
	Total Permit Renewal	11,658.75	
12/06/2016	Review Evoqua proposal for rehab of existing WWTPs, send comments to Greg, suggest on-site meeting; draft sole source letter for rehab/upgrade to two existing treatment trains.	285.00	Plant
02/02/2017	Contact Evoqua re: Draimad system; send confined space entry permit form to CJ; research qualifications and training needs; calcs for GPD for various Draimad systems, send info and link to CJ and GW; call w/GW, look into vac pump noise, sewage pump impeller trim research, existing blower output issues.	712.50	Plant
03/02/2017	Review Draimad data, estimate GPD for dewatering, request data from KWRU	142.50	Plant
03/02/2017	Get data for screw press, contact Moss Kelly re Draimad bag system, forward info to KWRU	285.00	Plant
	Total Plant	1,425.00	

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The average from 2012 to 2016 for this expense is \$11,446. Adjusting to the average would result in a reduction of \$9,319 (\$20,765-\$11,446). That further substantiates KWRU projected cost is too high and that my specific adjustment of \$10,752 is reasonable. The projected test year expense should be \$10,013 (\$20,765-\$10,752). This adjustment is shown on Exhibit HWS-1, Schedule C-10.

Insurance – Workman’s Compensation

Q. WHAT AMOUNT HAS THE COMPANY REQUESTED IN ITS FILING FOR WORKMAN’S COMPENSATION?

A. Schedule B-8 provided by the Company shows an adjusted test year expense for Insurance - Workman’s Compensation of \$36,073 which is an increase of \$10,099 over the 2016 amount of \$25,974 as shown on the KWRU’s annual report.

Q. HOW DID THE COMPANY CALCULATE THIS EXPENSE?

A. The Company’s response to Citizens’ Interrogatory No. 61 indicates that workman’s compensation expense is calculated as 4.4% of salaries and wages expense.

1 **Q. PLEASE EXPLAIN YOUR ADJUSTMENT.**

2 A. This expense is based on employees and their compensation. According to its response to
3 Citizens' Interrogatory No. 93, the Company averaged 11 employees in the test year. As
4 the number of employees has not increased, this expense should not increase and should
5 be held to the test year amount.

6
7 **Q. WHAT IS YOUR ADJUSTMENT FOR THIS EXPENSE?**

8 A. The adjustment is to hold this expense to the test year amount of \$27,234, a reduction of
9 \$8,839 (\$36,073 - \$27,234) to Insurance – Workman's Compensation Expense. This
10 adjustment is shown on Exhibit HWS-1, Schedule C-11.

11

12 Non-Utility Expenses

13 **Q. DID YOU FIND NON-UTILITY EXPENSES INCLUDED IN THE TEST YEAR?**

14 A. Yes, I did. KWRU's response to Citizens' Interrogatory No. 69 states that the Company
15 has included \$709.16 (\$295.61 food + \$413.55 tent and chair rental) for a retirement party.
16 In addition, the Company's general ledger includes \$1,050 for a Christmas party. These
17 amounts should be disallowed as they only benefit the Company's employees and not
18 ratepayers. This adjustment of \$1,759 is shown on Exhibit HWS-1, Schedule C-12.

19

20 Rental of Equipment

21 **Q. WHAT AMOUNT HAS THE COMPANY REQUESTED FOR EQUIPMENT**
22 **RENTAL IN THE ADJUSTED TEST YEAR?**

23 A. The Company has included \$1,479 for equipment rental on Schedule B-8.

1 **Q. DO YOU AGREE WITH THIS AMOUNT?**

2 A. No, I do not. Similar to other expenses on Schedule B-8, this expense has fluctuated over
3 the previous five years. The chart below utilizes information from KWRU's annual reports
4 to show the up and down nature of this expense.

Rental of Equipment					
2012	2013	2014	2015	2016	Avg.
2,001	750	0	528	0	656

5
6 As shown, in some years the Company did not have any expense for equipment rental. As
7 the amount has increased and decreased over the years, it can be expected to do so in the
8 future.

9

10 **Q. DOES THE COMPANY EXPECT THIS EXPENSE TO STAY AT THE CURRENT**
11 **LEVEL?**

12 A. No, it does not. KWRU's response to Citizens' Interrogatory No. 57 states:

13 These expenses are anticipated to occur less frequently in the future, as KWRU has
14 obviated the need for crane truck rental by purchasing a crane truck. The specific
15 number of anticipated equipment rentals on a forward-looking basis cannot be
16 determined at this time.
17

18 **Q. WHAT IS YOUR ADJUSTMENT FOR RENTAL OF EQUIPMENT?**

19 A. KWRU has purchased a service truck with a crane so it is able to perform the same work
20 that required the rental of equipment during the test year. The Company's own admission
21 is that the number of rentals cannot be determined at this time. Therefore, there is no
22 evidence to support future equipment rental expense and the recommended adjustment is
23 to remove the Company's requested amount of \$1,479. This adjustment is shown on
24 Exhibit HWS-1, Schedule C-13.

1 Employee Training Expense

2 **Q. WHAT AMOUNT IS THE COMPANY REQUESTING IN ITS FILING FOR**
3 **EMPLOYEE TRAINING?**

4 A. According to KWRU’s General Ledger, the Company is requesting \$10,383 for employee
5 training expense.

6
7 **Q. IS THERE AN ISSUE WITH THIS EXPENSE?**

8 A. Yes, it is considerably too high. The chart below is based on information from KWRU’s
9 general ledger and the response to Citizens’ Interrogatory No. 51.

Employee Training				
2013	2014	2015	2016	Avg.
8,513	50	3,937	12,348	6,212

10
11 It shows that not only does this expense fluctuate over time, but also that the test year is
12 considerably higher than the actual amount in any of the previous four years other than
13 2016.

14
15 **Q. HAVE YOU MADE AN ADJUSTMENT?**

16 A. Yes, I have. Because this expense has fluctuated over the previous years it can reasonably
17 be expected to do so in future years. As such, a four-year average is appropriate to use in
18 determining the expense. As shown on the chart, the four-year average from 2013 to 2016
19 is \$6,212.

20
21 **Q. WHY DID YOU USE A FOUR-YEAR AVERAGE FOR THIS EXPENSE WHEN**
22 **YOU USED A FIVE-YEAR AVERAGE FOR YOUR OTHER ADJUSTMENTS?**

1 A. For the other adjustments in which I utilized a five-year average, five years of data was
2 available from the KWRU's annual reports. For this expense, I only had four years of data,
3 unaudited 2017 amounts notwithstanding.

4
5 **Q. WHAT IS YOUR ADJUSTMENT?**

6 A. The adjustment to employee training is a reduction of \$4,171 (\$10,383 - \$6,212). This
7 adjustment is shown on Exhibit HWS-1, Schedule C-14.

8
9 Benefit Expense

10 **Q. WHY HAVE YOU MADE AN ADJUSTMENT TO BENEFIT EXPENSE?**

11 A. KWRU has increased its benefit expense based on the requested increase wages and
12 salaries and since I am recommending an adjustment to wages and salaries a corresponding
13 adjustment to benefit expense is necessary. The adjustment is a reduction to benefit
14 expense of \$34,337 (\$166,119 x 20.67%). This adjustment is shown on Exhibit HWS-1,
15 Schedule C-15.

16
17 Payroll Tax Expense

18 **Q. HAVE YOU MADE AN ADJUSTMENT TO PAYROLL TAX EXPENSE?**

19 A. Yes, I have. The adjustment to payroll tax reflects the corresponding impact of the
20 adjustment to wages and salaries. The adjustment is a reduction to payroll tax expense of
21 \$12,708 (\$166,119 x 7.65%). This adjustment is shown on Exhibit HWS-1, Schedule C-
22 16.

1 Rate Case Expense

2 **Q. HAVE YOU REVIEWED RATE CASE EXPENSE IN THIS DOCKET?**

3 A. Yes, I have. Schedule B-10 of the MFRs is a schedule showing \$284,400 for rate case
4 expense in this case. This is understandably less than the amount approved by the
5 Commission in the last rate case as the test years are only 2 ½ years apart. However, I
6 recommend that the Company has not provided an updated actual and estimated to
7 complete analysis to support Schedule B-10. Once it does, the amounts should be carefully
8 scrutinized for the following:

9 • The prior order recognized that the utility was charging rate case expense for two law
10 firms and made adjustments to remove charges for duplicative tasks.

11 • The prior order also made adjustments to remove all rate case expense for correcting
12 the deficiencies in the MFRs. This case included two filings for deficiencies, therefore,
13 those costs should be removed.

14 • I would also note that the hourly rates for Smith Hawks and Friedman and Friedman
15 are very high, and significantly higher in this case than in KWRU’s last rate case in Docket
16 No. 20150071-SU. Smith Hawks law firm now charges rates up to \$420 an hour. These
17 rates are significantly higher than the rates now charged by the Friedman & Friedman law
18 firm of \$370 per hour. Unlike Smith Hawkes, Friedman & Friedman is a law firm that
19 specializes in representing water and wastewater utilities in the state of Florida, therefore
20 the Commission should carefully review these higher hourly charges. The Smith Hawks
21 law firm has much less experience before the Commission and it is not reasonable that its
22 hourly charges should be higher.

1 **VII. CAPITAL STRUCTURE**

2

3 **Q. ARE THERE CONCERNS WITH THE CAPITAL STRUCTURE?**

4 A. Yes, there are. In response to Citizens' Request for Production of Documents No. 14, the
5 Company provided a file named "KWRU MFRs Vol 1 TY 6-30-17_with Workpapers".
6 This file provided two 13-month trial balances. Each one reflected debt of \$2,209,292. On
7 the other hand, KWRU showed different figures for its Common Equity: in worksheet
8 BS_Trial Balance it was \$1,908,231; in worksheet BalSheet Acct_PerAR it was
9 \$1,984,113 and, in its revised MFR Schedule D-2 and Schedule A-19, it indicates a 13
10 month average of \$2,159,569.

11

12 **Q. DID YOU MAKE CHANGES TO THE COMPANY'S CAPITAL STRUCTURE?**

13 A. Yes, I did. KWRU's actual capital structure is adjusted to reconcile it to rate base and this
14 adjustment affects the weighting to debt and equity respectively. Because of the
15 adjustments to rate base the weighting between debt and equity changed. Therefore,
16 applying KWRU's method of assessing the reconciliation of rate base to the capital
17 structure the change in weighting reduced the overall rate of return to 7.40%.

18

19 **VIII. SUMMARY**

20

21 **Q. WOULD YOU SUMMARIZE YOUR RECOMMENDATIONS TO KWRU'S
22 REQUESTED INCREASE OF \$1,349,690?**

23 A. The OPC is recommending that KWRU's requested rate base of \$7,043,724 be reduced by
24 \$1,548,403 to \$5,495,321. The adjustments as shown on Exhibit HWS-1, Schedule B
25 include a reduction to plant of \$652,972, a reduction to accumulated depreciation,
26 increasing rate base, of \$37,876 and a reduction to working capital of \$933,307.

1 The recommended adjustments to operating expenses as shown on Exhibit HWS-1,
2 Schedule C-1 total \$488,804. The adjustments consist of various O&M adjustments
3 totaling \$343,671, a reduction to depreciation expense of \$132,424 and a reduction taxes
4 other of \$12,708.

5

6 **Q. DOES THIS COMPLETE YOUR PREFILED TESTIMONY?**

7 **A. Yes, it does.**

APPENDIX

QUALIFICATIONS OF HELMUTH W. SCHULTZ, III

Mr. Schultz received a Bachelor of Science in Accounting from Ferris State College in 1975. He maintains extensive continuing professional education in accounting, auditing, and taxation. Mr. Schultz is a member of the Michigan Association of Certified Public Accountants

Mr. Schultz was employed with the firm of Larkin, Chapski & Co., C.P.A.s, as a Junior Accountant, in 1975. He was promoted to Senior Accountant in 1976. As such, he assisted in the supervision and performance of audits and accounting duties of various types of businesses. He has assisted in the implementation and revision of accounting systems for various businesses, including manufacturing, service and sales companies, credit unions and railroads.

In 1978, Mr. Schultz became the audit manager for Larkin, Chapski & Co. His duties included supervision of all audit work done by the firm. Mr. Schultz also represents clients before various state and IRS auditors. He has advised clients on the sale of their businesses and has analyzed the profitability of product lines and made recommendations based upon his analysis. Mr. Schultz has supervised the audit procedures performed in connection with a wide variety of inventories, including railroads, a publications distributor and warehouse for Ford and GM, and various retail establishments.

Mr. Schultz has performed work in the field of utility regulation on behalf of public service commission staffs, state attorney generals and consumer groups concerning regulatory matters before regulatory agencies in Alaska, Arizona, California, Connecticut, Delaware, District of Columbia, Florida, Georgia, Kentucky, Kansas, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New York, Nevada, North Dakota, Ohio, Pennsylvania, Rhode Island, Texas, Utah, Vermont and Virginia. He has presented expert testimony in regulatory hearings on behalf of utility commission staffs and intervenors on numerous occasions.

Partial list of utility cases participated in:

U-5331	Consumers Power Co. Michigan Public Service Commission
Docket No. 770491-TP	Winter Park Telephone Co. Florida Public Service Commission

Case Nos. U-5125 and U-5125(R)	Michigan Bell Telephone Co. Michigan Public Service Commission
Case No. 77-554-EL-AIR	Ohio Edison Company Public Utility Commission of Ohio
Case No. 79-231-EL-FAC	Cleveland Electric Illuminating Public Utility Commission of Ohio
Case No. U-6794	Michigan Consolidated Gas Refunds Michigan Public Service Commission
Docket No. 820294-TP	Southern Bell Telephone and Telegraph Co. Florida Public Service Commission
Case No. 8738	Columbia Gas of Kentucky, Inc. Kentucky Public Service Commission
82-165-EL-EFC	Toledo Edison Company Public Utility Commission of Ohio
Case No. 82-168-EL-EFC	Cleveland Electric Illuminating Company, Public Utility Commission of Ohio
Case No. U-6794	Michigan Consolidated Gas Company Phase II, Michigan Public Service Commission
Docket No. 830012-EU	Tampa Electric Company, Florida Public Service Commission
Case No. ER-83-206	Arkansas Power & Light Company, Missouri Public Service Commission
Case No. U-4758	The Detroit Edison Company - (Refunds), Michigan Public Service Commission
Case No. 8836	Kentucky American Water Company, Kentucky Public Service Commission
Case No. 8839	Western Kentucky Gas Company, Kentucky Public Service Commission

Case No. U-7650	Consumers Power Company - Partial and Immediate Michigan Public Service Commission
Case No. U-7650	Consumers Power Company - Final Michigan Public Service Commission
U-4620	Mississippi Power & Light Company Mississippi Public Service Commission
Docket No. R-850021	Duquesne Light Company Pennsylvania Public Utility Commission
Docket No. R-860378	Duquesne Light Company Pennsylvania Public Utility Commission
Docket No. 87-01-03	Connecticut Natural Gas State of Connecticut Department of Public Utility Control
Docket No. 87-01-02	Southern New England Telephone State of Connecticut Department of Public Utility Control
Docket No. 3673-U	Georgia Power Company Georgia Public Service Commission
Docket No. U-8747	Anchorage Water and Wastewater Utility Alaska Public Utilities Commission
Docket No. 8363	El Paso Electric Company The Public Utility Commission of Texas
Docket No. 881167-EI	Gulf Power Company Florida Public Service Commission
Docket No. R-891364	Philadelphia Electric Company Pennsylvania Office of the Consumer Advocate

Docket No. 89-08-11	The United Illuminating Company The Office of Consumer Counsel and the Attorney General of the State of Connecticut
Docket No. 9165	El Paso Electric Company The Public Utility Commission of Texas
Case No. U-9372	Consumers Power Company Before the Michigan Public Service Commission
Docket No. 891345-EI	Gulf Power Company Florida Public Service Commission
ER89110912J	Jersey Central Power & Light Company Board of Public Utilities Commissioners
Docket No. 890509-WU	Florida Cities Water Company, Golden Gate Division Florida Public Service Commission
Case No. 90-041	Union Light, Heat and Power Company Kentucky Public Service Commission
Docket No. R-901595	Equitable Gas Company Pennsylvania Consumer Counsel
Docket No. 5428	Green Mountain Power Corporation Vermont Department of Public Service
Docket No. 90-10	Artesian Water Company Delaware Public Service Commission
Docket No. 900329-WS	Southern States Utilities, Inc. Florida Public Service Commission
Case No. PUE900034	Commonwealth Gas Services, Inc. Virginia Public Service Commission
Docket No. 90-1037* (DEAA Phase)	Nevada Power Company - Fuel Public Service Commission of Nevada

Docket No. 5491**	Central Vermont Public Service Corporation Vermont Department of Public Service
Docket No. U-1551-89-102	Southwest Gas Corporation - Fuel Before the Arizona Corporation Commission
	Southwest Gas Corporation - Audit of Gas Procurement Practices and Purchased Gas Costs
Docket No. U-1551-90-322	Southwest Gas Corporation Before the Arizona Corporation Commission
Docket No. 176-717-U	United Cities Gas Company Kansas Corporation Commission
Docket No. 5532	Green Mountain Power Corporation Vermont Department of Public Service
Docket No. 910890-EI	Florida Power Corporation Florida Public Service Commission
Docket No. 920324-EI	Tampa Electric Company Florida Public Service Commission
Docket No. 92-06-05	United Illuminating Company The Office of Consumer Counsel and the Attorney General of the State of Connecticut
Docket No. C-913540	Philadelphia Electric Co. Before the Pennsylvania Public Utility Commission
Docket No. 92-47	The Diamond State Telephone Company Before the Public Service Commission of the State of Delaware
Docket No. 92-11-11	Connecticut Light & Power Company State of Connecticut Department of Public Utility Control

Docket No. 93-02-04	Connecticut Natural Gas Corporation State of Connecticut Department of Public Utility Control
Docket No. 93-02-04	Connecticut Natural Gas Corporation (Supplemental) State of Connecticut Department of Public Utility Control
Docket No. 93-08-06	SNET America, Inc. State of Connecticut Department of Public Utility Control
Docket No. 93-057-01**	Mountain Fuel Supply Company Before the Public Service Commission of Utah
Docket No. 94-105-EL-EFC	Dayton Power & Light Company Before the Public Utilities Commission of Ohio
Case No. 399-94-297**	Montana-Dakota Utilities Before the North Dakota Public Service Commission
Docket No. G008/C-91-942	Minnegasco Minnesota Department of Public Service
Docket No. R-00932670	Pennsylvania American Water Company Before the Pennsylvania Public Utility Commission
Docket No. 12700	El Paso Electric Company Public Utility Commission of Texas
Case No. 94-E-0334	Consolidated Edison Company Before the New York Department of Public Service
Docket No. 2216	Narragansett Bay Commission On Behalf of the Division of Public Utilities and Carriers, Before the Rhode Island Public Utilities Commission
Case No. PU-314-94-688	U.S. West Application for Transfer of Local Exchanges Before the North Dakota Public Service Commission

Docket No. 95-02-07	Connecticut Natural Gas Corporation State of Connecticut Department of Public Utility Control
Docket No. 95-03-01	Southern New England Telephone Company State of Connecticut Department of Public Utility Control
Docket No. U-1933-95-317	Tucson Electric Power Before the Arizona Corporation Commission
Docket No. 5863*	Central Vermont Public Service Corporation Before the Vermont Public Service Board
Docket No. 96-01-26**	Bridgeport Hydraulic Company State of Connecticut Department of Public Utility Control
Docket Nos. 5841/ 5859	Citizens Utilities Company Before Vermont Public Service Board
Docket No. 5983	Green Mountain Power Corporation Before Vermont Public Service Board
Case No. PUE960296**	Virginia Electric and Power Company Before the Commonwealth of Virginia State Corporation Commission
Docket No. 97-12-21	Southern Connecticut Gas Company State of Connecticut Department of Public Utility Control
Docket No. 97-035-01	PacifiCorp, dba Utah Power & Light Company Before the Public Service Commission of Utah
Docket No. G-03493A-98-0705*	Black Mountain Gas Division of Northern States Power Company, Page Operations Before the Arizona Corporation Commission

Docket No. 98-10-07	United Illuminating Company State of Connecticut Department of Public Utility Control
Docket No. 99-01-05	Connecticut Light & Power Company State of Connecticut Department of Public Utility Control
Docket No. 99-04-18	Southern Connecticut Gas Company State of Connecticut Department of Public Utility Control
Docket No. 99-09-03	Connecticut Natural Gas Corporation State of Connecticut Department of Public Utility Control
Docket No. 980007-0013-003	Intercoastal Utilities, Inc. St. John County - Florida
Docket No. 99-035-10	PacifiCorp dba Utah Power & Light Company Before the Public Service Commission of Utah
Docket No. 6332 **	Citizens Utilities Company - Vermont Electric Division Before the Vermont Public Service Board
Docket No. G-01551A-00-0309	Southwest Gas Corporation Before the Arizona Corporation Commission
Docket No. 6460**	Central Vermont Public Service Corporation Before the Vermont Public Service Board
Docket No. 01-035-01*	PacifiCorp dba Utah Power & Light Company Before the Public Service Commission of Utah
Docket No. 01-05-19 Phase I	Yankee Gas Services Company State of Connecticut Department of Public Utility Control
Docket No. 010949-EI	Gulf Power Company Before the Florida Office of the Public Counsel

Docket No. 2001-0007-0023	Intercoastal Utilities, Inc. St. Johns County - Florida
Docket No. 6596	Citizens Utilities Company - Vermont Electric Division Before the Vermont Public Service Board
Docket Nos. R. 01-09-001 I. 01-09-002	Verizon California Incorporated Before the California Public Utilities Commission
Docket No. 99-02-05	Connecticut Light & Power Company State of Connecticut Department of Public Utility Control
Docket No. 99-03-04	United Illuminating Company State of Connecticut Department of Public Utility Control
Docket Nos. 5841/ 5859	Citizens Utilities Company Probation Compliance Before Vermont Public Service Board
Docket No. 6120/6460	Central Vermont Public Service Corporation Before the Vermont Public Service Board
Docket No. 020384-GU	Tampa Electric Company d/b/a/ Peoples Gas System Before the Florida Public Service Commission
Docket No. 03-07-02	Connecticut Light & Power Company State of Connecticut Department of Public Utility Control
Docket No. 6914	Shoreham Telephone Company Before the Vermont Public Service Board
Docket No. 04-06-01	Yankee Gas Services Company State of Connecticut Department of Public Utility Control
Docket Nos. 6946/6988	Central Vermont Public Service Corporation Before the Vermont Public Service Board

Docket No. 04-035-42**	PacifiCorp dba Utah Power & Light Company Before the Public Service Commission of Utah
Docket No. 050045-EI**	Florida Power & Light Company Before the Florida Public Service Commission
Docket No. 050078-EI**	Progress Energy Florida, Inc. Before the Florida Public Service Commission
Docket No. 05-03-17	The Southern Connecticut Gas Company State of Connecticut Department of Public Utility Control
Docket No. 05-06-04	United Illuminating Company State of Connecticut Department of Public Utility Control
Docket No. A.05-08-021	San Gabriel Valley Water Company, Fontana Water Division Before the California Public Utilities Commission
Docket NO. 7120 **	Vermont Electric Cooperative Before the Vermont Public Service Board
Docket No. 7191 **	Central Vermont Public Service Corporation Before the Vermont Public Service Board
Docket No. 06-035-21 **	PacifiCorp Before the Public Service Commission of Utah
Docket No. 7160	Vermont Gas Systems Before the Vermont Public Service Board
Docket No. 6850/6853 **	Vermont Electric Cooperative/Citizens Communications Company Before the Vermont Public Service Board
Docket No. 06-03-04** Phase 1	Connecticut Natural Gas Corporation Connecticut Department of Public Utility Control

Application 06-05-025	Request for Order Authorizing the Sale by Thames GmbH of up to 100% of the Common Stock of American Water Works Company, Inc., Resulting in Change of Control of California-American Water Company Before the California Public Utilities Commission
Docket No. 06-12-02PH01**	Yankee Gas Company State of Connecticut Department of Public Utility Control
Case 06-G-1332**	Consolidated Edison Company of New York, Inc. Before the NYS Public Service Commission
Case 07-E-0523	Consolidated Edison Company of New York, Inc. Before the NYS Public Service Commission
Docket No. 07-07-01	Connecticut Light & Power Company Connecticut Department of Public Utility Control
Docket No. 07-035-93	Rocky Mountain Power Company Before the Public Service Commission of Utah
Docket No. 07-057-13	Questar Before the Public Service Commission of Utah
Docket No. 08-07-04	United Illuminating Company Connecticut Department of Public Utility Control
Case 08-E-0539	Consolidated Edison Company of New York, Inc. Before the NYS Public Service Commission
Docket No. 080317-EI	Tampa Electric Company Before the Florida Public Service Commission
Docket No. 7488**	Vermont Electric Cooperative, Inc. Before the Vermont Public Service Board
Docket No. 080318-GU	Peoples Gas System Before the Florida Public Service Commission

Docket No. 08-12-07***	Southern Connecticut Gas Company Connecticut Department of Utility Control
Docket No. 08-12-06***	Connecticut National Gas Company Connecticut Department of Utility Control
Docket No. 090079-EI	Progress Energy Florida, Inc. Before the Florida Public Service Commission
Docket No. 7529 **	Burlington Electric Company Before the Vermont Public Service Board
Docket No. 7585****	Green Mountain Power Corporation Alternative Regulation Before the Vermont Public Service Board
Docket No. 7336****	Central Vermont Public Service Company Alternative Regulation Before the Vermont Public Service Board
Docket No. 09-12-05	Connecticut Light & Power Company Connecticut Department of Utility Control
Docket No. 10-02-13	Aquarion Water Company of Connecticut Connecticut Department of Utility Control
Docket No. 10-70	Western Massachusetts Electric Company Massachusetts Department of Public Utilities
Docket No. 10-12-02	Yankee Gas Services Company Connecticut Department of Utility Control
Docket No. 11-01	Fitchburg Gas & Electric Light Company Massachusetts Department of Public Utilities
Case No.9267	Washington Gas Light Company Maryland Public Service Commission
Docket No. 110138-EI	Gulf Power Company Before the Florida Public Service Commission

Case No.9286	Potomac Electric Power Company Maryland Public Service Commission
Docket No. 120015-EI	Florida Power & Light Company Before the Florida Public Service Commission
Docket No. 11-102***	Western Massachusetts Electric Company Massachusetts Department of Public Utilities
Docket No. 8373****	Green Mountain Power Company Alternative Regulation Before the Vermont Public Service Board
Docket No. 110200-WU	Water Management Services, Inc. Before the Florida Public Service Commission
Docket No. 11-102/11-102A	Western Massachusetts Electric Company Massachusetts Department of Public Utilities
Case No.9311	Potomac Electric Power Company Maryland Public Service Commission
Case No.9316	Columbia Gas of Maryland, Inc. Maryland Public Service Commission
Docket No. 130040-EI**	Tampa Electric Company Before the Florida Public Service Commission
Case No.1103	Potomac Electric Power Company Public Service Commission of the District of Columbia
Docket No. 13-03-23	Connecticut Light & Power Company Connecticut Public Utility Regulatory Authority
Docket No. 13-06-08	Connecticut Natural Gas Corporation Connecticut Public Utility Regulatory Authority
Docket No. 13-90	Fitchburg Gas & Electric Light Company Massachusetts Department of Public Utilities

Docket No. 8190**	Green Mountain Power Company Before the Vermont Public Service Board
Docket No. 8191**	Green Mountain Power Company Alternative Regulation Before the Vermont Public Service Board
Case No.9354**	Columbia Gas of Maryland, Inc. Maryland Public Service Commission
Docket No.2014-UN-132**	Entergy Mississippi Inc. Mississippi Public Service Commission
Docket No. 13-135	Western Massachusetts Electric Company Massachusetts Department of Public Utilities
Docket No. 14-05-26	Connecticut Light & Power Company Connecticut Public Utility Regulatory Authority
Docket No. 13-85	Massachusetts Electric Company and Nantucket Electric Company D/B/A/ as National Grid Massachusetts Department of Public Utilities
Docket No. 14-05-26RE01***	Connecticut Light & Power Company Connecticut Public Utility Regulatory Authority
Docket No.2015-UN-049**	Atmos Energy Corporation Mississippi Public Service Commission
Case No.9390	Columbia Gas of Maryland, Inc. Maryland Public Service Commission
Docket No. 15-03-01***	Connecticut Light & Power Company Connecticut Public Utility Regulatory Authority
Docket No. 15-03-02***	United Illuminating Company Connecticut Department of Public Utility Control
Case No.9418***	Potomac Electric Power Company Maryland Public Service Commission

Case No.1135*** Docket No. 15-03-01***	Washington Gas Connecticut Light & Power Company Connecticut Public Utility Regulatory Authority
Case No.1137	Washington Gas Public Service Commission of the District of Columbia
Docket No. 160021-EI	Florida Power & Light Company Before the Florida Public Service Commission
Docket No. 160062-EI	Florida Power & Light Company Before the Florida Public Service Commission
Docket No. 15-149	Western Massachusetts Electric Company Massachusetts Department of Public Utilities
Docket No. 8710	Vermont Gas Systems Inc. Before the Vermont Public Service Board
Docket No. 8698	Vermont Gas Systems Inc. Alternative Regulation Before the Vermont Public Service Board
Docket No. 16-06-042	United Illuminating Company Connecticut Department of Public Utility Control
Docket No. A.16-09-001	Southern California Edison Before the California Public Utilities Commission
Case No. 17-1238-INV**	Vermont Gas Systems Inc. Before the Vermont Public Utility Commission
Case No. 17-3112-INV**	Green Mountain Power Company Before the Vermont Public Utility Commission
Docket No. 17-10-46**	Connecticut Light & Power Company Connecticut Public Utility Regulatory Authority

- * Certain issues stipulated, portion of testimony withdrawn.
- ** Case settled.
- *** Assisted in case and hearings, no testimony presented
- **** Annual filings reviewed and reports filed with Board.

Index to Revenue Requirement Exhibit

Sch. No.	Title
A	Revenue Requirement
A-1	Revenue Requirement
B	Adjusted Rate Base
B-1	Plant
B-2	Accumulated Depreciation/Depreciation Expense
B-3	Working Capital
B-4	Service Truck
B-5	Cherrington Sand Sifter
B-6	Modular Office
C-1	Adjusted Net Operating Income
C-2	Replacement Phone System
C-3	Salaries & Wages
C-4	Traditional Pension Plan
C-5	Bad Debt Expense
C-6	Hurricane Costs
C-7	Dues
C-8	Advertising Expense
C-9	Materials and Supplies Expense
C-10	Contractual Services - Engineering
C-11	Insurance - Workman's Compensation
C-12	Non-utility Cost Adjustments
C-13	Rental of Equipment
C-14	Employee Training Expense
C-15	Benefit Expense
C-16	Payroll Tax Expense
D	Cost of Capital

Revenue Requirement

Schedule A
 Page 1 of 1

Line No.	Description	Per Company Amount (A)	Per OPC Amount (B)	Col. (B) Reference
1	Operating Revenues	\$ 2,332,526	\$ 2,332,526	Schedule C-1, page 1
2	Operation & Maintenance	\$ 2,520,930	\$ 2,177,259	Schedule C-1, page 1
3	Depreciation, net of CIAC Amort.	\$ 336,482	\$ 204,058	Schedule C-1, page 1
4	Amortization			
5	Taxes Other Than Income	\$ 226,974	\$ 214,266	Schedule C-1, page 1
6	Provision for Income Taxes			
7	Operating Expenses	<u>\$ 3,084,386</u>	<u>\$ 2,595,582</u>	Lines 2+3+4+5+6
8	Net Operating Income	<u>\$ (751,860)</u>	<u>\$ (263,056)</u>	Line 1 - Line 7
9	Rate Base	<u>\$ 7,043,724</u>	<u>\$ 5,495,321</u>	Schedule B
10	Rate of Return	-10.67%	-4.79%	Line 8 / Line 9

Revenue Requirement

Schedule A-1
 Page 1 of 1

Line No.	Description	Per Company Adjusted Test Year (A)	Revisions	Company Revised Adjusted Test Year	
1	Operating Revenues	\$ 2,332,526		\$ 2,332,526	
2	Operation & Maintenance	\$ 2,533,058	\$ (12,128)	\$ 2,520,930	
3	Depreciation, net of CIAC Amort.	\$ 336,482	\$ -	\$ 336,482	
4	Amortization			\$ -	
5	Taxes Other Than Income	\$ 227,182	\$ (208)	\$ 226,974	
6	Provision for Income Taxes				
7	Operating Expenses	\$ 3,096,722	\$ (12,336)	\$ 3,084,386	
8	Net Operating Income	\$ (764,196)		\$ (751,860)	Line 1- Line 7
9	Rate Base	\$ 7,043,724		\$ 7,043,724	
10	Rate of Return	-10.85%		-10.67%	Line 8 / Line 9
11	Revenue Increase Based on 7.45%	1,349,690		1,336,773	
12	Taxes Other Than Income	60,736		60,155	
13	Increase in Net Operating Income	1,288,954		1,276,618	
14	Adjusted Net Operating Income	\$ 524,758		\$ 524,758	Line 9 x Line 15
15	Requested Rate of Return	7.45%		7.45%	Line 13 / Line 9

Source/Notes:

Col. (A): MFR Schedule B-2

Col. (B): Revised MFR Schedule B-3 and B-8

Adjusted Rate Base

Schedule B
 Page 1 of 1

Line No.	Rate Base Components	Adjusted Amount per Company (A)	OPC Adjustments (B)	Adjusted Amount per OPC (C)
1	Plant in Service	\$ 19,887,796	\$ (652,972)	\$ 19,234,824
2	Utility Land and Land Rights	\$ 375,000		\$ 375,000
3	Less Non-Used and Useful Plant	\$ (2,652,257)		\$ (2,652,257)
4	Less Accumulated Depreciation	(6,277,693)	37,876	\$ (6,239,817)
5	Less: CIAC	(10,406,318)		\$ (10,406,318)
6	Accumulated Amortization of CIAC	3,898,064		\$ 3,898,064
7	Working Capital Allowance	2,219,132	(933,307)	1,285,825
8	Total Rate Base	\$ 7,043,724	\$ (1,548,403)	\$ 5,495,321

Source: Col. A: Company MFR Schedule A-2
 Col. B: L&A Schedules B-2 through B-6

Plant

Schedule B-1
 Page 1 of 1

Line No.	Rate Base Components	Adjusted Amount per Company (A)	OPC Amounts (B)	Adjustments per OPC (C)
1	(1) Reclass AWT Plant Expansion			
2	354.4 Structures & Improvement	\$ (544,573)	(544,573)	0
3	364.2 Flow Measuring Devices	24,201	24,201	0
4	380.4 Treatment & Disposal Equipment	489,573	489,573	0
5	381.4 Plant Sewers	30,800	30,800	0
6	(2) Reclass AWT Plant Expansion that should have been expensed			0
7	354.4 Structures & Improvement	(405)	(405)	0
8	(3) Annualize AWT Plant Expansion			0
9	354.4 Structures & Improvement	2,383,494	2,383,494	0
10	364.2 Flow Measuring Devices	54,451	54,451	0
11	380.4 Treatment & Disposal Equipment	1,101,539	1,101,539	0
12	381.4 Plant Sewers	69,300	69,300	0
13	(4) 354.4 Retire Vacuum Structure	(390,285)	(390,285)	0
14	Test Year Adjust. to Utility Plant in Service	<u>\$ 3,218,095</u>	<u>3,218,095</u>	<u>0</u>
15	(5) Pro Forma Plant Additions:			
16	354.3 Lift Station	146,393	123,620	(22,773)
17	380.4 WWTP Rehabilitation	1,104,764	983,483	(121,281)
18	380.4 Chlorine Contact Chamber	1,071,814	1,071,814	0
19	380.4 Sludge Drying Beds	15,450	15,450	0
20	380.4 Generator	321,006	214,145	(106,861)
21	371.3 Tow behind generator	83,470	0	(83,470)
22	390.7 Telephone System	15,000	15,000	0
23	391.7 Service Truck with Crane	74,174	44,777	(29,397)
24	354.7 Office Structures & Improvements	288,000	0	(288,000)
25	395.7 New sandsifter	44,300	43,110	(1,190)
26	(6) Plant Retirements due to Pro Forma Plant Additions			0
27	395.7 Retire old sandsifter	(36,443)	(36,443)	0
28	Pro Forma Adjust. to Utility Plant in Service	<u>\$ 3,127,928</u>	<u>3,127,928</u>	<u>(652,972)</u>
29		<u>\$ 6,346,024</u>	<u>6,346,024</u>	<u>(652,972)</u>

Source: Company amounts are from Company Schedule A-3.
 Lines 16, 17, 20, and 21 are OPC Witness Andrew Woodcock adjustments.

Accumulated Depreciation/Depreciation Expense

Schedule B-2
 Page 1 of 3

Line No.	Rate Base Components	Adjusted Amount per Company (A)	OPC Amounts (B)	Adjustments per OPC (C)
1	(1) Adjustment to annualize Accum Depr for plant added during the Test Year			
2	354.4 Structures & Improvements	63,736	63,736	
3	360.2 Collection Sewer Force	3,839	3,839	
4	364.2 Flow Measuring Devices	7,865	7,865	
5	371.3 Pumping Equipment	764	764	
6	375.6 Reuse Trans/Dist	2,358	2,358	
7	380.4 Treatment & Disposal Equipment	44,951	44,951	
8	381.4 Plant Sewers	1,430	1,430	
9	390.7 Office Furniture	132	132	
10	(2)354.4 Retire Vacuum Structure	(390,285)	(390,285)	
11	Total Test Year Adjustment to Accumulated Depreciation	<u>(265,211)</u>	<u>(265,210)</u>	<u>0</u>
12	(3) Pro Forma Plant Additions			
13	354.3 Replace Lift Station	2,437	2,058	(379)
14	380.4 WWTP Rehabilitation	30,712	27,341	(3,372)
15	380.4 Chlorine Contact Chamber	29,796	29,796	0
16	380.4 Sludge Drying Beds	430	430	0
17	380.4 Generator	8,924	5,953	(2,971)
18	371.3 Tow behind generator	2,320	0	(2,320)
19	390.7 Telephone System	1,250	1,250	0
20	391.7 Service Truck with Crane	6,182	3,732	(2,450)
21	354.7 Office Structures & Improvements	4,795	0	(4,795)
22	395.7 New sandsifter	1,845	1,796	(50)
23				
24	(4) Pro Forma Plant Retirements			
25	395.7 Retire old sandsifter	(36,443)	(36,443)	
		<u>\$ 52,251</u>	<u>\$ 35,914</u>	<u>\$ (16,337)</u>
26		<u>\$ (212,960)</u>	<u>(229,296)</u>	<u>(16,337)</u>
27	Depreciation Expense Adjustment			<u>(32,674)</u>

Accumulated Depreciation/Depreciation Expense

Schedule B-2
 Page 2 of 3

Line No.	Rate Base Components	Annualized Amount per Company (A)	Adjustments Per Company Amounts (B)	2017 Assumed Recorded (C)
1	354.4 Structures & Improvements	127,472	95,604	31,868
2	360.2 Collection Sewer Force	7,678	4,479	3,199
3	364.2 Flow Measuring Devices	15,730	11,798	3,932
4	371.3 Pumping Equipment	1,526	1,047	479
5	375.6 Reuse Trans/Dist	4,715	2,751	1,964
6	380.4 Treatment & Disposal Equipment	89,903	67,356	22,547
7	381.4 Plant Sewers	2,860	2,145	715
8	390.7 Office Furniture	261	131	130
9	Test Year Adjustment Depreciation	250,145	185,311	64,834
		<u>Total Depreciation</u>	<u>2016 Depreciation</u>	<u>2017 Depreciation</u>
11	Recorded Depreciation	501,932	197,010	304,922
12	2016 Depreciation			(197,010)
13	Recorded Incremental Depreciation			107,912
14	Difference Between Actual and Assumed Depreciation Expense			(43,078)
15	Accumulated Depreciation Adjustment			21,539

Source: Column A is from KWRU MFR worksheet Plant Additions

Accumulated Depreciation/Depreciation Expense - Retirements

Schedule B-2
 Page 3 of 3

Line No.	Rate Base Components	OPC Adjusted Amount (A)	Prorated Retirement Amounts (B)	Depreciation Life	Depreciation Expense (C)
1	354.3 Lift Station	123,620	92,715	30	(3,091)
2	380.4 Chlorine Contact Chamber	1,071,814	803,861	18	(44,659)
3	380.4 Generator	214,145	160,609	18	(8,923)
4	Total	1,409,579	1,057,184		(56,672)

Working Capital

Schedule B-3
 Page 1 of 1

Line No.	Description	Amount	Reference	
1	Working Capital per OPC	\$ 1,285,825	Line 24	
2	Working Capital per KWRU	<u>\$ 2,219,132</u>	KWRU Schedule A-17	
3	Adjustment to Working Capital	<u>\$ (933,307)</u>		
		<u>Per Company</u>	<u>Per OPC</u>	
	<u>Current & Accrued Assets (13 Month Average)</u>		<u>Adjustment</u>	
4	Cash	\$ 911,826	317,978	(593,848) OPC Testimony
5	Special Deposits (FPSC Escrow Account)	281,123	0	(281,123) OPC Testimony
6	Accounts Rec less Accum. Provision for Uncoll Accts	224,960	224,960	0
7	Accounts Rec'b - Other	53,835	53,835	0
8	Prepayments	30,694	30,694	0
9	Materials & Supplies	-	0	0
10	Misc. Current & Accrued Assets	22,512	22,512	0
11	Unamortized Debt Discount & Exp.	43,206	43,206	0
12	Prelim. Survey & Investigation Charges	46,339	46,339	0
13	Rate Case Expense Docket #150071	438,941	409,886	(29,055) OPC Testimony
14	Other Miscellaneous Deferred Debits	496,973	496,973	0
				0
	<u>Current & Accrued Liabilities (13 Month Average)</u>			0
15	Accounts Payable	(319,296)	(319,296)	0
16	Accrued Taxes	(35,594)	(35,594)	0
17	Accrued Interest	-	0	0
18	Misc. Current & Accrued Liabilities	(61,899)	(61,899)	0
19	Working Capital (Balance Sheet Method)	<u>\$ 2,133,620</u>	<u>1,229,594</u>	<u>(904,026)</u>
20	Unamortized rate case expense prior rate case (1/2 of one year)	(53,854)	(53,854)	0
21	Last stand amortization (1/2 of one year)	(49,697)	(49,697)	0
22	Proforma Unamortized portion of hurricane expense (Total			0
23	minus 1/2 year amortization)	<u>189,063</u>	<u>159,782</u>	<u>(29,281)</u> Schedule C-6
24	Total Working Capital	<u>\$ 2,219,132</u>	<u>1,285,825</u>	<u>(933,307)</u>

Source : Lines 4-24 are from Company Schedules A-3 and A-17

Service Truck

Schedule B-4
Page 1 of 1

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	Pro Forma Service Truck with Crane per Company	\$ 74,174	Johnson Testimony p. 9
2	Actual Service Truck with Crane per OPC	<u>\$ 44,777</u>	OPC Testimony
3	Adjustment to remove difference between estimated and actual cost	<u><u>\$ (29,397)</u></u>	

Cherrington Sand Sifter

Schedule B-5
Page 1 of 1

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	Pro Forma Sand Sifter per KWRU	\$ 44,300	Johnson Testimony p.12
2	Actual Sand Sifter per OPC	<u>\$ 43,110</u>	OPC Testimony
3	Adjustment to remove difference between estimated and actual	<u><u>\$ (1,190)</u></u>	

Modular Office

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	Modular Office costs per KWRU	\$ 288,000	Johnson Testimony p. 9-10
2	Modular Office costs per OPC	\$ -	OPC Testimony
3	Adjustment to reduce Modular Office Expense	<u>\$ (288,000)</u>	

Adjusted Net Operating Income

Schedule C-1
 Page 1 of 2

Line No.	Description	Adjusted Total per Company (A)	OPC Adjustments (B)	Adjusted Total per OPC (C)	
1	Operating Revenues	2,332,526	\$ -	2,332,526	
2	Operation & Maintenance	\$ 2,520,930	\$ (343,671)	\$ 2,177,259	
3	Depreciation, net of CIAC Amort	336,482	(132,424)	204,058	
4	Amortization				
5	Taxes Other Than Income	226,974	(12,708)	214,266	
6	Provision for Income Taxes				
7	OPERATING EXPENSES	\$ 3,084,386	\$ (488,804)	\$ 2,595,582	
8	NET OPERATING INCOME	\$ (751,860)	\$ 488,804	\$ (263,056)	
9	Rate Base	\$ 7,043,724	\$ (1,548,403)	\$ 5,495,321	
10	Rate of Return	-10.67%		-4.79%	Line 8 / Line 9
11	Revenue Increase	\$ 1,349,690		\$ 701,267	
12	Taxes Other Than Income	60,736		31,557	
13	Increase in Net Operating Income	1,288,954		669,710	
14	Adjusted Net Operating Income	\$ 524,758		\$ 406,654	Line 8 + Line 13
15	Requested/Recommended Rate of Return	7.45%		7.40%	Line 13 / Line 9

Net Operating Income-Summary of Adjustments

Schedule C-1
 Page 2 of 2

Line No.	Adjustment Title	Adjusted TY Per Company (A)	OPC Adjustment (B)	OPC Adjusted (C)
1	Revenues	\$ 2,332,526	\$ -	\$ 2,332,526
2	Salaries & Wages - Employees	\$ 752,549	\$ (166,119)	\$ 586,430
3	Salaries & Wages - Officers, Etc.	\$ 261,581		\$ 261,581
4	Employee Pensions & Benefits	\$ 217,557	\$ (73,953)	\$ 143,604
5	Employee Benefits		\$ (34,337)	
6	Traditional Pension Plan		\$ (35,445)	
7	Employee Training		\$ (4,171)	
8	Purchased Sewage Treatment			\$ -
9	Sludge Removal Expense	\$ 164,849		\$ 164,849
10	Purchased Power	\$ 219,230		\$ 219,230
11	Fuel for Power Purchased			\$ -
12	Chemicals	\$ 231,742		\$ 231,742
13	Materials and Supplies	\$ 86,041	\$ (48,475)	\$ 37,566
14	Contractual Services - Eng	\$ 20,765	\$ (10,752)	\$ 10,013
15	Contractual Services - Acct.	\$ 12,050		\$ 12,050
16	Contractual Services - Legal	\$ 11,179		\$ 11,179
17	Contractual Services - Mgmt Fees			\$ -
18	Contractual Services - Testing	\$ 18,429		\$ 18,429
19	Contractual Services - Other			\$ -
20	Rental of Building/Real Prop.	\$ 514		\$ 514
21	Rental of Equipment	\$ 1,479	\$ (1,479)	\$ -
22	Transportation Expenses	\$ 25,908		\$ 25,908
23	Insurance - Vehicle			\$ -
24	Insurance - General Liability	\$ 60,849		\$ 60,849
25	Insurance - Workman's Comp.	\$ 36,073	\$ (8,839)	\$ 27,234
26	Insurance - Other			\$ -
27	Advertising Expense	\$ 5,803	\$ (4,437)	\$ 1,366
28	Reg. Comm. Exp. - Rate Case Amort	\$ 178,807		\$ 178,807
29	Reg. Comm. Exp. - Other			\$ -
30	Bad Debt Expense	\$ 2,443	\$ (2,443)	\$ -
31	Miscellaneous Expenses	\$ 213,082	\$ (27,175)	\$ 185,907
	Hurricane Amortization		\$ (18,511)	
32	Miscellaneous Expenses		\$ (1,759)	
33	Dues		\$ (2,163)	
34	Phone Expense		\$ (4,742)	
35	Total O&M Expenses	<u>\$ 2,520,930</u>	<u>\$ (343,671)</u>	<u>\$ 2,177,259</u>
36	Depreciation	\$ 336,482	\$ (132,424)	\$ 204,058
37	Taxes Other	\$ 226,974	\$ (12,708)	\$ 214,266
38	Net Operating Income	<u>\$ (751,860)</u>	<u>\$ 488,804</u>	<u>\$ (263,056)</u>

Source: Col. A: KWRU Schedule B-8
 Col. B : Schedules C-2 through C-16
 Col. C: Col. A + Col. B

Replacement Phone System

Schedule C-2
Page 1 of 1

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	Annual Expense per OPC	\$ 12,647	OPC Testimony
2	Annual Expense per Company	<u>\$ 17,389</u>	Line 6
3	OPC Adjustment to Remove Comcast Monthly Expense	<u>\$ (4,742)</u>	
4	Test Year Expense	4,742.00	
5	Company Adjustment	<u>12,647.00</u>	CAJ 15
6		<u>17,389.00</u>	

Source: Line 4 is from response to OPC POD 4.

Salaries & Wages

Schedule C-3
 Page 1 of 1

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	Salaries per OPC	\$ 586,430	OPC Testimony
2	Salaries per KWRU	<u>752,549</u>	Co. Schedule B-8
3	OPC Adjustment to Salaries	<u>\$ (166,119)</u>	
4	Salaries per KWRU	752,549	
5	Vacancy 1	(49,620)	CAJ-23
6	Vacancy 2	(70,886)	CAJ-23
7	Vacancy 3	(39,520)	CAJ-23
8	Overtime Amortization Adjustment	<u>(6,093)</u>	
9		<u>586,430</u>	
10	2013 Overtime	13,167	
11	2014 Overtime	22,186	
12	2015 Overtime	14,734	
13	2016 Overtime	<u>15,653</u>	
14	Four Year Average	16,435	
15	2017 Overtime	<u>38,995</u>	
16	Incremental Storm Overtime	<u>22,560</u>	Line 15 - Line 14
17	Five Year Amortization	4,512	Line 16/5
18	Company Requested Storm Cost	<u>10,605</u>	Co. Schedule B-3
19	Overtime Amortization Adjustment	<u>(6,093)</u>	

Source: Lines 5-7 are from Company Exhibit CAJ-23.
 Lines 10-13 and Line 15 are from Company Response to OPC ROG 93d.

Traditional Pension Plan

Schedule C-4
Page 1 of 1

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	Traditional Pension Plan per OPC	\$ -	OPC Testimony
2	Traditional Pension Plan per KWRU	<u>\$ 35,445</u>	OPC ROG 123
3	OPC Adjustment to Remove Tradition Pension Plan	<u><u>\$ (35,445)</u></u>	
4	Pro Forma Pension Expense	53,446	OPC ROG 123
5	Test Year 401(k) Cost	<u>18,001</u>	OPC ROG 123
6	Incremental Cost of Pension over 401(k)	<u><u>35,445</u></u>	Line 4 - Line 5

Bad Debt Expense

Schedule C-5
Page 1 of 1

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	Bad Debt Expense per OPC	\$ -	OPC Testimony
2	Bad Debt Expense per KWRU	<u>\$ 2,443</u>	OPC ROG 64
3	OPC Adjustment to Remove Bad Debt Expense	<u><u>\$ (2,443)</u></u>	

Hurricane Costs

Schedule C-6
 Page 1 of 1

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	Hurricane Amortization Per OPC	\$ 35,507	OPC Testimony
2	Hurricane Amortization Per KWRU	\$ 54,018	MFR Schedule B-3, Page 1 of 2, Line 32
3	OPC Adjustment to Amortization	\$ (18,511)	
		Per	
		<u>Company</u>	<u>Per OPC</u>
4	Temporary office space	18,444	18,444
5	IT Service	7,396	7,396
6	Generator rentals/ maintenance	95,274	95,274
7	Actual expenditures	90,279	71,135
8	Maint Bldg. Roof Repairs	4,680	4,680
9	Insurance Proceeds		(19,393)
10	TOTAL	<u>216,074</u>	<u>177,536</u>
11	Amortize over four years/five years	54,018	35,507
12	Addition to Working Capital	189,063	159,782 Total minus 1/2 of first year
13	Hurricane Duplicative	\$ 143	CAJ-17, CAJ-20 OPC Testimony
14	Hurricane Duplicative	\$ 1,723	CAJ-17, CAJ-20 OPC Testimony
15	Hurricane Duplicative	\$ 2,899	CAJ-16, CAJ-20 OPC Testimony
16	Hurricane Duplicative	\$ 1,940	CAJ-19, CAJ-20 OPC Testimony
17	Duplicated Overtime	\$ 7,440	CAJ-20 OPC Testimony
18	Estimated Costs	\$ 5,000	OPC Testimony
19		<u>19,144</u>	

Dues

Schedule C-7
Page 1 of 1

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	Dues per OPC	\$ -	OPC Testimony
2	Dues per KWRU	<u>\$ 2,163</u>	OPC ROG 106/114
3	OPC Adjustment to Remove Dues	<u><u>\$ (2,163)</u></u>	

Advertising Expense

Schedule C-8
Page 1 of 1

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	Advertising Expense per OPC	\$ 1,366	OPC Testimony
2	Advertising Expense per KWRU	<u>\$ 5,803</u>	KWRU Schedule B-8
3	OPC Adjustment to Reduce Advertising Expense	<u><u>\$ (4,437)</u></u>	

Materials and Supplies Expense

Schedule C-9
Page 1 of 1

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	Materials and Supplies Expense per OPC	\$ 37,566	OPC Testimony
2	Materials and Supplies Expense per KWRU	<u>\$ 86,041</u>	KWRU Schedule B-8
3	OPC Adjustment to Reduce Materials and Supplies Expense	<u><u>\$ (48,475)</u></u>	

Contractual Services - Engineering

Schedule C-10
Page 1 of 1

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	Contractual Services - Engineering per OPC	\$ 10,013	OPC Testimony
2	Contractual Services - Engineering per KWRU	<u>\$ 20,765</u>	KWRU Schedule B-8
3	OPC adjustment to reduce Contractual Services - Engineering	<u><u>\$ (10,752)</u></u>	

Insurance - Workman's Compensation

Schedule C-11
Page 1 of 1

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	Workman's Compensation per OPC	\$ 27,234	OPC Testimony
2	Workman's Compensation per KWRU	<u>\$ 36,073</u>	KWRU Schedule B-8
3	OPC Adjustment to reduce Insurance - Workman's Compensation	<u><u>\$ (8,839)</u></u>	

Non-utility Cost Adjustments

Schedule C-12
Page 1 of 1

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	OPC Adjustment to Remove Miscellaneous Costs	<u><u>(\$1,759)</u></u>	See Below
2	Retirement Party	\$ 296	OPC ROG 69
3	Retirement Party	\$ 414	OPC ROG 69
4	Christmas Party	<u>\$ 1,050</u>	2016 G/L
5	Total	<u><u>\$ 1,759</u></u>	

Rental of Equipment

Schedule C-13
Page 1 of 1

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	Contractual Services - Rental of Equipment per OPC	\$ -	OPC Testimony
2	Contractual Services - Rental of Equipment per KWRU	\$ 1,479	KWRU Schedule B-8
3	OPC Adjustment to Reduce Contractual Services - Rental of Equipment	<u>\$ (1,479)</u>	

Employee Training Expense

Schedule C-14
Page 1 of 1

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	Employee Training per OPC	\$ 6,212	OPC Testimony
2	Employee Training per KWRU	<u>\$ 10,383</u>	2016 and 2017 G/L
3	OPC Adjustment to Reduce Employee Training Expense	<u>\$ (4,171)</u>	

Benefit Expense

Schedule C-15
Page 1 of 1

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	OPC Adjustment to Benefits	<u>\$ (34,337)</u>	
2	Payroll Adjustment	(166,119)	Schedule C-3
3	Benefit Rate	<u>20.67%</u>	
4		<u>(34,337)</u>	

Source: Line 3 is from Company Schedule B-3 where increase in payroll was multiplied by 20.67% to arrive at benefit adjustment.

Payroll Tax Expense

Schedule C-16
Page 1 of 1

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	OPC Adjustment to Payroll Taxes	<u>\$ (12,708)</u>	
2	Payroll Adjustment	(166,119)	Schedule C-3
3	FICA Rate	<u>7.65%</u>	
4		<u>(12,708)</u>	

Cost of Capital

Schedule D
 Page 1 of 1

Line No.		Capital Structure Per Company	OPC Adjustments	Per OPC Adjusted Amounts	Ratio	Cost Rate per OPC	Per OPC Weighted Cost Rate	
	<u>Actual Capital Structure</u>	(A)	(B)	(C)	(D)	(E)	(F)	
1	Long Term Debt	\$ 2,209,292	(783,013)	1,426,279	48.34%	4.88%	2.36%	
2	Short Term Debt							
3	Preferred Stock							
4	Common Equity	\$ 2,159,569	(765,390)	1,394,179	47.26%	10.39%	4.91%	
5	Customer Deposits	\$ 201,041		201,041	4.40%	2.00%	0.09%	
6	Total	<u>4,569,902</u>	<u>(1,548,403)</u>	<u>3,021,499</u>	<u>100.00%</u>		<u>7.36%</u>	
<u>Rate Base Reconciled Capital Structure</u>								
7	Long Term Debt	\$ 3,460,280	(783,013)	2,677,267	48.72%	4.88%	2.38%	
8	Short Term Debt							
9	Preferred Stock							
10	Common Equity	\$ 3,382,403	(765,390)	2,617,013	47.62%	10.39%	4.95%	
11	Customer Deposits	\$ 201,041		201,041	3.66%	2.00%	0.07%	
12	Total	<u>7,043,724</u>	<u>(1,548,403)</u>	<u>5,495,321</u>	<u>100.00%</u>		<u>7.40%</u>	
<u>Per Company</u>								
13	Long Term Debt	\$ 3,460,280			49.13%	4.88%	2.40%	
14	Short Term Debt							
15	Preferred Stock							
16	Common Equity	\$ 3,382,403			48.02%	10.39%	4.99%	
17	Customer Deposits	\$ 201,041			2.85%	2.00%	0.06%	
18	Total	<u>7,043,724</u>			<u>100.00%</u>		<u>7.45%</u>	
	Rate of return calculation:	7.13% + (1.610/ (2,159,569/(2,209,292+2,159,569)))					10.39%	

Source: Lines 1-6 of Column A is from Company Schedule D-2.
 Lines 13-18 of Column A are from Company Schedule D-1.

EXHIBIT HWS-2

OF

HELMUTH W. SCHULTZ, III

ON BEHALF OF THE CITIZENS OF THE STATE OF FLORIDA

COMPOSITE EXHIBIT:

DISCOVERY AND OTHER REFERENCES

Index to Composite Exhibit
Discovery and Other References

Attachment	Reference	Subject
1	Citizens' Interrogatory 29	Pro Forma Plant Service Truck with Crane
2	Citizens' Interrogatory 30	Pro Forma Plant Sand Sifter
3	Citizens' Interrogatory 39	2017 Operation and Maintenance Expenses
4	Citizens' Interrogatory 41	Salaries and Wages: Employees by Year
5	Citizens' Interrogatory 42	Salaries and Wages
6	Citizens' Interrogatory 43	Salaries and Wages - Overtime
7	Citizens' Interrogatory 51	Employee Pensions & Benefits
8	Citizens' Interrogatory 55	Contractual Services – Engineering: Permit Renewal
9	Citizens' Interrogatory 57	Equipment Rental
10	Citizens' Interrogatory 61	Insurance – Worker's Comp.
11	Citizens' Interrogatory 63	Advertising Expense
12	Citizens' Interrogatory 64	Bad Debt Expense: Employee Loan
13	Citizens' Interrogatory 69	O&M Expenses: Retirement Party
14	Citizens' Interrogatory 71	Pro Forma Plant - Retirements
15	Citizens' Interrogatory 75	Office Space
16	Citizens' Interrogatory 76	Hurricane Costs: Information Technology Solutions
17	Citizens' Interrogatory 87	O&M Expenses 2015-2017
18	Citizens' Interrogatory 88	Extraordinary Event Overtime
19	Citizens' Interrogatory 90	Pro Forma Plant - No Bids
20	Citizens' Interrogatory 93	Salaries and Wages
21	Citizens' Interrogatory 106	Non-industry Dues and Memberships
22	Citizens' Interrogatory 114	Industry Associations Dues
23	Citizens' Interrogatory 117	Insurance
24	Citizens' Interrogatory 118	Modular Office Installation
25	Citizens' Interrogatory 123	Employee Pensions and Benefits
26	Citizens' Request for Production of Documents 4	General Ledgers: 2016 and 2017 Excerpt - Account 7750850 - Dues & Subscriptions
27	Citizens' Request for Production of Documents 4	General Ledgers: 2016 and 2017 Excerpt - Account 7310820 - Contract Services - Engineer
28	Citizens' Request for Production of Documents 4	General Ledgers: 2016 and 2017 Excerpt - Account 7750830 - Telephone & Fax
29	Citizens' Request for Production of Documents 4	General Ledgers: 2016 Excerpt - Account 7048100 - Employee Relations
30	Citizens' Request for Production of Documents 4	General Ledgers: 2016 and 2017 Excerpt - Account 7048300 - Employee Training
31	Citizens' Request for Production of Documents 14	Working Capital Allowance
32	Citizens' Request for Production of Documents 14	Accumulated Depreciation
33	Citizens' Request for Production of Documents 39	Construction Drawings for the Modular Office Referenced in CAJ-21
34	Citizens' Request for Production of Documents 59	Hurricane Costs

Index to Composite Exhibit
Discovery and Other References

Attachment	Reference	Subject
35	Citizens' Request for Production of Documents 72	Pension Plan
36	Citizens' Request for Production of Documents 73	Pension Plan
37	Annual Report Excerpts 2012-2016	KW Resort Utilities Corp. (SU 336) Pages S-10 (a) and (b) for 2012 - 2106
38	PSC Order No. PSC-2017-0091-FOF-SU, pages 1, 32	K W Resort Utilities Corp. Docket No. 20150071-SU: Excerpt on Cash Balance
39	PSC Order No. PSC-2017-0091-FOF-SU, pages 1, 51-58	K W Resort Utilities Corp. Docket No. 20150071-SU: Excerpt on Rate Case Expense
40	PSC Order No. 1996-0663-FOF-WS, pages 1, 11	Rotonda West Utility Corporation Docket No. 19950336-WS; Excerpt on Cash Balance

ATTACHMENT 1

KWRU RESPONSE TO CITIZENS' INTERROGATORY NO. 29

PRO FORMA PLANT SERVICE TRUCK WITH CRANE

29. Pro Forma Plant. Please refer to page 9 of Mr. Johnson's testimony. Please explain how the estimate of \$74,174 for the Service Truck with Crane was derived.

RESPONSE: The estimate was generated by reviewing market data for used utility service trucks with small service cranes. Because of the lack of these types of specialty vehicles for sale in the Florida Keys, the number was based on listing prices from a range of regions. New trucks in this class are typically more than \$100,000.00, so KWRU focused its search on used trucks in good condition, which are typically in the \$60,000.00 to \$70,000.00 price range. Shipping costs (due to wide search area) and sales tax were included to derive the \$74,174 estimate. KWRU was ultimately able to purchase a suitable truck for \$40,163.02, excluding tax, title, license fees, and necessary improvements and repair parts for safe operation. Tax, title, and license fees totaled \$2,764.92; inspection services totaled \$250; repair parts and equipment (paid to Knaphide and Granger) totaled \$687.39. Future anticipated costs to equip the vehicle to a safe working standard are light bar (estimated at \$400), water tank (estimated at \$600), and step and dividers (estimated at \$600). The total cost spent to date is \$43,177.94, and when the remaining items are purchased the total cost is anticipated to be approximately \$44,777.

- ~~30. Pro Forma Plant. Please refer to page 12 of Mr. Johnson's testimony. Please explain how the amount of \$44,300 for the sand sifter was derived.~~

~~**RESPONSE:** The cost paid by KWRU for the original Cherrington Model 3000 Sand Sifter (in 2006) was \$44,300.00. The same model today, per quote received by KWRU, costs \$55,000.00. KWRU was able to purchase a suitable sand sifter (Mahindra Model 2655) for \$43,110.16.~~

ATTACHMENT 2

KWRU RESPONSE TO CITIZENS' INTERROGATORY NO. 30

PRO FORMA PLANT SAND SIFTER

29. ~~Pro Forma Plant. Please refer to page 9 of Mr. Johnson's testimony. Please explain how the estimate of \$74,174 for the Service Truck with Crane was derived.~~

~~**RESPONSE:** The estimate was generated by reviewing market data for used utility service trucks with small service cranes. Because of the lack of these types of specialty vehicles for sale in the Florida Keys, the number was based on listing prices from a range of regions. New trucks in this class are typically more than \$100,000.00, so KWRU focused its search on used trucks in good condition, which are typically in the \$60,000.00 to \$70,000.00 price range. Shipping costs (due to wide search area) and sales tax were included to derive the \$74,174 estimate. KWRU was ultimately able to purchase a suitable truck for \$40,163.02, excluding tax, title, license fees, and necessary improvements and repair parts for safe operation. Tax, title, and license fees totaled \$2,764.92; inspection services totaled \$250; repair parts and equipment (paid to Knaphide and Granger) totaled \$687.39. Future anticipated costs to equip the vehicle to a safe working standard are light bar (estimated at \$400), water tank (estimated at \$600), and step and dividers (estimated at \$600). The total cost spent to date is \$43,177.94, and when the remaining items are purchased the total cost is anticipated to be approximately \$44,777.~~

30. ~~Pro Forma Plant. Please refer to page 12 of Mr. Johnson's testimony. Please explain how the amount of \$44,300 for the sand sifter was derived.~~

~~**RESPONSE:** The cost paid by KWRU for the original Cherrington Model 3000 Sand Sifter (in 2006) was \$44,300.00. The same model today, per quote received by KWRU, costs \$55,000.00. KWRU was able to purchase a suitable sand sifter (Mahindra Model 2655) for \$43,110.16.~~

ATTACHMENT 3

KWRU RESPONSE TO CITIZENS' INTERROGATORY NO. 39

2017 OPERATION AND MAINTENANCE EXPENSES

39. O&M Expenses. Please refer to MFR Volume 1, Schedule B-8. Please provide a similar schedule showing the 2017 actual calendar year amounts.

RESPONSE: The requested schedule is provided within folder “39”, produced herewith. Please note that amounts after June 30, 2017, have not been audited and are preliminary, based on KWRU’s allocation of expenses.

40. ~~Affiliate Charges. Please identify all amounts paid to affiliates included in the test year by account number.~~

~~**RESPONSE:** The amounts are provided, by account number, within the documents included within folder “40”, produced herewith.~~

41. ~~Salaries and Wages. Please refer to Page 15, Lines 4-5 of Christopher Johnson's testimony. For each of the last five years ended December 31: Identify the number of employees that were a) hired, b) resigned c) retired, and d) were terminated.~~

RESPONSE:

Type	2013	2014	2015	2016	2017
Hired	3	4	8	8	11
Resigned	1	5	7	1	8
Retired	0	0	0	0	1
Terminated	0	0	2	5	2

No.	Account No. and Name	FY2017
1	701 Salaries & Wages - Employees	\$ 841,120
3	704 Employee Pensions & Benefits	160,549
5	711 Sludge Removal Expense	123,288
6	715 Purchased Power	201,350
8	718 Chemicals	127,314
9	720 Materials & Supplies	153,355
10	731 Contractual Services - Engr.	16,131
11	732 Contractual Services - Acct.	25,898
12	733 Contractual Services - Legal	21,028
13	734 Contractual Services - Mgmt. Fees	17,097
14	735 Contractual Services - Testing	15,374
15	736 Contractual Services - Other	-
16	741 Rental of Building/Real Prop.	5,962
17	742 Rental of Equipment	53,829
18	750 Transportation Expenses	27,756
20	757 Insurance - General Liability	54,996
21	758 Insurance - Workman's Comp.	28,860
23	760 Advertising Expense	10,873
26	770 Bad Debt Expense	2,443
27	775 Miscellaneous Expenses	53,232
	701 Payroll Taxes	68,700
29	TOTAL	\$ <u>2,009,153.96</u>

ATTACHMENT 4

KWRU RESPONSE TO CITIZENS' INTERROGATORY NO. 41

SALARIES AND WAGES: EMPLOYEES BY YEAR

39. ~~O&M Expenses. Please refer to MFR Volume 1, Schedule B-8. Please provide a similar schedule showing the 2017 actual calendar year amounts.~~

~~**RESPONSE:** The requested schedule is provided within folder “39”, produced herewith. Please note that amounts after June 30, 2017, have not been audited and are preliminary, based on KWRU’s allocation of expenses.~~

40. ~~Affiliate Charges. Please identify all amounts paid to affiliates included in the test year by account number.~~

~~**RESPONSE:** The amounts are provided, by account number, within the documents included within folder “40”, produced herewith.~~

41. Salaries and Wages. Please refer to Page 15, Lines 4-5 of Christopher Johnson's testimony. For each of the last five years ended December 31: Identify the number of employees that were a) hired, b) resigned c) retired, and d) were terminated.

RESPONSE:

Type	2013	2014	2015	2016	2017
Hired	3	4	8	8	11
Resigned	1	5	7	1	8
Retired	0	0	0	0	1
Terminated	0	0	2	5	2

ATTACHMENT 5

KWRU RESPONSE TO CITIZENS' INTERROGATORY NO. 42

SALARIES AND WAGES

42. Salaries and Wages. Regarding Salaries and Wages expense:
- a. Please identify the number of budgeted positions for each of the following years ended December 31: 2013, 2014, 2015, 2016, and 2017.
 - b. Please identify the actual number of positions filled for each of the following years ended December 31: 2013, 2014, 2015, 2016, and 2017.
 - c. Please identify the number of vacant positions for each of the following years ended December 31: 2013, 2014, 2015, 2016, and 2017.

RESPONSE: KWRU objects to this request as overly broad and unduly burdensome to the extent it seeks data related to years 2013 and 2014. Staffing and salaries for these years were previously determined reasonable by the PSC in the prior rate case (Order No. PSC-17-0091-FOF-SU), along with the additional four (4) employees (administrative assistant, licensed operator, system technician/field mechanic, sludge removal helper). The determination in the prior rate case was in error because it did not utilize full staffing, and utilized actual expense while positions were unfilled for several months during the test year. The number requested in this docket reflects full employment. Moreover, years 2013, 2014, and 2015 reflect a period when only two (2) treatment plants were online, and were not treating water to the AWT standard, and are therefore not indicative of current operations or staffing. As 2015 was not addressed in the prior rate case, data (though not indicative of current or future conditions) is included for this year. 2016 and 2017 are reflective of anticipated future conditions.

Notwithstanding and without waiver of the foregoing, and in response to portion (a) of the Interrogatory, 13.5 positions were budgeted for 2015, 2016, and 2017.

Notwithstanding and without waiver of the foregoing, and in response to portion (b) of the Interrogatory, 18 positions were filled in 2015, 16 positions were filled in 2016, and 23 positions were filled in 2017.

Notwithstanding and without waiver of the foregoing, 11 positions were vacant in 2015, 10 positions were vacant in 2016, and 16 positions were vacant in 2017.

ATTACHMENT 6

KWRU RESPONSE TO CITIZENS' INTERROGATORY NO. 43

SALARIES AND WAGES - OVERTIME

43. Salaries and Wages. Please refer to Exhibit CAJ-23. Please provide the amount of overtime pay for each employee/position for each of the last five calendar years.

RESPONSE: For a listing of such overtime pay by year, please see document “OPC Rog 43.xlsx”, provided within folder “43”, produced herewith. Please note that the majority of employees with significant overtime pay are no longer employed by KWRU. This illustrates the need for additional employees to ensure employees are not overworked.

- ~~44. Salaries and Wages. Please identify the amount of short and long term incentive compensation included in the test year.~~

~~**RESPONSE:** No long term incentive compensation was included in the test year. \$1,000.00 in short term incentive compensation was included in the test year.~~

- ~~45. Salaries and Wages. Please identify the number of employees eligible for incentive compensation in the test year and identify the number of employees who did not receive incentive compensation in the test year.~~

~~**RESPONSE:** Three employees were eligible for incentive compensation in the test year. Twenty employees did not receive compensation in the test year.~~

- ~~46. Employees. Does the Company conduct background checks prior to hiring employees? If so, please identify the date when was this implemented. If not, explain why not.~~

YEAR	Employee	Position	Amount OT
2017	Pierre Amboise		\$ 3,359.69
2017	Travis Adamson		\$ 24.60
2017	Robert Derryberry		\$ 3,785.37
2017	Chris Henderson		\$ 3,977.55
2017	Michael Hopkins		\$ 1,657.08
2017	Richard Jeselskis		\$ 2,372.04
2017	Juan Marquez Perez		\$ 760.80
2017	Glenn Miller		\$ 1,178.10
2017	Jeffrey Morse		\$ 3,326.38
2017	Daniel Pumar		\$ 1,128.66
2017	Joseph Schober		\$ 3,267.11
2017	Mark Streisel		\$ 3,632.41
2017	Timothy Sunderman		\$ 10,524.96
<hr/>			
2016	Pierre Amboise		\$ 2,526.35
2016	Jamie Boan Jr		\$ 309.60
2016	Eric Chamberland		\$ 654.03
2016	David Gootee		\$ 2,282.28
2016	Richard Jeselskis		\$ 2,054.25
2016	Sean Lavin		\$ 246.82
2016	Juan Marquez Perez		\$ 506.33
2016	Glenn Miller		\$ 2,353.14
2016	Matthew Pellerito		\$ 2,273.87
2016	Fritznel Sainrilus		\$ 61.88
2016	Joseph Schober		\$ 2,384.36
<hr/>			
2015	Pierre Amboise		\$ 2,471.30
2015	Matthew Pellerito		\$ 4,021.89
2015	Fritznel Sainrilus		\$ 1,253.26
2015	Joseph Schober		\$ 774.51
2015	Sexton Curry		\$ 183.96
2015	John Welsh		\$ 1,601.25
2015	Glenn Miller		\$ 609.00
2015	Keith Waddell		\$ 2,083.12
2015	Theador Yarboro		\$ 1,507.16
2015	Sean Bindranauth		\$ 228.96
<hr/>			
2014	Theador Yarboro		\$ 6,395.53
2014	Keith Waddell		\$ 3,064.98
2014	Matthew Pellerito		\$ 511.56
2014	Sean Bindranauth		\$ 1,099.17
2014	Pierre Amboise		\$ 2,252.19
2014	Robert Bellino		\$ 7,202.77
2014	Edward Roberts		\$ 1,510.89
<hr/>			
2013	Pierre Amboise		\$ 2,159.10

2013 Robert Bellino	\$ 5,450.63
2013 Blaine Grassi	\$ 796.14
2013 Andrew Kinble	\$ 284.52
2013 Edward Roberts	\$ 3,251.27
2013 Theador Yarboro	\$ 1,226.25

ATTACHMENT 7

KWRU RESPONSE TO CITIZENS' INTERROGATORY NO. 51

EMPLOYEE PENSIONS & BENEFITS

49. ~~Employee Pensions & Benefits. Please refer to Page 15, Lines 6-8 of Christopher Johnson's testimony. Please provide the calculations used to derive the increased pension and benefits expense of \$217,557.~~

RESPONSE: ~~The listing of \$217,557 is in error. A motion to correct the MFRs to reflect the anticipated expense of the increased expense will be forthcoming.~~

50. ~~Employee Pensions & Benefits. Please identify the amount of Supplemental Executive Retirement Plan expense included in the test year by account number.~~

RESPONSE: ~~No such expense is included in the test year.~~

51. Employee Pensions & Benefits. Please explain the nature of the expenses in account 7048300 (i.e., the names of the employees being trained and the type of training received.)
- Please explain why the training expenses in 2016 were substantially higher than in 2015 and 2017 (Jan - Oct).
 - Please identify the amount of training expenses in this account for the years 2013, 2014 and the full calendar year of 2017.

RESPONSE: Please note that Account 7048300 is Employee Training, and not Employee Pension and Benefits. As to the unlettered portion of the Interrogatory, in 2016 Continuing Education Training was provided to Lead Plant Operator Mark Burkemper, President Chris Johnson, and Vice President Greg Wright in 2016. AIRVAC certification training was also provided for Operator Glenn Miller and Maintenance Supervisor Richard Jeselkis in 2016.

As to portion “A” of the Interrogatory, in 2016 Glenn Miller and Richard Jeselkis were trained and received AIRVAC certification, and Chris Johnson, Mark Burkemper, and Greg Wright underwent CEU training which is necessary to maintain operator licensure. In 2015, only two (2) employees, Maintenance Technician John Welsh and Maintenance Supervisor Matt Pellerito underwent AIRVAC training, but no other training expenses were incurred. In 2017, KWRU incurred expenses for confined space training (Municipal Safety Services) in the amount of \$1,440 (all employees other than clerical); CEU Training for operators Burkemper, Johnson, and Wright in the amount of \$207; a seminar/management training for Johnson in the amount of \$72, and book and course work for licensure for Wright and Morse in the amount of \$215.

As to portion “B” of the Interrogatory, amounts for the requested years were as follows:

2013: \$8,513

2014: \$50

2017: \$1,934

~~52. Sludge Removal Expense. Please refer to Exhibit CAJ-5. Please explain how the annual cost of \$146,744 was derived by the engineer.~~

RESPONSE: ~~The explanation is provided within folder “52”, produced herewith.~~

~~53. Materials and Supplies. Please refer to MFR Volume 1, Schedule B-8, Line 9.~~

~~a. Provide a listing of the capital projects over \$5,000 awarded to contractors in the test year due to inability of in-house staffing levels.~~

~~b. Is it correct that, if the Company hires additional employees, the cost of material and supplies will decrease? If not, explain why not. If so, explain why the company did not reflect a reduction to material to correspond with the additional employees it is requesting.~~

ATTACHMENT 8

KWRU RESPONSE TO CITIZENS' INTERROGATORY NO. 55

CONTRACTUAL SERVICES – ENGINEERING: PERMIT RENEWAL

~~As to Weiler Engineering invoice 45964, this consists of correspondence with Evoqua related to the Draimad system (a biosolids management system considered by KWRU), sending confined space entry permit to KWRU, researching qualification and training needs, calculations of gallonage per day for various Draimad systems, sending information and links related to the Draimad systems to KWRU, researching vacuum pump noise, sewage pump impeller trim matters, and existing blower output issues. This invoice is not related to a specific project, and is not a pro forma expense.~~

~~As to Weiler Engineering invoice 46021, this consists of general engineering work including review of Draimad data, estimating gallonage per day for dewatering purposes, and requesting data from KWRU. This invoice is not related a specific project and is not a pro forma expense.~~

~~As to Weiler Engineering invoice 46022, this consists of general engineering work related to obtaining data for the screw press system, contacting Moss Kelly, Inc. regarding the Draimad system and forwarding information obtained to KWRU. This invoice is not related to a specific and is not a pro forma expense.~~

55. Contractual Services – Engineering. For each of the following invoices which include descriptions relation to permit renewal, please describe the nature of the permit renewal and how often the permit is required to be renewed.

8/5/16	45598	The Weiler Engineering Corporation	11,167.50
8/5/16	45597	The Weiler Engineering Corporation	396.25
6/2/17	46216	The Weiler Engineering Corporation	95.00

RESPONSE: The permit renewal, FLA014951), allows KWRU to continue lawfully operating the wastewater utility. The operating permit requires renewal every five (5) years.

56. ~~Contractual Services – Legal. Please refer to MFR Volume 1, Schedule B-8, Line 12.~~

ATTACHMENT 9

KWRU RESPONSE TO CITIZENS' INTERROGATORY NO. 57

EQUIPMENT RENTAL

57. Equipment Rental. Please describe the charges to Account 7420510 Equipment Rental, including but not limited to whether they are related to a plant project, repairs and maintenance, and the frequency that these expenses are expected to occur in the future.

RESPONSE: These charges are for repairs and maintenance which required rental of a crane truck in order to pull mixers, sewage pumps, and vacuum pumps. These expenses are anticipated to occur less frequently in the future, as KWRU has obviated the need for crane truck rental by purchasing a crane truck. The specific number of anticipated equipment rentals on a forward-looking basis cannot be determined at this time.

58. ~~Transportation Expenses. Please describe the utility's policies regarding assigned vehicles. The description should include, but not be limited to who determines vehicles that are specifically assigned and those that are fleet vehicles, whether vehicles (assigned or fleet) may be used for personal usage, how personal usage is tracked, how fuel charges are verified whether for personal or utility usage.~~

RESPONSE: ~~Vehicles are assigned by KWRU's officers. Employees who are supplied assigned vehicles are the corporate officers, the lead operator, and the maintenance operator. "On call" employees are authorized to take fleet trucks home during the period they are actively on call, to decrease response time in an emergency. Vehicles are not authorized for personal use. All fuel is purchased via utility credit card, and tracked by credit card holder or via the fuel card sign out sheet located on premises.~~

ATTACHMENT 10

KWRU RESPONSE TO CITIZENS' INTERROGATORY NO. 61

INSURANCE – WORKER'S COMP.

~~12/20/2016 2004 Chevy Colorado tie rod end/steering, normal service, clean throttle body and induction system, front brake pads, ignition coil, serpentine belt and tensioner \$1,150.15 — Oily's Auto Repair~~

~~2017:~~

~~2/28/2017 4 new tires for Dodge Ram \$887.73 — Banner Tire~~

~~10/27/2017 2007 Ford F-250 Replace fuel filter \$748.13 — Oily's Auto Repair~~

~~12/7/2017 2007 Ford F250 Spark plug/runs poorly \$779.78 — Oily's Auto Repair~~

60. ~~Insurance. Please identify the amount of Directors and Officers insurance included in the test year by account number.~~

~~**RESPONSE:** No Directors and Officers insurance was carried during the test year.~~

61. Insurance – Worker's Comp. Please refer to MFR Volume 1, Schedule B-8, Line 21.
- Please provide the calculation showing how the test year adjustment of \$8,839 was derived.
 - Please explain the reason for the increase to this expense in the test year.

~~**RESPONSE:** As to portion "A", the adjustment was 4.4% of salary, as shown on Schedule B-3, Line 37. As to portion "B", the 4.4% was approved in the previous rate case, Docket No. 150071-SU.~~

62. ~~Insurance — General Liability. Please refer to MFR Volume 1, Schedule B-8, Line 20. Please provide the following details regarding the employee accident referenced: date of accident, date of claim, employee name, description of accident, party at fault, amount of damage, and amount of insurance payout.~~

ATTACHMENT 11

KWRU RESPONSE TO CITIZENS' INTERROGATORY NO. 63

ADVERTISING EXPENSE

RESPONSE:

~~Employee: Travis Adamson~~

~~Date of accident: February 10, 2017~~

~~Date of claim: June 1, 2017~~

~~Description of accident: Utility employee struck a bicycle rider while driving a company vehicle. Mr. Adamson was cited for failure to drive in designated lane. Bicycle rider did not require ambulance transport but did have road rash and minor lacerations.~~

~~Party at fault, amount of damage, amount of insurance payout: Unknown, presently the matter has not been reported to the Utility as resolved by the insurance company, Gallagher Bassett.~~

63. Advertising. The test year advertising expense includes \$5,771 for 23 ads for employee positions. Please describe the utility's advertising process, including but not limited to, the statewide trade publications used, other publications used, the length of time an ad runs, and how many applicants respond to newspaper ads compared to the Craigslist ads run by the utility (as found in the utility's response to OPC POD #1).

RESPONSE:

When a licensed operator or someone with skills specific to the wastewater industry, such as the Maintenance Supervisor, is sought, statewide trade publications including the Florida Water Resource Journal, Florida Water and Pollution Control Operator Association, and Florida Rural Water Association are utilized. The Florida Water Resource Journal is a monthly publication and the ads run for the month. Florida Rural Water Association and Pollution Control Operator Association are trade websites and ads run online. For the hiring of administrative staff and maintenance staff, the local newspaper and Craigslist are used. The newspaper ads run weekly and the Craigslist ads run for 30 days. In both the newspaper and Craigslist ads, the same email is provided to submit resumes, making it difficult to differentiate where candidates are viewing the ads.

ATTACHMENT 12

KWRU RESPONSE TO CITIZENS' INTERROGATORY NO. 64

BAD DEBT EXPENSE: EMPLOYEE LOAN

64. Bad Debt Expense. Please describe the nature of the loan made to the employee, including but not limited to the nature of the loan, what it covered, the total amount, any amounts paid back by the employee.

RESPONSE: Please see folder “64”, produced herewith, for a listing of the loans, their purposes, and the amounts, as set forth in the June 8, 2016 agreement. Mr. Miller made installment payments to pay back the \$1,675 under “c. Second Loan Agreement” per the agreement. These installment payments began on August 3, 2016 and continued throughout his employment. Mr. Miller paid a total of \$907.27 leaving an unpaid balance of \$767.73 on the “Second Loan Agreement”. Mr. Miller had another loan in the amount of \$1,675 and was “b. Loan Agreement” per the agreement. The Utility was to fully forgive this loan provided that Mr. Miller remain employed until July 2, 2017. However, Mr. Miller did not remain employed until this date and this loan has an outstanding balance of \$1,675.00. KWRU has determined not to pursue Mr. Miller for this outstanding amount based on the cost of collection outweighing the potential recovery.

65. ~~Donations/Contributions/Sponsorships. Please identify the amount of donations, contributions, and sponsorships by organization included in the test year by account number.~~

RESPONSE: ~~No such amounts were included for the test year.~~

66. ~~Board of Director Costs. Please identify the amount of Board of Directors fees and meeting costs included in the test year by account number.~~

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KW Resort Utilities Corp

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

June 8, 2016 AGREEMENT

Glenn Miller, a State of Florida Class B Wastewater Treatment Plant Operator (License No.: 0017028), agrees to accept the full time position of Class B Wastewater Treatment Plant Operator, at KW Resort Utilities Corp., having its offices and Treatment Plant located at 6630 Front Street Key West, FL 33040, with a starting date of July 2, 2016 and Glenn Miller further agrees to the salary of \$34.00/ hour.

a. One-time moving expense allowance.

A one-time moving expense allowance of \$1,675.00 or One thousand six hundred seventy five Dollars and zero Cents representing 1 month rent, per the executed lease agreement attached as Exhibit A, attached to the **June 8, 2016 AGREEMENT**, and is incorporated herein and made a part hereof, shall be paid upon execution of this **June 8, 2016 AGREEMENT**. Glenn Miller, further agrees to reimburse KW Resort Utilities for the entire amount of the **One-time moving expense allowance** of \$1,675.00 should he fail to report to KW Resort Utilities Corp at 6630 Front Street Key West, FL 33040 to begin employment on July 2, 2016.

b. Loan Agreement

Glenn Miller, agrees to accept a loan from KW Resort Utilities Corp. with an interest rate of 0.0% in the amount of \$1,675.00 or One thousand six hundred seventy five Dollars and zero Cents representing 1 month rent per the executed lease agreement. If Glen Miller remains employed by KW Resort Utilities Corp. continually until July 2, 2017 this loan, in the amount of \$1,675.00 will be considered paid in full by KW Resort Utilities Corp. on July 2, 2017. If Glenn Miller does not remain employed by KW Resort Utilities Corp. continually until July 2, 2017 then Glenn Miller shall owe KW Resort Utilities Corp \$1,675.00 immediately upon termination of the employee-employer relationship. Further, Glenn Miller agrees to authorize KW Resort Utilities Corp. to deduct \$1,675.00 representing the full amount of the loan, from any final paychecks that are owed to Glenn Miller.

c. Second Loan Agreement

Glenn Miller, agrees to enter into a second loan Agreement with KW Resort Utilities Corp. with an interest rate of 0.0% in the amount of \$1,675.00 or One thousand six hundred seventy five Dollars and zero Cents representing 1 month security deposit per the executed lease agreement. Glen Miller agrees to pay this loan back in 12 installments each in the amount of \$139.58 from his pay,

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beginning with the paycheck that corresponds to the payroll period ending on August 12, 2016 and ending on the paycheck corresponding to the payroll period ending on July 26, 2017. Further, Glenn Miller agrees to sign any and all paperwork as required by KW Resort Utilities Corp's Payroll Company authorizing said Payroll Company to carry out the installments as provided in c. **Second Loan Agreement**. Further, Glenn Miller shall owe KW Resort Utilities Corp the remaining balance of the **Second Loan Amount** immediately upon termination of the employee-employer relationship. Further, Glenn Miller agrees to authorize KW Resort Utilities Corp. to deduct monies up to but not to exceed the unpaid balance of the **Second loan**, from any final paychecks that are owed to Glenn Miller.


d. Payment Authorization

Glenn Miller hereby authorizes and directs that the **One-time moving expense allowance** as stipulated in paragraph a., and the **Loan Agreement** as stipulated in paragraph b., and the **Second Loan Agreement** as stipulated in paragraph c. be paid directly to

Judith Anderson on Glenn Miller's behalf.

Notwithstanding this agreement Glenn Miller is an "employee at will".

IN WITNESS WHEREOF, the parties have executed this **June 8, 2016 AGREEMENT** as written below.



Glenn Miller
State of Florida Class B Wastewater Treatment Operator
Date 06/10/2016



Christopher Johnson
President, KW Resort Utilities Corp.
Date 6/8/2016

KWRU 015203

LEASE

BASIC RENTAL AGREEMENT OR RESIDENTIAL LEASE

This Rental Agreement or Residential Lease shall evidence the complete terms and conditions under which the parties whose signatures appear below have agreed. Landlord/Lessor/Agent, Judith Anderson, shall be referred to as "OWNER" and Tenant(s)/Lessee, Glenn Miller, shall be referred to as "RESIDENT." As consideration for this agreement, OWNER agrees to rent/lease to RESIDENT and RESIDENT agrees to rent/lease from OWNER for use solely as a private residence, the premises located at 1317 4th St. in the city of Key West, Florida 33040

1. **TERMS:** RESIDENT agrees to pay in advance \$1,175.⁰⁰ per month on the 1st day of each month. This agreement shall commence on 07/01/16 and continue; (check one)

A. until , as a leasehold. Thereafter it shall become a month-to-month tenancy. If RESIDENT should move from the premises prior to the expiration of this time period, he shall be liable for all rent due until such time that the Residence is occupied by an OWNER approved paying RESIDENT and/or expiration of said time period, whichever is shorter.

B. until 06/30, 2017 on a month-to-month tenancy until either party shall terminate this agreement by giving a written notice of intention to terminate at least 30 days prior to the date of termination.

2. **PAYMENTS:** Rent and/or other charges are to be paid at such place or method designated by the owner as follows 1317 4th St. Key West, FL. All payments are to be made by check or money order and cash shall be acceptable. OWNER acknowledges receipt of the First Month's rent of \$1,175.⁰⁰, and a Security Deposit of \$1,175.⁰⁰, and additional charges/fees for 1,175.⁰⁰ / last month, for a total payment of \$3,025.⁰⁰. All payments are to be made payable to Judith Anderson.

3. **SECURITY DEPOSITS:** The total of the above deposits shall secure compliance with the terms and conditions of this agreement and shall be refunded to RESIDENT within 30 days after the premises have been completely vacated less any amount necessary to pay OWNER; a) any unpaid rent, b) cleaning costs, c) key replacement costs, d) cost for repair of damages to premises and/or common areas above ordinary wear and tear, and e) any other amount legally allowable under the terms of this agreement. A written accounting of said charges shall be presented to RESIDENT within 10 days of move-out. If deposits do not cover such costs and damages, the RESIDENT shall immediately pay said additional costs for damages to OWNER.

4. **LATE CHARGE:** A late fee of \$0/0, (not to exceed % of the monthly rent), shall be added and due for any payment of rent made after the 0/0 of the month. Any dishonored check shall be treated as unpaid rent, and subject to an additional fee of \$ 0/0.

5. **UTILITIES:** Landlord RESIDENT agrees to pay all utilities and/or services based upon occupancy of the premises except Cable TV / Internet.

6. **OCCUPANTS:** Guest(s) staying over 15 days without the written consent of OWNER shall be considered a breach of this agreement. ONLY the following individuals and/or animals, AND NO OTHERS shall occupy the subject residence for more than 15 days unless the expressed written consent of OWNER obtained in advance 0/0.

7. **PETS:** No animal, fowl, fish, reptile, and/or pet of any kind shall be kept on or about the premises, for any amount of time, without obtaining the prior written consent and meeting the requirements of the OWNER. Such consent if granted, shall be revocable at OWNER'S option upon giving a 30 day written notice. In the event laws are passed or permission is granted to have a pet and/or animal of any kind, an additional deposit in the amount of \$ 0/0 shall be required along with additional monthly rent of \$ 0/0 along with the signing of OWNER'S Pet Agreement. RESIDENT also agrees to carry insurance deemed appropriate by OWNER to cover possible liability and damages that may be caused by such animals.

8. LIQUID FILLED FURNISHINGS: No liquid filled furniture, receptacle containing more than ten gallons of liquid is permitted without prior written consent and meeting the requirements of the OWNER. RESIDENT also agrees to carry insurance deemed appropriate by OWNER to cover possible losses that may be caused by such items.

9. PARKING: When and if RESIDENT is assigned a parking area/space on OWNER'S property, the parking area/space shall be used exclusively for parking of passenger automobiles and/or those approved vehicles listed on RESIDENT'S Application attached hereto. RESIDENT is hereby assigned or permitted to park only in the following area or space FRONT OF UNIT. The parking fee for this space (if applicable is \$ N/A monthly. Said space shall not be used for the washing, painting, or repair of vehicles. No other parking space shall be used by RESIDENT or RESIDENT'S guest(s). RESIDENT is responsible for oil leaks and other vehicle discharges for which RESIDENT shall be charged for cleaning if deemed necessary by OWNER.

10. NOISE: RESIDENT agrees not to cause or allow any noise or activity on the premises which might disturb the peace and quiet of another RESIDENT and/or neighbor. Said noise and/or activity shall be a breach of this agreement.

11. DESTRUCTION OF PREMISES: If the premises become totally or partially destroyed during the term of this Agreement so that RESIDENT'S use is seriously impaired, OWNER or RESIDENT may terminate this Agreement immediately upon three day written notice to the other.

12. CONDITION OF PREMISES: RESIDENT acknowledges that he has examined the premises and that said premises, all furnishings, fixtures, furniture, plumbing, heating, electrical facilities, all items listed on the attached property condition checklist, if any, and/or all other items provided by OWNER are all clean, and in good satisfactory condition except as may be indicated elsewhere in this Agreement. RESIDENT agrees to keep the premises and all items in good order and good condition and to immediately pay for costs to repair and/or replace any portion of the above damaged by RESIDENT, his guests and/or invitees, except as provided by law. At the termination of this Agreement, all of above items in this provision shall be returned to OWNER in clean and good condition except for reasonable wear and tear and the premises shall be free of all personal property and trash not belonging to OWNER. It is agreed that all dirt, holes, tears, burns, and stains of any size or amount in the carpets, drapes, walls, fixtures, and/or any other part of the premises, do not constitute reasonable wear and tear.

13. ALTERATIONS: RESIDENT shall not paint, wallpaper, alter or redecorate, change or install locks, install antenna or other equipment, screws, fastening devices, large nails, or adhesive materials, place signs, displays, or other exhibits, on or in any portion of the premises without the written consent of the OWNER except as may be provided by law.

14. PROPERTY MAINTENANCE: RESIDENT shall deposit all garbage and waste in a clean and sanitary manner into the proper receptacles and shall cooperate in keeping the garbage area neat and clean. RESIDENT shall be responsible for disposing of items of such size and nature as are not normally acceptable by the garbage hauler. RESIDENT shall be responsible for keeping the kitchen and bathroom drains free of things that may tend to cause clogging of the drains. RESIDENT shall pay for the cleaning out of any plumbing fixture that may need to be cleared of stoppage and for the expense or damage caused by stopping of waste pipes or overflow from bathtubs, wash basins, or sinks.

15. HOUSE RULES: RESIDENT shall comply with all house rules as stated on separate addendum, but which are deemed part of this rental agreement, and a violation of any of the house rules is considered a breach of this agreement.

16. CHANGE OF TERMS: The terms and conditions of this agreement are subject to future change by OWNER after the expiration of the agreed lease period upon 30-day written notice setting forth such change and delivered to RESIDENT. Any changes are subject to laws in existence at the time of the Notice of Change Of Terms.

17. **TERMINATION:** After expiration of the leasing period, this agreement is automatically renewed from month to month, but may be terminated by either party giving to the other a 30-day written notice of intention to terminate. Where laws require "just cause", such just cause shall be so stated on said notice. The premises shall be considered vacated only after all areas including storage areas are clear of all RESIDENT'S belongings, and keys and other property furnished for RESIDENT'S use are returned to OWNER. Should the RESIDENT hold over beyond the termination date or fail to vacate all possessions on or before the termination date, RESIDENT shall be liable for additional rent and damages which may include damages due to OWNER'S loss of prospective new renters.

18. **POSSESSION:** If OWNER is unable to deliver possession of the residence to RESIDENTS on the agreed date, because of the loss or destruction of the residence or because of the failure of the prior residents to vacate or for any other reason, the RESIDENT and/or OWNER may immediately cancel and terminate this agreement upon written notice to the other party at their last known address, whereupon neither party shall have liability to the other, and any sums paid under this Agreement shall be refunded in full. If neither party cancels, this Agreement shall be prorated and begin on the date of actual possession.

19. **INSURANCE:** RESIDENT acknowledges that OWNERS insurance does not cover personal property damage caused by fire, theft, rain, war, acts of God, acts of others, and/or any other causes, nor shall OWNER be held liable for such losses. RESIDENT is hereby advised to obtain his own insurance policy to cover any personal losses.

20. **RIGHT OF ENTRY AND INSPECTION:** OWNER may enter, inspect, and/or repair the premises at any time in case of emergency or suspected abandonment. OWNER shall give 24 hours advance notice and may enter for the purpose of showing the premises during normal business hours to prospective renters, buyers, lenders, for smoke alarm inspections, and/or for normal inspections and repairs. OWNER is permitted to make all alterations, repairs and maintenance that in OWNER'S judgment is necessary to perform.

21. **ASSIGNMENT:** RESIDENT agrees not to transfer, assign or sublet the premises or any part thereof.

22. **PARTIAL INVALIDITY:** Nothing contained in this Agreement shall be construed as waiving any of the OWNER'S or RESIDENT'S rights under the law. If any part of this Agreement shall be in conflict with the law, that part shall be void to the extent that it is in conflict, but shall not invalidate this Agreement nor shall it affect the validity or enforceability of any other provision of this Agreement.

22. **NO WAIVER:** OWNER'S acceptance of rent with knowledge of any default by RESIDENT or waiver by OWNER of any breach of any term of this Agreement shall not constitute a waiver of subsequent breaches. Failure to require compliance or to exercise any right shall not be constituted as a waiver by OWNER of said term, condition, and/or right, and shall not affect the validity or enforceability of any provision of this Agreement.

23. **ATTORNEY FEES:** If any legal action or proceedings be brought by either party of this Agreement, the prevailing party shall be reimbursed for all reasonable attorney's fees and costs in addition to other damages awarded.

24. **JOINTLY AND SEVERALLY:** The undersigned RESIDENTS are jointly and severally responsible and liable for all obligations under this agreement.

25. **REPORT TO CREDIT/TENANT AGENCIES:** You are hereby notified that a nonpayment, late payment or breach of any of the terms of this rental agreement may be submitted/reported to a credit and/or tenant reporting agency, and may create a negative credit record on your credit report.

26. **LEAD NOTIFICATION REQUIREMENT:** For rental dwellings built before 1978, RESIDENT acknowledges receipt of the following: (Please check)

- Lead Based Paint Disclosure Form
 EPA Pamphlet

27. ADDITIONS AND/OR EXCEPTIONS

NONE

28. NOTICES: All notices to RESIDENT shall be served at RESIDENT'S premises and all notices to OWNER shall be served at 1317 4th ST. Key West FL 33040

29. INVENTORY: The premises contains the following items, that the RESIDENT may use.
unit furnished

30. KEYS AND ADDENDUMS: RESIDENT acknowledges receipt of the following which shall be deemed part of this Agreement: (Please check)

Keys #of keys and purposes

House Rules Pet Agreement Other

31. ENTIRE AGREEMENT: This Agreement constitutes the entire Agreement between OWNER and RESIDENT. No oral agreements have been entered into, and all modifications or notices shall be in writing to be valid.

32. RECEIPT OF AGREEMENT: The undersigned RESIDENTS have read and understand this Agreement and hereby acknowledge receipt of a copy of this Rental Agreement.

RESIDENT'S Signature [Signature]

Date May 31st 2016

RESIDENT'S Signature _____

Date _____

OWNER'S or Agent's Signature [Signature]

Date 06/16/16

4892

KW RESORT UTILITIES CORP.
 OPERATING ACCOUNT
 P.O. BOX 2125
 KEY WEST, FL 33045-2125
 PH. 305-295-3301

BRANCH BANKING AND TRUST COMPANY
 1-800-BANK BBT BBANDT.COM

63-9138-2631

06/10/2016

PAY TO THE
 ORDER OF Judith Anderson

\$ **5,025.00

Five thousand twenty-five and 00/100*****

DOLLARS

Judith Anderson
 1317 4th Street
 Key West, FL 33040



PLUS Check Print
 Protection & ID Restoration

MEMO



KW RESORT UTILITIES CORP.

06/10/2016

Judith Anderson

4892

Date	Type	Reference	Original Amount	Balance Due	Payment
06/10/2016	Bill	GM6-10-16	5,025.00	5,025.00	5,025.00
			Check Amount		5,025.00

1310000 BB&T Opera

5,025.00

KW RESORT UTILITIES CORP.

06/10/2016

Judith Anderson

4892

Date	Type	Reference	Original Amount	Balance Due	Payment
06/10/2016	Bill	GM6-10-16	5,025.00	5,025.00	5,025.00
			Check Amount		5,025.00

1310000 BB&T Opera

5,025.00

ATTACHMENT 13

KWRU RESPONSE TO CITIZENS' INTERROGATORY NO. 69

O&M EXPENSES: RETIREMENT PARTY

~~KWRU would have the time and resources to reconcile the overtime hours.~~

~~The September 30th payroll deducted hours from the pay checks of four employees. These employees returned as quickly as they could given their particular circumstances. One employee (Pierre Amboise) had a particularly difficult time getting into the Keys and was turned away by Sheriff's Deputies on several attempts on consecutive days. Employees were sleeping at the wastewater plant to fuel the generator and monitor the treatment plant and vacuum station for alarm conditions since the computerized system that pushes alarm notifications out via text over a web based application was not operable due to lack of internet.~~

~~Due to the fact that in many of these cases employees were working but weren't officially on a time clock, KWRU management analyzed the situation and agreed that the operations and maintenance employees had gone above and beyond what is normally expected. KWRU compensated the operations and maintenance crew, consisting of seven hourly employees. The \$6,403.16 is comprised of 24 hours of straight time pay for each of the seven employees.~~

69. O&M Expenses. Please identify the total cost of Mark Burkemper's retirement party included in the test year and the account numbers that the costs are recorded in.

RESPONSE: \$295.61 for food and beverages is included within Account No. 7048100 – Employee Relations, and \$431.55 for rental of a tent and chairs from Four Star Rental, and is included within Account No. 7410810 – Rent – Property.

ATTACHMENT 14

KWRU RESPONSE TO CITIZENS' INTERROGATORY NO. 71

PRO FORMA PLANT - RETIREMENTS

~~(b) The right to object on any ground to the use of any such answers or documents, or the subject matter thereof, in any aspect of this or any other court action or judicial or administrative proceeding or investigation;~~

~~(e) The right to object at any time to any further response to this or any other interrogatory or request for production of documents;~~

~~(d) The right at any time to amend or supplement this response.~~

~~Any answers or documents that are produced are subject to the reservation that the production of privileged or otherwise protected materials (including but not limited to documents covered by the objections above), does not constitute a waiver of any protection that otherwise would be afforded such materials. KWRU's answers or production of documents are based upon, inter alia, the express condition that if any privileged or confidential document is inadvertently produced by KWRU, then upon request by counsel for KWRU, OPC shall promptly return any such inadvertently produced document and all copies thereof.~~

~~Any specific objections are made subject to and without waiver of these General Objections. Where specific objections are raised, those specific objections are raised in addition to these General Objections.~~

RESPONSES TO OPC'S FOURTH SET OF INTERROGATORIES

INTERROGATORIES

71. Retirements. Please refer to Schedule A-3. Please explain why corresponding retirements were not reflected for the following pro forma plant additions:

- a. Chlorine Contact Chamber
- b. Lift Station
- c. Generator
- d. Tow behind generator
- e. New office

RESPONSE:

As to portion (a) of the Interrogatory, the Chlorine Contact Chamber is partially in use. Half of the chamber was taken offline on February 20, 2018 after the contractor, Wharton-Smith, Inc., mobilized on February 19, 2018. Pursuant to the Chlorine Contact Chamber schedule, the asset is anticipated to be placed into service in May (substantial completion date May 16, 2018) and finally completed on June 20, 2018.

As to portion (b) of the Interrogatory, Lift Station L2A is still being utilized. The underground contractor, B&L Beneway, has not yet committed to a mobilization date. Upon mobilization, this project is anticipated to be completed in 7 to 14 days.

As to portion (c) of the Interrogatory, the Kohler standby generator has not functioned since September 18, 2017. However, the Pantropic rental generator currently being utilized is wired to the automatic transfer switch utilizing the terminal blocks from the Kohler Generator. As such, a portion of the Kohler generator is necessary for operations, and accordingly has not been retired.

As to portion (d) of the Interrogatory, the tow-behind generator was/is not the property of KWRU. The generator is owned by Keys Environmental, Inc., who provided the generator free of charge for the use of KWRU when the generator was at the end of its useful life for Keys Environmental, Inc.'s purposes. KWRU has operated and maintained the generator since approximately 2005, but never booked the generator as an asset. Because the generator is not an asset, it is not slated for retirement. KWRU must provide for a replacement generator, as Keys Environmental, Inc. will not be providing a replacement generator.

As to portion (e) of the Interrogatory, the existing office damaged in Hurricane Irma is still standing, and is able to be utilized on a limited basis for storage. The existing office will be retired as of the date of its demolition, which is to be provided by contractor PP Keys 2016, LLC.

~~75: Temporary Office Space. Please refer to Page 10, Lines 10-17 of Christopher Johnson's testimony regarding the temporary office space.~~

~~a. Please explain why the temporary office space is needed for a full year if the modular office is to be installed by March 31, 2018.~~

~~b. When will the temporary office costs be discontinued?~~

RESPONSE:

~~As to portion (a) of the Interrogatory, there is a backlog in the availability of manufactured homes/offices across the country, as a result of the impacts of Hurricane Harvey and Hurricane Irma increasing demand. As such, there is not a date certain when KWRU will receive its modular permanent office. KWRU is working diligently to ensure the quickest delivery of an acceptable unit, but the timetable is still uncertain.~~

ATTACHMENT 15

KWRU RESPONSE TO CITIZENS' INTERROGATORY NO. 75

OFFICE SPACE

~~As to portion (b) of the Interrogatory, Lift Station L2A is still being utilized. The underground contractor, B&L Beneway, has not yet committed to a mobilization date. Upon mobilization, this project is anticipated to be completed in 7 to 14 days.~~

~~As to portion (c) of the Interrogatory, the Kohler standby generator has not functioned since September 18, 2017. However, the Pantropic rental generator currently being utilized is wired to the automatic transfer switch utilizing the terminal blocks from the Kohler Generator. As such, a portion of the Kohler generator is necessary for operations, and accordingly has not been retired.~~

~~As to portion (d) of the Interrogatory, the tow behind generator was/is not the property of KWRU. The generator is owned by Keys Environmental, Inc., who provided the generator free of charge for the use of KWRU when the generator was at the end of its useful life for Keys Environmental, Inc.'s purposes. KWRU has operated and maintained the generator since approximately 2005, but never booked the generator as an asset. Because the generator is not an asset, it is not slated for retirement. KWRU must provide for a replacement generator, as Keys Environmental, Inc. will not be providing a replacement generator.~~

~~As to portion (e) of the Interrogatory, the existing office damaged in Hurricane Irma is still standing, and is able to be utilized on a limited basis for storage. The existing office will be retired as of the date of its demolition, which is to be provided by contractor PP Keys 2016, LLC.~~

75. Temporary Office Space. Please refer to Page 10, Lines 10-17 of Christopher Johnson's testimony regarding the temporary office space.
- a. Please explain why the temporary office space is needed for a full year if the modular office is to be installed by March 31, 2018.
 - b. When will the temporary office costs be discontinued?

RESPONSE:

As to portion (a) of the Interrogatory, there is a backlog in the availability of manufactured homes/offices across the country, as a result of the impacts of Hurricane Harvey and Hurricane Irma increasing demand. As such, there is not a date certain when KWRU will receive its modular permanent office. KWRU is working diligently to ensure the quickest delivery of an acceptable unit, but the timetable is still uncertain.

As to portion (b) of the Interrogatory, the costs will be discontinued immediately upon receipt of a certificate of occupancy for an installed new modular office, and the satisfactory installation of phones and internet within same. Due to the shortage discussed in response to portion (a), above, a date certain is not available for cost discontinuation.

~~76. Hurricane Costs. Please refer to CAJ-20. Please explain why the following four items are included in both CAJ-20 and the following identified schedules:~~

- ~~a. CAJ-17: two invoices from Information Technology Solutions for \$142.50 and \$1,722.50~~
- ~~b. CAJ-19: one invoice from Sunbelt Rentals for \$1,940.41~~
- ~~c. CAJ-16: one invoice from Nearshore Electric for \$2,899.00~~

~~**RESPONSE:** As to portion (a) of the Interrogatory, the invoices are listed twice as they relate both to information technology solutions as a result of Hurricane Irma (CAJ-17) and are expenditures related to Hurricane Irma (CAJ-20). Although the invoices are listed twice, they are only paid once. As to portion (b) of the Interrogatory, the tow behind generator expense is included in both categories, as the prior generator was rendered inoperable by Hurricane Irma (necessitating the expenditure), and the expense is classified specifically as rental of the tow behind generator. As to portion (c) of the Interrogatory, CAJ-16 does not contain the specified invoice.~~

~~77. Roof repair. Please refer to Page 12 of Christopher Johnson's testimony, Lines 10-11 and CAJ-22. Please explain the difference between the total repair amount of \$4,680 and the \$3,000 estimate attached.~~

~~**RESPONSE:** As stated in response to OPC Interrogatory 31, the difference is attributable to additional structural damage, including damage to the soffit and the roof near the electrical weather head. The inactive weatherhead must be removed, and the roof structure near the weatherhead is soft from water damage and requires repair. This repair work is estimated at 2 men for 12 labor~~

ATTACHMENT 16

KWRU RESPONSE TO CITIZENS' INTERROGATORY NO. 76

HURRICANE COSTS: INFORMATION TECHNOLOGY SOLUTIONS

~~As to portion (b) of the Interrogatory, the costs will be discontinued immediately upon receipt of a certificate of occupancy for an installed new modular office, and the satisfactory installation of phones and internet within same. Due to the shortage discussed in response to portion (a), above, a date certain is not available for cost discontinuation.~~

76. Hurricane Costs. Please refer to CAJ-20. Please explain why the following four items are included in both CAJ-20 and the following identified schedules:
- a. CAJ-17: two invoices from Information Technology Solutions for \$142.50 and \$1,722.50
 - b. CAJ-19: one invoice from Sunbelt Rentals for \$1,940.41
 - c. CAJ-16: one invoice from Nearshore Electric for \$2,899.00

RESPONSE: As to portion (a) of the Interrogatory, the invoices are listed twice as they relate both to information technology solutions as a result of Hurricane Irma (CAJ-17) and are expenditures related to Hurricane Irma (CAJ-20). Although the invoices are listed twice, they are only paid once. As to portion (b) of the Interrogatory, the tow behind generator expense is included in both categories, as the prior generator was rendered inoperable by Hurricane Irma (necessitating the expenditure), and the expense is classified specifically as rental of the tow behind generator. As to portion (c) of the Interrogatory, CAJ-16 does not contain the specified invoice.

- ~~77. Roof repair. Please refer to Page 12 of Christopher Johnson's testimony, Lines 10-11 and CAJ-22. Please explain the difference between the total repair amount of \$4,680 and the \$3,000 estimate attached.~~

RESPONSE: ~~As stated in response to OPC Interrogatory 31, the difference is attributable to additional structural damage, including damage to the soffit and the roof near the electrical weather head. The inactive weatherhead must be removed, and the roof structure near the weatherhead is soft from water damage and requires repair. This repair work is estimated at 2 men for 12 labor~~

ATTACHMENT 17

KWRU RESPONSE TO CITIZENS' INTERROGATORY NO. 87

O&M EXPENSES 2015-2017

RESPONSE:

~~There are no temporary investments included in the test year cash balance. Temporary investments, as defined by NARUC, include the book cost of investments such as demand and time loans, bankers' acceptances, United States Treasury certificates, marketable securities, certificates of deposit, and other similar investments, acquired for the purpose of temporarily investing cash.~~

87. O&M. Please refer to Schedule B-8. Please provide a similar schedule showing annual amounts for each of the categories shown for each of the years ended **December 31, 2013, December 31, 2014**, December 31, 2015, December 31, 2016, and December 31, 2017.

RESPONSE: The schedules for 2015, 2016, and 2017 are provided within folder "87", produced herewith.

88. ~~Extraordinary event overtime. Please refer to the amount of \$10,605 on Schedule B-3, Page 1, Line 39.~~
- a. ~~Please identify each of the employees included and the number of hours worked, and provide copies of time sheets supporting the amounts.~~
 - b. ~~Please provide an explanation of how this adjustment is in addition to base payroll, on call, and overtime expense included in CAJ-23.~~

RESPONSE:

~~As to portion (a) of the Interrogatory, the employees are identified and timesheets are provided within folder "88(a)", produced herewith. The \$10,605 figure refers to a hypothetical 1,302 hours of overtime for a 42 day period, amortized over five years. Please note that a timesheet for employee Steve Jouzapaitis is not provided. This employee had secured housing prior to Hurricane Irma, but the rental unit was damaged, delaying his arrival. After repair (and as a result of the housing shortage created by Hurricane Irma), his~~

No.	Account No. and Name	FY2017
1	701 Salaries & Wages - Employees	\$ 841,120
3	704 Employee Pensions & Benefits	160,549
5	711 Sludge Removal Expense	123,288
6	715 Purchased Power	201,350
8	718 Chemicals	127,314
9	720 Materials & Supplies	153,355
10	731 Contractual Services - Engr.	16,131
11	732 Contractual Services - Acct.	25,898
12	733 Contractual Services - Legal	21,028
13	734 Contractual Services - Mgmt. Fees	17,097
14	735 Contractual Services - Testing	15,374
15	736 Contractual Services - Other	-
16	741 Rental of Building/Real Prop.	5,962
17	742 Rental of Equipment	53,829
18	750 Transportation Expenses	27,756
20	757 Insurance - General Liability	54,996
21	758 Insurance - Workman's Comp.	28,860
23	760 Advertising Expense	10,873
26	770 Bad Debt Expense	2,443
27	775 Miscellaneous Expenses	53,232
	701 Payroll Taxes	68,700
29	TOTAL	\$ 2,009,153.96

No.	Account No. and Name	FY2016
1	701 Salaries & Wages - Employees	\$ 760,458
3	704 Employee Pensions & Benefits	153,039
5	711 Sludge Removal Expense	51,444
6	715 Purchased Power	138,610
8	718 Chemicals	137,840
9	720 Materials & Supplies	92,185
10	731 Contractual Services - Engr.	15,343
11	732 Contractual Services - Acct.	24,800
12	733 Contractual Services - Legal	5,224
13	734 Contractual Services - Mgmt. Fees	60,000
14	735 Contractual Services - Testing	21,416
15	736 Contractual Services - Other	
16	741 Rental of Building/Real Prop.	100
17	742 Rental of Equipment	71
18	750 Transportation Expenses	26,246
20	757 Insurance - General Liability	42,061
21	758 Insurance - Workman's Comp.	25,974
23	760 Advertising Expense	1,376
26	770 Bad Debt Expense	-
27	775 Miscellaneous Expenses	44,743
	701 Payroll Taxes	61,206
29	TOTAL	\$ 1,662,136.00

No.	Account No. and Name	FY2015
1	701 Salaries & Wages - Employees	\$ 646,384
3	704 Employee Pensions & Benefits	112,902
5	711 Sludge Removal Expense	36,777
6	715 Purchased Power	145,781
8	718 Chemicals	57,307
9	720 Materials & Supplies	133,709
10	731 Contractual Services - Engr.	2,896
11	732 Contractual Services - Acct.	31,650
12	733 Contractual Services - Legal	7,461
13	734 Contractual Services - Mgmt. Fees	60,000
14	735 Contractual Services - Testing	22,615
15	736 Contractual Services - Other	-
16	741 Rental of Building/Real Prop.	100
17	742 Rental of Equipment	528
18	750 Transportation Expenses	25,972
20	757 Insurance - General Liability	41,178
21	758 Insurance - Workman's Comp.	22,355
23	760 Advertising Expense	631
26	770 Bad Debt Expense	-
27	775 Miscellaneous Expenses	54,189
	701 Payroll Taxes	53,836
29	TOTAL	\$ 1,456,271.00

ATTACHMENT 18

KWRU RESPONSE TO CITIZENS' INTERROGATORY NO. 88

EXTRAORDINARY EVENT OVERTIME

RESPONSE:

~~There are no temporary investments included in the test year cash balance. Temporary investments, as defined by NARUC, include the book cost of investments such as demand and time loans, bankers' acceptances, United States Treasury certificates, marketable securities, certificates of deposit, and other similar investments, acquired for the purpose of temporarily investing cash.~~

87. ~~O&M. Please refer to Schedule B-8. Please provide a similar schedule showing annual amounts for each of the categories shown for each of the years ended December 31, 2013, December 31, 2014, December 31, 2015, December 31, 2016, and December 31, 2017.~~

RESPONSE: ~~The schedules for 2015, 2016, and 2017 are provided within folder "87", produced herewith.~~

88. Extraordinary event overtime. Please refer to the amount of \$10,605 on Schedule B-3, Page 1, Line 39.
- a. Please identify each of the employees included and the number of hours worked, and provide copies of time sheets supporting the amounts.
 - b. Please provide an explanation of how this adjustment is in addition to base payroll, on call, and overtime expense included in CAJ-23.

RESPONSE:

As to portion (a) of the Interrogatory, the employees are identified and timesheets are provided within folder "88(a)", produced herewith. The \$10,605 figure refers to a hypothetical 1,302 hours of overtime for a 42 day period, amortized over five years. Please note that a timesheet for employee Steve Jouzapaitis is not provided. This employee had secured housing prior to Hurricane Irma, but the rental unit was damaged, delaying his arrival. After repair (and as a result of the housing shortage created by Hurricane Irma), his

landlord raised his rent to an unacceptable level, and he resigned from the position before beginning work.

As to portion (b) of the Interrogatory, the adjustment is additional because it entails 1,302 hours of overtime for a 42 day period, amortized over five years. CAJ-23 utilizes salary and wage levels as of November 2017, assuming all positions are filled, and carries these figures forward to show salaries and wages at full staffing levels on an annualized basis. CAJ-23 captures scheduled overtime expense (which will be less than actual expense, as KWRU did not include on-call training of new employees), as well as unscheduled on call work (emergencies, call-outs, etc.) with an estimated fifty hours of unscheduled on-call work for each employee with on-call duties. CAJ-23 does not capture extraordinary events (I.E., Hurricane Irma), as it is an assumed year where no extraordinary event is factored.

89. ~~Comcast. Please refer to Page 8 of Christopher Johnson's testimony, Lines 15-24. Has the company requested a refund or other compensation from Comcast for lack of service? If not, please explain why not. If so, please provide the response received.~~

RESPONSE:

~~KWRU had not paid the Comcast bills as the service was nonexistent after Hurricane Irma and subpar for much of the time since, with internet speed problems and service outages. KWRU received a credit of \$269.70 for November 2017 for Comcast acknowledged outages.~~

~~KWRU requested that additional credits be issued based on correspondence and documentation provided by the Utility. KWRU's non-payment led to Comcast discontinuing service briefly on Friday, February 16, 2018. Once this occurred, KWRU immediately called Comcast and attempted to resolve the matter, resulting in Comcast issuing a suspension of disconnect was issued under escalated Ticket #CR762802291 from the Collections/Billing.~~

~~The suspension of disconnect was set to expire on February 26, 2018 under the escalated ticket. This allowed the Utility to request an additional credit of \$55.95~~

KW RESORT UTILITIES CORP
 PAYCHEX PEO II LLC
 970 LAKE CARILLON DRIVE SUITE 400
 SAINT PETERSBURG FL 33716

0740-5514
 ORG1:100 Payroll
 EE ID: 20 DD

Payrolls by Paychex, Inc.

Payrolls by Paychex, Inc.

PIERRE AMBOISE
 P O BOX 5922
 KEY WEST FL 33045

NON-NEGOTIABLE

NON-NEGOTIABLE

PERSONAL AND CHECK INFORMATION			EARNINGS					
Pierre Amboise			DESCRIPTION	HRS/UNITS	RATE	THIS PERIOD (\$)	YTD HOURS	YTD (\$)
P O Box 5922			Regular	86.68	24.0500	2084.65	1478.48	32173.76
Key West, FL 33045			Retro				24.00	577.20
Soc Sec #: xxx-xx-xxxx Employee ID: 20			Overtime	5.12	36.0750	184.70	93.08	3242.09
Home Department: 100 Payroll			Health Reimburse			212.50		4037.50
Pay Period: 09/26/17 to 10/10/17			Total Hours	91.80			1595.56	
Check Date: 10/13/17 Check #: 1541			Gross Earnings			2481.85		40030.55
NET PAY ALLOCATIONS			Total Hrs Worked	91.80				
DESCRIPTION	THIS PERIOD (\$)	YTD (\$)	OTHER ITEMS		DESCRIPTION	THIS PERIOD (\$)	YTD (\$)	
Check Amount	0.00	0.00	Do not increase Net Pay		PX401ERMAT	22.69	359.94	
Unkg 5088	1838.30	29523.99	WITHHOLDINGS		DESCRIPTION	FILING STATUS	THIS PERIOD (\$)	YTD (\$)
NET PAY	1838.30	29523.99			Social Security		142.16	2259.46
					Medicare		33.25	528.42
					Fed Income Tax	M 0	247.63	3600.16
					TOTAL		423.04	6388.04
			DEDUCTIONS		DESCRIPTION		THIS PERIOD (\$)	YTD (\$)
					Life Ins - Post		9.00	171.00
					PREXEECMP		180.38	3427.22
					PREXEEDEN		5.92	112.48
					PREXEEVIS		2.52	47.88
					PX401EEPPE		22.69	359.94
					TOTAL		220.51	4118.52
NET PAY					THIS PERIOD (\$)		YTD (\$)	
					1838.30		29523.99	

Payrolls by Paychex, Inc.

KW RESORT UTILITIES CORP
 PAYCHEX PEO II LLC
 970 LAKE CARILLON DRIVE SUITE 400
 SAINT PETERSBURG FL 33716

0740-5514
 ORG1:100 Payroll
 EE ID: 60 DD

Docket No. 20170141-SU
 Composite Exhibit: Discovery
 and Other References
 Exhibit HWS-2
 Page 58 of 280

Payrolls by Paychex, Inc.

Payrolls by Paychex, Inc.

CHRISTOPHER R HENDERSON
 16 SAPPHERE DR
 KEY WEST FL 33040

NON-NEGOTIABLE

NON-NEGOTIABLE

PERSONAL AND CHECK INFORMATION			EARNINGS						
Christopher R Henderson 16 Sapphire Dr Key West, FL 33040 Soc Sec #: xxx-xx-xxxx Employee ID: 60 Home Department: 100 Payroll Pay Period: 09/11/17 to 09/25/17 Check Date: 09/29/17 Check #: 1523			DESCRIPTION	HRS/UNITS	RATE	THIS PERIOD (\$)	YTD HOURS	YTD (\$)	
NET PAY ALLOCATIONS DESCRIPTION THIS PERIOD (\$) YTD (\$) Check Amount 0.00 0.00 Chkg 2157 2931.50 10286.65 NET PAY 2931.50 10286.65			Regular	80.15	30.0000	2404.50	406.15	12184.50	
			Overtime	44.62	45.0000	2007.90	62.10	2794.50	
			Total Hours	124.77			468.25		
			Gross Earnings			4412.40		14979.00	
			Total Hrs Worked	124.77					
			OTHER ITEMS	DESCRIPTION		THIS PERIOD (\$)		YTD (\$)	
			Do not increase Net Pay						
				PX401ERMAT		176.50		531.46	
			WITHHOLDINGS	DESCRIPTION	FILING STATUS	THIS PERIOD (\$)		YTD (\$)	
				Social Security		260.08		874.74	
				Medicare		60.83		204.58	
				Fed Income Tax	S 1	760.89		2191.17	
				TOTAL		1081.80		3270.49	
			DEDUCTIONS	DESCRIPTION		THIS PERIOD (\$)		YTD (\$)	
				POSTXATVLI		0.80		3.20	
				PRETXEECMP		211.64		846.56	
				PRETXEEDEN		5.92		23.68	
				PX401EEPPE		176.50		531.46	
				PXVAI EEPOST		4.24		16.96	
				TOTAL		399.10		1421.86	
			NET PAY			THIS PERIOD (\$) 2931.50		YTD (\$) 10286.65	

Payrolls by Paychex, Inc.

	OT rates	4 OT hrs each day	3 OT hrs each day	42 day period	Divided by 5 year period
Robert Derryberry	\$ 57.00	\$ 228.00		\$ 9,576.00	
Mark Streisel	\$ 37.50	\$ 150.00		\$ 6,300.00	
Pierre Amboise	\$ 36.08	\$ 144.30		\$ 6,060.60	
Jeffrey Morse	\$ 34.50	\$ 138.00		\$ 5,796.00	
Daniel Pumar	\$ 31.50		\$ 94.50	\$ 3,969.00	
Joseph Schober	\$ 36.48		\$ 109.44	\$ 4,596.48	
Steve Jouzapaitis	\$ 31.50		\$ 94.50	\$ 3,969.00	
Tim Sunderman	\$ 56.25		\$ 168.75	\$ 7,087.50	
Chris Henderson	\$ 45.00		\$ 135.00	\$ 5,670.00	
				\$ 53,024.58	\$ 10,604.92

KW RESORT UTILITIES CORP
 PAYCHEX PEO I LLC
 970 LAKE CARILLON DRIVE SUITE 400
 SAINT PETERSBURG FL 33716

0740-5514
 ORG1:100 Payroll
 EE ID: 58 DD

Payrolls by Paychex, Inc.

Payrolls by Paychex, Inc.

JEFFREY J MORSE
 5555 COLLEGE RD CONCH #7
 KEY WEST FL 33040

NON-NEGOTIABLE

NON-NEGOTIABLE

PERSONAL AND CHECK INFORMATION			EARNINGS				OTHER ITEMS		WITHHOLDINGS			DEDUCTIONS	
Jeffrey J Morse 5555 College Rd Conch #7 Key West, FL 33040 Soc Sec #: xxx-xx-xxxx Employee ID: 58 Home Department: 100 Payroll Pay Period: 09/11/17 to 09/25/17 Check Date: 09/29/17 Check #: 1527			DESCRIPTION	HRS/UNITS	RATE	THIS PERIOD (\$)	YTD HOURS	THIS PERIOD (\$)	YTD (\$)	DESCRIPTION	FILING STATUS	THIS PERIOD (\$)	YTD (\$)
NET PAY ALLOCATIONS DESCRIPTION THIS PERIOD (\$) YTD (\$)			Regular	62.27	23.0000	1432.21	565.65						
Check Amount 0.00 0.00 Chkg 2224 281.56 2734.76 Chkg 0733 <u>844.67</u> <u>8204.31</u> NET PAY 1126.23 10939.07			Overtime	<u>5.50</u>	34.5000	<u>189.75</u>	<u>57.62</u>						
			Total Hours	67.77			623.27						
			Gross Earnings			1621.96							
			Total Hrs Worked	67.77								14997.85	
			OTHER ITEMS		DESCRIPTION		THIS PERIOD (\$)	YTD (\$)					
			Do not increase Net Pay		PX401ERMAT		64.88	468.03					
			WITHHOLDINGS		DESCRIPTION		THIS PERIOD (\$)	YTD (\$)					
			Social Security				87.29	863.48					
			Medicare				20.41	201.94					
			Fed Income Tax		S 3		89.27	1320.03					
			TOTAL				<u>196.97</u>	<u>2385.45</u>					
			DEDUCTIONS		DESCRIPTION		THIS PERIOD (\$)	YTD (\$)					
			POSTXATVLI				3.50	17.50					
			PRETXEECMP				211.64	1058.20					
			PRETXEEVIS				2.52	12.60					
			PX401EEPRES				81.10	585.03					
			TOTAL				<u>298.76</u>	<u>1673.33</u>					
			NET PAY				1126.23	10939.07					

Payrolls by Paychex, Inc.

KW RESORT UTILITIES CORP
 PAYCHEX PEO II LLC
 970 LAKE CARILLON DRIVE SUITE 400
 SAINT PETERSBURG FL 33716

0740-5514
 ORG1:100 Payroll
 EE ID: 59 DD

Payrolls by Paychex, Inc.

DANIEL P PUMAR
 1510 JOSEPHINE ST
 KEY WEST FL 33040

NON-NEGOTIABLE

NON-NEGOTIABLE

Payrolls by Paychex, Inc.

PERSONAL AND CHECK INFORMATION			EARNINGS		DESCRIPTION	HRS/UNITS	RATE	THIS PERIOD (\$)	YTD HOURS	YTD (\$)
Daniel P Pumar			Regular			43.57	21.0000	914.97	524.68	11018.28
1510 Josephine St			Overtime			12.00	31.5000	378.00	20.36	641.35
Key West, FL 33040			Total Hours			55.57			545.04	
Soc Sec #: xxx-xx-xxxx Employee ID: 59			Gross Earnings					1292.97		11659.63
Home Department: 100 Payroll			Total Hrs Worked			55.57				
Pay Period: 09/11/17 to 09/25/17			WITHHOLDINGS		DESCRIPTION	FILING STATUS		THIS PERIOD (\$)		YTD (\$)
Check Date: 09/29/17 Check #: 1528			Social Security					80.17		722.90
NET PAY ALLOCATIONS			Medicare					18.74		169.06
<i>DESCRIPTION</i>	<i>THIS PERIOD (\$)</i>	<i>YTD (\$)</i>	Fed Income Tax		S 0			160.14		1622.13
Check Amount	0.00	0.00	TOTAL					259.05		2514.13
Chkg 0164	1033.92	9145.54								
NET PAY	1033.92	9145.54								
			NET PAY					THIS PERIOD (\$)		YTD
								1033.92		9145.54

Payrolls by Paychex, Inc.

KW RESORT UTILITIES CORP
 PAYCHEX PEO I LLC
 970 LAKE CARILLON DRIVE SUITE 400
 SAINT PETERSBURG FL 33716

0740-5514
 ORG1:100 Payroll
 EE ID: 61 DD

Payrolls by Paychex, Inc.

MARK J STREISEL
 1209 ROYAL ST
 KEY WEST FL 33040

NON-NEGOTIABLE

NON-NEGOTIABLE

Payrolls by Paychex, Inc.

PERSONAL AND CHECK INFORMATION			EARNINGS						
Mark J Streisel 1209 Royal St Key West, FL 33040 Soc Sec #: xxx-xx-xxxx Employee ID: 61 Home Department: 100 Payroll Pay Period: 09/11/17 to 09/25/17 Check Date: 09/29/17 Check #: 1530			<i>DESCRIPTION</i>	<i>HRS/UNITS</i>	<i>RATE</i>	<i>THIS PERIOD (\$)</i>	<i>YTD HOURS</i>	<i>YTD (\$)</i>	
<i>DESCRIPTION</i>	<i>THIS PERIOD (\$)</i>	<i>YTD (\$)</i>	Regular	86.78	25.0000	2169.50	286.78	7169.50	
Check Amount	0.00	0.00	Overtime	<u>46.47</u>	37.5000	<u>1742.63</u>	<u>50.04</u>	<u>1876.51</u>	
Chkg 0872	<u>3072.03</u>	<u>7304.96</u>	Total Hours	133.25			336.82		
NET PAY	3072.03	7304.96	Gross Earnings			3912.13		9046.01	
			Total Hrs Worked	133.25					
			WITHHOLDINGS				<i>THIS PERIOD (\$)</i>	<i>YTD (\$)</i>	
			<i>DESCRIPTION</i>	<i>FILING STATUS</i>					
			Social Security			242.55	560.85		
			Medicare			56.73	131.17		
			Fed Income Tax	M 0		532.82	1041.03		
			TOTAL			<u>832.10</u>	<u>1733.05</u>		
			DEDUCTIONS				<i>THIS PERIOD (\$)</i>	<i>YTD (\$)</i>	
			<i>DESCRIPTION</i>						
			PXVAI EEPOST			8.00	8.00		
			TOTAL			<u>8.00</u>	<u>8.00</u>		
NET PAY						<i>THIS PERIOD (\$)</i>	<i>YTD</i>		
						3072.03	7304.96		

Payrolls by Paychex, Inc.

KW RESORT UTILITIES CORP
 PAYCHEX PEO ILLC
 970 LAKE CARILLON DRIVE SUITE 400
 SAINT PETERSBURG FL 33716

0740-5514
 ORG1:100 Payroll
 EE ID: 56 DD

Payrolls by Paychex, Inc.

TIMOTHY J SUNDERMAN
 1901 S ROOSEVELT BLVD #108 W
 KEY WEST FL 33040

NON-NEGOTIABLE

NON-NEGOTIABLE

Payrolls by Paychex, Inc.

PERSONAL AND CHECK INFORMATION			EARNINGS					
Timothy J Sunderman 1901 S Roosevelt Blvd #108 W Key West, FL 33040 Soc Sec #: xxx-xx-xxxx Employee ID: 56 Home Department: 100 Payroll Pay Period: 09/11/17 to 09/25/17 Check Date: 09/29/17 Check #: 1531			DESCRIPTION	HRS/UNITS	RATE	THIS PERIOD (\$)	YTD HOURS	YTD (\$)
NET PAY ALLOCATIONS			Regular	94.00	37.5000	3525.00	956.00	35850.01
DESCRIPTION	THIS PERIOD (\$)	YTD (\$)	Overtime	64.50	56.2500	3628.13	126.40	7110.01
Check Amount	0.00	0.00	Total Hours	158.50			1082.40	
Chkg 2922	4651.97	28705.78	Gross Earnings			7153.13		42960.02
Chkg 8943	250.00	1891.00	Total Hrs Worked	158.50				
NET PAY	4901.97	30596.78	OTHER ITEMS					
			DESCRIPTION			THIS PERIOD (\$)	YTD (\$)	
			<i>Do not increase Net Pay</i>					
			WITHHOLDINGS	DESCRIPTION	FILING STATUS	THIS PERIOD (\$)	YTD (\$)	
				PX401ERMAT		286.13	1634.52	
				Social Security		426.60	2494.58	
				Medicare		99.77	583.41	
				Fed Income Tax	M 1	1161.23	4842.83	
				TOTAL		1687.60	7920.82	
			DEDUCTIONS	DESCRIPTION			THIS PERIOD (\$)	YTD (\$)
				POSTXATSPI		0.70	8.40	
				PRETXEECMP		272.49	2724.90	
				PX401EEPPE		286.13	1634.52	
				PXVAI EEPOST		4.24	46.16	
				PXVCI EEPOST			16.74	
				PXVHI EEPOST			11.70	
				TOTAL		563.56	4442.42	
			NET PAY			THIS PERIOD (\$)	YTD (\$)	
						4901.97	30596.78	

Payrolls by Paychex, Inc.

KW RESORT UTILITIES CORP
 PAYCHEX PEO II LLC
 970 LAKE CARILLON DRIVE SUITE 400
 SAINT PETERSBURG FL 33716

0740-5514
 ORG1:100 Payroll
 EE ID: 62 DD

Docket No. 20170141-SU
 Composite Exhibit: Discovery
 and Other References
 Exhibit HWS-2
 Page 64 of 280

Payrolls by Paychex, Inc.

Payrolls by Paychex, Inc.

ROBERT A DERRYBERRY
 3060 HOLCOMB
 PORT CHARLOTTE FL 33981

NON-NEGOTIABLE

NON-NEGOTIABLE

PERSONAL AND CHECK INFORMATION			EARNINGS				WITHHOLDINGS	
Robert A Derryberry 3060 Holcomb Port Charlotte, FL 33981 Soc Sec #: xxx-xx-xxxx Employee ID: 62 Home Department: 100 Payroll Pay Period: 09/26/17 to 10/10/17 Check Date: 10/13/17 Check #: 1543			DESCRIPTION	HRS/UNITS	RATE	THIS PERIOD (\$)	YTD HOURS	YTD (\$)
NET PAY ALLOCATIONS DESCRIPTION THIS PERIOD (\$) YTD (\$) Check Amount 0.00 0.00 Bank 5794 3308.89 5641.94 NET PAY 3308.89 5641.94			Regular	94.00	38.0000	3572.00	142.00	5396.00
			Retro			24.00	912.00	
			Overtime	10.83	57.0000	617.31	617.31	
			Total Hours	104.83			176.83	
			Gross Earnings			4189.31	6925.31	
			Total Hrs Worked	104.83				
			DESCRIPTION	FILING STATUS		THIS PERIOD (\$)	YTD (\$)	
			Social Security			259.74	429.37	
			Medicare			60.75	100.42	
			Fed Income Tax	M 1		559.93	753.58	
			TOTAL			880.42	1283.37	
			NET PAY			THIS PERIOD (\$) 3308.89	YTD (\$) 5641.94	

Payrolls by Paychex, Inc.

KW RESORT UTILITIES CORP
 PAYCHEX PEO II LLC
 970 LAKE CARILLON DRIVE SUITE 400
 SAINT PETERSBURG FL 33716

0740-5514
 ORG1:100 Payroll
 EE ID: 45 DD

Payrolls by Paychex, Inc.

JOSEPH R SCHOBER
 9 BEECHWOOD DR
 KEY WEST FL 33040

NON-NEGOTIABLE

NON-NEGOTIABLE

PERSONAL AND CHECK INFORMATION			EARNINGS					
Joseph R Schober 9 Beechwood Dr Key West, FL 33040 Soc Sec #: xxx-xx-xxxx Employee ID: 45 Home Department: 100 Payroll Pay Period: 09/11/17 to 09/25/17 Check Date: 09/29/17 Check #: 1529			DESCRIPTION	HRS/UNITS	RATE	THIS PERIOD (\$)	YTD HOURS	YTD (\$)
NET PAY ALLOCATIONS			Regular	76.33	24.3200	1856.35	1521.07	36244.28
DESCRIPTION	THIS PERIOD (\$)	YTD (\$)	Overtime	15.70	36.4800	572.74	78.01	2776.35
Check Amount	0.00	0.00	Total Hours	92.03			1599.08	
Chkg 1629	1718.51	28872.32	Gross Earnings			2429.09		39020.63
NET PAY	1718.51	28872.32	Total Hrs Worked	92.03				
			WITHHOLDINGS					
			DESCRIPTION	FILING STATUS		THIS PERIOD (\$)		YTD (\$)
			Social Security			139.65		2222.10
			Medicare			32.66		519.69
			Fed Income Tax	S 0		361.59		4226.28
			TOTAL			533.90		6968.07
			DEDUCTIONS					
			DESCRIPTION			THIS PERIOD (\$)		YTD (\$)
			PRETXEECMP			168.24		3028.32
			PRETXEEDEN			5.92		106.56
			PRETXEEVIS			2.52		45.36
			TOTAL			176.68		3180.24
			NET PAY			THIS PERIOD (\$)		YTD (\$)
						1718.51		28872.32

Payrolls by Paychex, Inc.

ATTACHMENT 19

KWRU RESPONSE TO CITIZENS' INTERROGATORY NO. 90

PRO FORMA PLANT - NO BIDS

~~REF#CR764629355 for outages that were documented by KWRU on January 10th and 25th. As a result of service ticket #045504623 Comcast sent service technicians to the property on President's Day, February 19, 2018 where they met with the KWRU President Chris Johnson. The service technicians checked the service and found the aerial drop to the property needed to be replaced. Since the aerial drop was replaced, KWRU has had continuous service. With acceptable service restored, KWRU continued to work with the Comcast Billing and Collections Group to settle the account and bring it current. Florence Anderson, Comcast Billing Representative, then awarded a \$20.00 credit on February 26, 2018. KWRU has settled the past outages in terms of credits as of February 26, 2018, and has brought the Comcast bill current. The service disconnection order was revoked.~~

90. Pro Forma Project. For each pro forma plant addition included on A-3 that the company did not utilize a bidding process for, please provide an explanation why a bidding process was not used.

RESPONSE:

Lift Station L2A: KWRU bid the sister lift station of L2A (Force Main Lift Station), which has the same design as L2A and is located within 300 feet of L2A, to B&L Beneway and Wharton Smith. B&L Beneway was substantially less expensive, as a result of their local labor force and lack of need for housing, and was awarded the bid.

KWRU requested bids for the L2A Lift Station from B&L Beneway and Wharton Smith, containing the same scope of work as for the previously bid Force Main Lift Station. When Wharton Smith was told that B&L Beneway would be bidding on the L2A Lift Station, they declined to proffer a bid, ostensibly believing they could not be competitive with the local B&L Beneway.

Wastewater Treatment Plant Rehabilitation: The rehabilitation was sole sourced to Evoqua, which had originally designed and fabricated the treatment plant. This project was not bid as a result of the recommendation of KWRU's Professional Engineer Ed Castle of Weiler Engineering Corp. Evoqua was in a unique position to understand the scope of work and the particular needs

of the individual plant. *See* document “PSC POD 13 Evoqua Sole Source.pdf”, previously produced in this action.

Sludge Drying Beds: KWRU served as general contractor to save expenses, and selected subcontractors based on price quotations. Low bids for silica sand and rock material and shipping were selected, and the contractor with the lowest cost and a vacuum truck was selected for labor.

Telephone System: The telephone system also encompasses fiber to run voice and data services, in order to operate KWRU’s crucial SCADA (supervisory control and data acquisition) system, which pushes alarms to KWRU’s on-call staff via internet. AT&T and Comcast are the only large-scale providers for these services, and AT&T is the only company with a viable alternative for KWRU’s location, as no other company will provide fiber service. While various smaller providers are available, these companies operate pursuant to lease agreements with larger telecommunications companies, and do not have a proven track record of service. Given the mission-critical nature of the SCADA system, KWRU utilized AT&T, to reduce the possibility of service interruptions and reliability problems.

Office Structures and Improvements: As discussed in response to Interrogatory 85, above, PP Keys 2016, LLC is already performing modular construction work in the area. PP Keys 2016, LLC has a proven track record of completion over a recent timetable without frivolous change orders. Due to their volume purchasing power (as a result of ongoing projects) and their relationships with modular manufacturers, KWRU determined the utilization of PP Keys 2016, LLC provided the best chance of providing a suitable unit, at a low price, in the shortest period of time.

All other projects: All other listed projects were competitively bid.

91. ~~Capital Expenditures. Please identify the budgeted capital expenditures for each of the calendar years 2013, 2014, 2015, 2016, and 2017 and the actual capital expenditures for each of the calendar years 2013, 2014, 2015, 2016, and 2017.~~

RESPONSE: ~~The breakdown of budgeted and actual is as follows:~~

~~2015:~~

Structures & Improvements: ACTUAL= \$620,619	Budgeted \$600,000
Power Gen Equip: ACTUAL= \$9,286	Budgeted \$2,000 500-gal fuel tank
Collect Sewer Force: ACTUAL= \$2,400	Budgeted \$3,882

ATTACHMENT 20

KWRU RESPONSE TO CITIZENS' INTERROGATORY NO. 93

SALARIES AND WAGES

93. Payroll. Please provide the following monthly labor data in total, for the test year, and each of the years 2013-2017, showing annual totals.
- Number of actual employees broken down between type (e.g., salaried, hourly, union, non-union, temporary, etc.).
 - Regular payroll broken down between expensed, capitalized and other.
 - Incentive compensation broken down between expensed, capitalized and other.
 - Overtime payroll broken down between expensed, capitalized and other.
 - Temporary payroll broken down between expensed, capitalized and other; and
 - Other payroll (specify).

RESPONSE:

As to portion (a) of the Interrogatory, please see document “93a”, provided herewith. Please note that annual totals are not provided, as there is no way to show the changes in numbers over time. The underlying information can be easily extrapolated in the format sought by OPC from the simple spreadsheet provided.

Please see spreadsheet “OPC Rog 93bcd” for the data responsive to portion (b), (c), and (d).

As to portion (b) of the Interrogatory, all regular payroll was expensed.

As to portion (c) of the Interrogatory, all incentive compensation was expensed.

As to portion (d) of the Interrogatory, all overtime payroll was expensed.

As to portion (e) of the Interrogatory, there was no temporary payroll.

As to portion (f) of the Interrogatory, there was no other type of payroll.

94. ~~Overtime hours and payroll. Please refer to CAJ 23. Please provide the same information for the years 2013, 2014, 2015, 2016 and 2017. For any account that increased from one year to the next by more than 10% please provide a detailed explanation of the activities that caused the increase.~~

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Number of Employees Hourly	5-then 7	7-then 4	4	4-then 5	5	5-then 7	8-then 7	7-then 6	6-then 7	7	7	7
Number of Employees Salaried	6	6	6	6	6	5	6	6-then 5	5	5-then 4	4	4
Number of Employees Part time	0	0	0	0	0	0	0	0	0	0	0	0

93b

TY	
2017	\$ 780,303.41
2016	\$ 708,279.20
2015	\$ 623,438.90
2014	\$ 557,375.77
2013	\$ 543,546.44

93c

TY	
2017	\$ 3,000.00
2016	\$ 5,000.00
2015	\$ 2,000.00
2014	\$ -
2013	\$ -

93d

TY	
2017	\$ 38,994.75
2016	\$ 15,652.91
2015	\$ 14,734.41
2014	\$ 22,185.59
2013	\$ 13,166.91

ATTACHMENT 21

KWRU RESPONSE TO CITIZENS' INTERROGATORY NO. 106

NON-INDUSTRY DUES AND MEMBERSHIPS

106. Non-industry Dues and Memberships. Please identify all non-industry dues and memberships included for recovery in the test year and in which accounts the costs are included.

RESPONSE: Please see file “106” produced herewith, for a breakdown of expenses and account classifications.

~~107. Hurricane costs. Please explain how the materials & supplies (such as soap, batteries, pipe, tools, etc.) included on Schedule CAJ-20 are exclusive hurricane costs and are not part of regular O&M materials and supplies expense.~~

RESPONSE:

~~All materials and supplies listed are unusual, and were necessitated exclusively by Hurricane Irma.~~

~~The soap expense encompassed laundry detergent for employees when they were on standby at the Red Roof Inn in Miami. Employees’ clothes were gasoline-contaminated as a result of transferring generator fuel manually from the fuel tank to the generator before evacuating due to the sudden closure of the Monroe County Detention Center as a shelter.~~

~~The battery expense encompasses back-up batteries for several office computer back-up power supplies, and to power marine radios which were utilized by the employees in the absence of cellular or landline service. These marine radios have only been utilized in response to outages caused by Hurricane Wilma in 2005, and Hurricane Irma.~~

~~The tool expense includes additional chainsaws to remove fallen trees from KWRU’s facility and to clear fallen trees blocking ingress and egress to KWRU’s fifteen (15) lift stations, as well as chop saw repair after the saw was damaged cutting debris which had blown onto KWRU’s property.~~

~~Home Depot supplies included tarps to cover water-damaged roofs, bleach and cleaning supplies for the water-damaged office, and other general supplies related to clean-up and protection of assets from further water intrusion.~~

KW Resort Utilities Corp.
Account QuickReport
 July 2016 - June 2017

	Date	Transaction Type	Num	Name	Memo/Description	Amount
Administrative Expense						
7750850 Dues & Subscriptions						
	07/01/2016	Credit Card Expense		Rotary Club of Key West	May Dues	106.00
	07/03/2016	Credit Card Expense		Rotary Club of Key West	Annual Dues	52.00
	07/25/2016	Credit Card Expense		Rotary Club of Key West	Rotary international dues	41.54
	08/01/2016	Credit Card Expense		Rotary Club of Key West	August dues	106.00
	09/01/2016	Credit Card Expense		Rotary Club of Key West	September Dues	106.00
	10/01/2016	Credit Card Expense		Rotary Club of Key West	October Dues	106.00
	11/01/2016	Credit Card Expense		Rotary Club of Key West	November Dues	106.00
	12/01/2016	Credit Card Expense		Rotary Club of Key West	December Dues	106.00
	12/27/2016	Bill	12281	Key West Chamber of Commerce	2017 Membership dues	338.00
	01/01/2017	Credit Card Expense		Rotary Club of Key West	January Dues	106.00
	01/21/2017	Credit Card Expense		Rotary Club of Key West	International Dues	34.00
	02/01/2017	Credit Card Expense		Rotary Club of Key West	February Dues	106.00
	03/01/2017	Credit Card Expense		Rotary Club of Key West	March Dues	106.00
	03/02/2017	Credit Card Expense		citibank credit card x3278	Membership fee Mar 2017-Feb 2018	75.00
	04/01/2017	Credit Card Expense		Rotary Club of Key West	April Dues	106.00
	05/01/2017	Credit Card Expense		Rotary Club of Key West	May Dues	106.00
	06/01/2017	Credit Card Expense		Rotary Club of Key West	June Dues	106.00
	Total for 7750850 Dues & Subscriptions					\$ 1,812.54
	Total for Administrative Expense					\$ 1,812.54
	TOTAL					\$ 1,812.54

ATTACHMENT 22

KWRU RESPONSE TO CITIZENS' INTERROGATORY NO. 114

INDUSTRY ASSOCIATIONS DUES

~~**RESPONSE:** KWRU's new treatment plant came on line in late March 2017, but the chemical feed system was not completed as of that time. The scheduled date to place the facility into operation, per the DEP Notification of Completion of Construction for Wastewater Facilities, was June 26, 2017. The DEP Notification of Completion further provides that the expected operational level maintained is August 26, 2017.~~

~~Because the test year ends June 30, 2017, and the chemical system was not fully functional by that date, the test year does not capture the expected increase in chemical use necessitated by the new treatment plant. CAJ-4 only reflects chemical purchases in the test year, when the new treatment plant was not fully operational.~~

~~The only chemical with increased in price during the test year was Ferric Sulfate, which increased from September 1, 2016 (\$2.65 per gallon) to September 8, 2016 (\$3.06 per gallon). While quantities show small fluctuations based on startup and flow levels during the test year, the test year does not show the dramatic increase associated with the plant expansion.~~

114. Industry Associations Dues. Please list all membership payments made to industry associations included in the test year. Please identify the account into which such amounts are charged.

~~a. Please state the purpose and objective of each organization listed.~~

b. Do any of the organizations listed engage in lobbying or advocacy activities, attempts to influence public opinion, institutional or image-building advertising?

If so, please provide the following information:

~~i. Please list each organization which engages in such activities~~

ii. Please state the company's best estimate of the portion of the organization's expenses devoted to such activities,

~~iii. Please explain and show how such estimates were derived,~~

iv. Please state if the company has included the portions of dues related to such activities in the test year.

RESPONSE: As to the unlettered portion of the Interrogatory, KWRU made a payment to the Florida Rural Water Association of \$350.00 on November 1, 2016. This amount is recorded in account number 7750850: Dues and Subscriptions.

As to portion (b) and (b)(ii) of the Interrogatory, KWRU is not aware of any such activities. KWRU does not have access to the organization's expenses.

As to portion (b)(iv) of the Interrogatory, these dues were included within the test year.

~~115. Lobbying Costs. Please identify any lobbying costs included in above the line accounts (including amounts allocated from affiliates).~~

RESPONSE: None.

~~116. Revenues from Keys Environmental. Please refer to KWRU's response to OPC Production of Documents No. 7. This response included invoices from KWRU to Keys Environmental, Inc. (KEI). Please provide the following information:~~

- ~~a. How are work requests received and logged by the company?~~
- ~~b. How is the actual time and cost of the work performed recorded and logged?~~
- ~~c. What are the company's policies regarding how and when these amounts are billed to KEI?~~
- ~~d. Why do some invoices (such as the invoice dated July, 2016 shown in Document titled "2016 KEI\SKMBT_28317022115440.pdf") appear to include charges from work performed several months prior?~~
- ~~e. How does the company verify that all work is billed on a timely basis?~~

ATTACHMENT 23

KWRU RESPONSE TO CITIZENS' INTERROGATORY NO. 117

INSURANCE

~~(b) The right to object on any ground to the use of any such answers or documents, or the subject matter thereof, in any aspect of this or any other court action or judicial or administrative proceeding or investigation;~~

~~(e) The right to object at any time to any further response to this or any other interrogatory or request for production of documents;~~

~~(d) The right at any time to amend or supplement this response.~~

~~Any answers or documents that are produced are subject to the reservation that the production of privileged or otherwise protected materials (including but not limited to documents covered by the objections above), does not constitute a waiver of any protection that otherwise would be afforded such materials. KWRU's answers or production of documents are based upon, inter alia, the express condition that if any privileged or confidential document is inadvertently produced by KWRU, then upon request by counsel for KWRU, OPC shall promptly return any such inadvertently produced document and all copies thereof.~~

~~Any specific objections are made subject to and without waiver of these General Objections. Where specific objections are raised, those specific objections are raised in addition to these General Objections.~~

RESPONSES TO OPC'S AMENDED FIFTH SET OF INTERROGATORIES

INTERROGATORIES

117. Insurance. Please refer to KWRU's response to OPC Interrogatory No. 8.
- a. Please explain whether the company has accepted the settlement offer from Safe Point Insurance, and if not, why?
 - b. Please explain why the settlement offer of \$19,393.31 is significantly lower than the estimate in CAJ-21 to replace the modular offices.

RESPONSE: As to portion (a) of the Interrogatory, KWRU was not provided a settlement offer, but was provided the insurance company's adjusters value of the claim. KWRU is seeking additional funds as it does not believe the value calculated by the adjuster representing the total value of the loss.

As to portion (b) of the Interrogatory, this is fully addressed in Attorney Bart Smith's January 17, 2018 correspondence to Safe Point Insurance, provided within folder "117", produced herewith.

SMITH / HAWKS
ATTORNEYS AT LAW

January 19, 2018

Safe Point Insurance
P.O. Box 16647
Tampa, Florida 33687-6647

**RE: ADDITIONAL ESTIMATE TO BE INCLUDED IN DEMAND LETTER OF
JANUARY 17, 2018
KW RESORT, INC., P.O. BOX 2125, KEY WEST, FL 33040
INSURANCE POLICY NO.: SPCW0003389-01**

To whom it may concern,

Please be advised the enclosed estimate dated today, January 19, 2018 from Lindholm Construction, Inc., Roofing and Sheet Metal in the amount of ten thousand, four hundred dollars and no cents (\$10,400.00) is to be included in K W Resort, Inc.'s demand letter dated January 17, 2018.

For your convenience a copy of the January 17, 2018 demand letter in is enclosed as well.

Please govern yourself accordingly.

Very truly yours,


Barton W. Smith, Esq.

Enclosures

BWS/bg



LINDHOLM
CONSTRUCTION, INC.
ROOFING & SHEET METAL
88005 Overseas Hwy., #10-157

UPPER KEYS: 305-852-5730
MARATHON: 305-289-9991
KEY WEST: 305-292-2224
FAX: 305-852-3395

Islamorada, FL 33036

LIC. CCC 1328542
LIC. CBC 1256399

Name / Address

Date: 12.19.17

Key West Utilities Corp.
6630 Front St.
Stock Island, Fl. 33040

We hereby submit an estimate for

RE: Office Roof

1. We will tear off existing roof to a smooth workable surface and haul away debris.
2. We will install a Polyglass peel and stick base sheet to entire roof deck.
3. We will install galvalume eave drip.
4. We will install new flashings to soil pipes.
5. We will install a 26 gauge mill finish galvalume 5-Vcrimp metal panel roof system.
6. We will fasten above roof system with stainless head screws.
7. Above roof carries a five-year warranty on workmanship.
8. We propose to furnish material and labor for the sum of \$10,400.00

*To install 5-Vcrimp metal over existing shingles would be \$8,600.00

*Above prices include permit and engineering fees

*Carpentry if needed will be \$45/hour/man plus material cost

*To install Kynar white metal add \$800.00

*Terms of payment:

30% deposit

Baiance due upon completion

credit card fees apply

All material is guaranteed to be as specified. All work to be completed in a professional manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over & above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Worker's Compensation Insurance.

ACCEPTANCE of PROPOSAL -- The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Authorized
Signature: _____

Date: _____

Lindhholm
Construction, Inc. _____

Date: _____

Due Date _____

KWRU 017258

SMITH/HAWKS
ATTORNEYS AT LAW

January 17, 2018

Safe Point Insurance
P.O. Box 16647
Tampa, Florida 33687-6647

RE: KW RESORT, INC., P.O. BOX 2125, KEY WEST, FL 33040
INSURANCE POLICY NO.: SPCW0003389-01

To whom it may concern,

Please be advised that the undersigned represents KW Resort, Inc. ("Insured") and that this correspondence shall serve as the Insured's formal written demand letter for full payment under the policy.

As you are aware, the Insured made a claim to SafePoint Insurance Company ("SafePoint") as a result of damage to the building from Hurricane Irma that occurred on September 10, 2017. Thereafter, SafePoint inspected the damages on November 4, 2017 and found damage to the roof and interior of building and sent correspondence on November 12, 2017. SafePoint's letter indicated that the replacement cost value for the damage was twenty eight thousand three hundred forty three dollars and forty two cents (\$28,343.42) and after less depreciation and deductible provided the Insured with a check for nineteen thousand three hundred ninety three dollars and thirty one cents (\$19,393.31); however, it appears that this amount does not nearly reflect the damages received by the Insured.

Please find enclosed a mold report for the building as well as estimates for repairs by Drywizard Drywall Service estimate no: 2630 in the amount of twenty thousand five hundred ten dollars and no cents (\$20,510.00), and Drywizard Drywall Service estimate no: 2631 in the amount of ninety-six thousand four hundred twenty-five dollars and no cents (\$96,425.00) for repairs to the office trailer from wind driven rain water damage caused by Hurricane Irma. Based on the foregoing, the building is a total loss.

As you are aware, the policy provides that the total insured value of the building is seventy five thousand dollars and no cents (\$75,000.00), which represents the actual value of the building at the time the policy was issued. It is axiomatic that if the value is seventy five thousand dollars and no cents (\$75,000.00), then costs to repair exceeding the maximum amount of the policy requires remittance of the full amount. As the office trailer cost estimate exceeds all policy limits, I hereby demand remittance of the full amount of the policy. Should you fail to remit payment within 15 days, we will have no choice to file suit in Monroe County and seek all available remedies including, but not limited to, consequential and punitive damages for potential bad faith.

00107069 - v4

138 SIMONTON STREET, KEY WEST, FLORIDA 33040 U.S.A.
T. 305-296-7227 F. 305-296-8448 SMITHHAWKS.COM

Page 1 of 2

KWU 017259

Correspondence to Safepoint Insurance
Re: KW Resort, Inc. - Insurance Policy No.: SPCW0003389-01
January 17, 2018
Page 2 of 2

Please govern yourself accordingly.

Very truly yours,



Barton W. Smith, Esq.

Enclosures

BWS/bg



P.O. Box 291579 - Tampa, FL 33687-1579
PH: 855.CLAIM15 - claims@safepointins.com

November 12, 2017

KW Resort
PO Box 2125
Key West, FL 33040

Re: Policyholder : KW Resort
Claim Number : 20000058
Policy Number : 44967
Date of Loss : September 10, 2017
Loss Location : 6630 Front St., Key West, FL 33040

Dear KW Resort:

This letter is sent in response to the settlement of your claim submitted to SafePoint Insurance Company for the wind related damages to your building located at 6630 Front St., Key West, FL 33040. You are being provided a copy of our estimate for the repairs covered under your policy. Should you have any questions, please feel free to contact me at 813-296-8473.

The claim was reported to SafePoint Insurance Company as damage to your building from Hurricane Irma that occurred on September 10, 2017. We inspected the damages to your property on November 4, 2017. Our investigation determined damages to the roof and interior of the insured building were consistent with wind from Hurricane Irma. Based on our estimate and the conditions of your policy, settlement of your claim is outlined below:

Replacement Cost Value	\$28,343.42
Less Depreciation	<u>(\$6,850.11)</u>
Actual Cash Value	\$21,493.31
Less Deductible	<u>(\$ 2,100.00)</u>
Net Claim	\$19,393.31

Peace of Mind
Starts Here.

Any person who knowingly and with intent to defraud any insurance company or another person, files a statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact, material thereto, commits a fraudulent insurance act, which is a crime, subject to criminal prosecution and substantial civil penalties.

If this document contains an excerpt from the Insurance Policy ("the Policy") it is provided here for informational purposes only. This excerpt is not the official version of the Policy. The official version of the Policy is the policy issued to the insured on the policy effective date. In the event there is inconsistency between this document and the Policy, the Policy shall serve as the official version.

KW RU 017261



P.O. Box 291579 • Tampa, FL 33687-1579
PH: 855.CLAIM15 • claims@safepointins.com

This payment represents the Actual Cash Value (ACV) of your property at the time of the loss. Payment is determined by deducting the depreciation from the replacement cost. Depreciation is the reduction in value based on age, condition, deterioration, and obsolescence.

It is our goal to provide you with prompt and accurate statements as to the coverages afforded by your policy for this loss. However, there may be other additional reasons not readily apparent from the facts presently available why coverage does not apply to this loss. The above discussion of coverage and/or declination of coverage are based on the information available to us. We reserve the right to alter our determination or assert additional policy defenses if new information is introduced.

Should you be aware of additional information, which you feel has not been taken into account, please advise us of immediately on receipt of this correspondence. Likewise, we do not expect you to waive any of your rights under your insurance policy.

Should you have any questions, please feel free to contact me at 813-296-8473.

Respectfully,

Carl Cruse
SafePoint Insurance Company

cc: Island Insurance Agency

Enclosure: Repair Estimate

Peace of Mind
Starts Here

Any person who knowingly and with intent to defraud any insurance company or another person, files a statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact, material thereto, commits a fraudulent insurance act, which is a crime, subject to criminal prosecution and substantial civil penalties.

If this document contains an excerpt from the Insurance Policy ("the Policy") it is provided here for informational purposes only. This excerpt is not the official version of the Policy. The official version of the Policy is the policy issued to the insured on the policy effective date. In the event there is inconsistency between this document and the Policy, the Policy shall serve as the official version.

KWRU 017262

Form 617-BG

Safepoint Insurance Company
PO Box 291579
Tampa, FL 33687

64-79/611
SunTrust

50184

11/20/2017

Claim Account

CHECK AMOUNT
\$***19,393.31**

PAY Nineteen Thousand Three Hundred Ninety Three and 31/100*****

Void if not cashed within 180 days

TO THE
ORDER OF K W RESORT INC

BY *[Signature]*
AUTHORIZED SIGNATURE

BY *[Signature]*
AUTHORIZED SIGNATURE

Policy: 44967 ClaimID: 20000058
MEMO:

SIGNATURE HAS A COLORED BACKGROUND - BORDER CONTAINS MICROPRINTING

⑈050184⑈

Safepoint Insurance Company

Claim Account

CHECK DATE	11/20/2017
------------	------------

CHECK AMOUNT	\$19,393.31
--------------	-------------

CHECK NUMBER	50184
--------------	-------

K W RESORT INC

Description	Amount
Insured: K W RESORT INC Policy: 44967 ClaimID: 20000058 Examiner: CARL CRUSE Description: ACV Payment - Building Damage	\$19,393.31

Safepoint Insurance Company
PO Box 291579
Tampa, FL 33687

K W RESORT INC
PO BOX 2125
KEY WEST FL, 33040

KWRU 017263

MODULAR OFFICE INSTALLATION AGREEMENT

THIS MODULAR OFFICE INSTALLATION AGREEMENT (this "Agreement"), is made and entered into this 19th day of October, 2017, by and between PP Keys 2016, LLC, a Florida limited liability company ("PP Keys"), having an address at 5625 2nd Avenue, Unit 6, Key West, Florida 33040 and KW RESORT UTILITIES CORP., a Florida corporation ("KWRU"), having an address at 6630 Front Street, Key West, Florida 33040.

RECITALS

A. KWRU operates a wastewater facility located at 6630 Front Street, Key West, Florida 33040 ("Facility");

B. Hurricane Irma destroyed the office trailer located at the Facility, necessitating a new modular office of no more than 1,500 square feet ("Modular Office") be installed or constructed at the Facility;

C. PP Keys has the expertise in the logistics of obtaining, preparing sites and installing modular homes in the Florida Keys; and

D. KWRU desires, and PP Keys has agreed to, PP Keys obtaining from manufacture and arranging the transportation and installation and construction of the Modular Office at the Facility.

AGREEMENT

NOW, THEREFORE, in consideration of Ten (\$10.00) Dollars, the premises and mutual covenants contained herein and other good and valuable consideration in hand paid by the parties hereto each to the other, simultaneously with the execution and delivery of these presents, the receipt and adequacy of which is hereby acknowledged, the parties hereto do hereby agree upon the following terms and conditions:

1. Recitals. The above recitals are true and correct and are incorporated herein by reference.

2. Modular Office. For all matters related to this Agreement, the parties agree to cooperate and work together to value engineer the construction and installation of the Modular Office in the most cost effective and efficient manner commercially possible. PP Keys shall obtain the Modular Office from a reputable modular building manufacturer (such as Jacobson, Champion, HBW, etc.) based upon agreed upon specifications and finishes between KWRU and PP Keys. PP Keys shall cause the construction and installation of the Modular Office on a location chosen by KWRU in accordance with all detailed architectural and engineering plans and working drawings (the "Plans"), such Plans to be reasonably approved by KWRU. PP Keys assumes no responsibility whatsoever, and shall not be liable, for the manufacturer's, architect's, or engineer's design or

performance of the Modular Office. The Plans shall be submitted to the appropriate governmental entities and agencies for approval and shall comply with all applicable laws, ordinances, rules, and regulations of any governmental entity or agency having jurisdiction over the Facility ("Legal Requirements") and PP Keys shall obtain all permits required and shall complete the Modular Office in accordance with the Plans.

3. Cap on Cost. The parties agree and acknowledge that all costs (hard and soft) involved in the manufacture, transportation, installation and construction of the Modular Office, and the most that KWRU will be responsible for is \$250,000.00.

4. Installation and Construction.

(a) The Modular Office construction and installation shall be completed in a manner so as to minimize any interference with the business or operation of the Facility.

(b) PP Keys shall use only licensed, insured contractors and subcontractors to complete the construction and installation of the Modular Office. KWRU is to be included as an additional insured for insurance coverages required of the general contractor. PP Keys shall inform its contractor, subcontractors, and material suppliers that the Facility shall not be subject to any lien to secure payment for work done or materials supplied. In the event a lien is placed on the Facility, PP Keys shall fully discharge any lien by settlement, bonding, or insuring over the lien in the manner prescribed by any applicable lien law.

(c) All inspections and approvals necessary and appropriate to complete the Modular Office in accordance with the Plans are the responsibility of PP Keys and its general contractor.

5. Completion of the Modular Office. The parties agree that the Modular Office shall be installed and shall be able to be occupied by March 31, 2018 ("Completion Date").

6. Damage Caused by Installation of Modular Office. Any damage to any part of the Facility which occurs due to the construction and/or installation of the Modular Office, shall be promptly repaired by PP Keys, at its expense, and all such work shall be done to KWRU's reasonable satisfaction.

7. Default and Remedies.

(a) Each of the following events shall be an "Event(s) of Default" by PP Keys under this Agreement:

(i) Failure to complete the Modular Office on or prior to the Completion Date;

(ii) Failure to comply with any obligations under this Agreement, if such failure continues for ten (10) days subsequent to written notice thereof; and/or

(iii) In the event that (i) PP Keys shall make an assignment for the benefit of creditors, or apply for the appointment of a trustee, liquidator or a receiver of any substantial

part of its assets, or shall commence any proceeding relating to itself under any bankruptcy, reorganization, arrangement or similar law; or (ii) if any such application is filed or proceeding is commenced against PP Keys and PP Keys indicates its consent thereto, or an order is entered appointing any such trustee, liquidator or receiver or approving a petition in any such proceedings and such order remains in effect for more than 60 days; or (iii) if PP Keys shall admit, in writing, its inability to pay its debts as they become due.

(b) Upon an Event of Default, KWRU may pursue any and all remedies available to it in law and/or equity.

8. Termination. Either party may terminate this Agreement upon 15 days written notice to the other party, provided that such notice is received prior to the date that (i) the modular production company commences production of the Modular Office and/or (ii) any deposit becomes non-refundable and cannot be returned. Any reasonable costs expended by PP Keys prior to the termination of this Agreement by KRWU shall be promptly reimbursed by KWRU.

9. Notice. Whenever notice is required under this Agreement, it shall be sent by certified mail, return receipt requested, by nationally recognized overnight courier service or by hand delivery to the address of the parties set forth in the preamble of this Agreement, provided the parties may change the address provided for above by notifying the other party of the new address in writing. Any notice given shall be effective upon receipt or refusal of delivery.

10. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. By execution of this instrument, the parties acknowledge that in the event of any dispute arising under this Agreement the sole venue for such dispute shall be Monroe County, Florida

11. Further Assurances. KWRU and PP Keys agree to execute, acknowledge and deliver and cause to be done, executed, acknowledged and delivered all such further acts, assignments, transfers and assurances as shall reasonably be requested of it in order to carry out this Agreement and give effect thereto.

12. Severability. If for any reason any provision of this Agreement is determined to be invalid, or unenforceable in any circumstance, such invalidity or unenforceability shall not impair the effectiveness of the other provision in this Agreement or, to the extent permissible, the effectiveness of such provision in other circumstances.

13. Successor and Assigns. The agreements contained herein shall be binding upon and inure to the benefit of the permitted successors and assigns of the respective parties hereto. PP Keys shall not mortgage, pledge, sell, assign, hypothecate, or otherwise encumber, transfer or permit to be transferred in any manner or by any means whatsoever whether voluntarily or by operation of law, all or any part of its interest in this Agreement.

14. Amendments. No amendment or modification of this Agreement shall be effective executed by both parties.

15. Waiver of Jury Trial. Each of the parties waive trial by jury in any litigation, suit or proceeding between them in any court with respect to, in connection with or arising out of this Agreement, or the validity, interpretation or enforcement thereof.

16. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the transactions contemplated herein and supersedes all prior understandings or agreements between the parties.

17. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement binding on the parties hereto.

[Signature to Follow]


IN WITNESS WHEREOF, the parties have hereunto set forth their hands and seals as of the date first above written.

Signed in the presence of:

KWRU:

KW RESORT UTILITIES CORP., a Florida corporation

Witness: 
Print Name: Greg Wright

By: 
Name: Christopher A. Johnson
Title: President

Witness: 
Print Name: Robert Derrberry

PP KEYS:

PP KEYS, LLC, a Florida limited liability company

Witness: 
~~Witness: ~~
Print Name: Betty Smith

By: 
Name: Kristine Pabian
Title: Manager

Witness: 
Print Name: BRANDI GREEN



MOISTURE AND MOLD ASSESSMENT

For: KW Resort Utilities Corp
6630 Front Street Key West, FL 33040



Environmental Testing Solutions

Lauren Ewing | MRSA 2355 | 5409 Overseas Hwy #124 Marathon, FL 33050 | 305-767-0504

KWRU 017269



October 30, 2017

Christopher Johnson
KWRU President
6630 Front Street
Key West, FL 33040

Subject: Limited Moisture and Mold Assessment with Remediation Protocol

Dear Mr. Johnson:

This report was prepared by Lauren Ewing of Environmental Testing Solutions and summarizes the site visit conducted October 17, 2017 beginning at 1:30 pm at the KWRU business location on Stock Island. Environmental Testing Solutions was brought on to conduct an assessment regarding mold and moisture within the building containing offices and a laboratory.

In summary:

- Air sampling indicated that fungal spore levels within the building were not elevated over outdoor levels but that there could be an indoor source for fungal spores given the different composition of the samples.
- A surface sample of suspected mold growth on a ceiling vent confirmed the presence of fungal growth. Many other areas of similar fungal growth were seen throughout the offices.
- Water damage and elevated moisture levels in walls and other building materials were observed in several areas of the building, and extensive damage was seen to the exterior of the building.

Remediation of the affected areas is recommended. A remediation protocol is included in this report.

Observations and testing addressed only the visible areas of concern in the property at the time of this visit. Documentation of site observations, field measurements, laboratory analysis, and recommendations for remediation and post-remediation procedures are detailed in this report.

Please review this report in its entirety and do not hesitate to contact me if you have any questions.

Thank you,

Lauren Ewing

Environmental Testing Solutions
Florida Licensed Mold Assessor MRSA 2355

Testing and Measurements Conducted

- Odor Evaluation – Detect any odors typical of indoor pollutants
- Moisture Measurements – Assess if building materials have elevated moisture levels
- Temperature/Humidity Measurements – Assess climactic conditions
- Spore Trap Sampling – Microscopic analysis of airborne particles
- Swab Sampling – Microscopic analysis of suspected visual mold growth on a surface

Equipment and Materials Used

- GE Protimeter MMS2 - Moisture meter/Temp Humidity Meter
- FLIR TG165 Infrared Thermal Camera
- Zefon Air Pump
- Air-O-Cell Sampling Cassettes
- Sterile Sampling Swabs and Gloves

Background

The subject property is the one level building that contains the offices of KW Resort Utilities Corp and is located at 6630 Front Street in Key West, FL. Environmental Testing Solutions was brought in to conduct testing for mold and moisture in the building and to prepare a remediation protocol. Hurricane Irma made landfall in the Florida Keys on September 10, 2017 and it was reported that the building suffered damage from the storm.

At the time of the inspection the building was in use and staff was present. The rooms that were the subject of this inspection were furnished and the air conditioning system was in operation.

The observations made in the report are based on non-invasive assessment of the accessible locations within KWRU office building and are referred to as; the reception area, Chris' office, lab, men's restroom, storage area, conference room, women's restroom, Greg's office, Judy's office, Kaitlin's office, and the exterior of the building. See **Figure 2, Appendix A** for layout of the locations referenced in this report.

Summary

At the time of the assessment conditions relating to water damage and elevated moisture levels in building materials were identified through on-site measurements. Suspected visual fungal growth was observed. Later laboratory analysis indicated elevated indoor levels of indoor fungal spores and an indoor source for fungal spores.

Findings

Conditions and Sampling at the Time of Visit

Reception Area

- An air sample was taken in the reception area. See the section of this report titled 'Air and Surface Sampling'.
- There was a small gap in the seal of the entrance door. No elevated moisture levels were found in the walls around the door.
- Flooring tiles were lifted at the edges in several areas. Elevated moisture levels were found in the subfloor of these areas of damage to the flooring. See **Photographs 2-3, Appendix B** and the section of this report titled 'Moisture Activity'.
- Walls under and around the window in the reception area were examined for elevated moisture levels and none were found.

Chris' Office

- An air sample was taken in this office. See the section of this report titled 'Air and Surface Sampling'.
- Walls under and around the window in the office were examined for elevated moisture levels and none were found.
- Suspected fungal growth and water damage were seen on and around the air conditioning vent in the ceiling of this office. A surface swab sample was collected from this area. See **Photograph 4, Appendix B** and the section of this report titled 'Air and Surface Sampling'.

Men's Restroom

- Suspected fungal growth (similar to that seen in Chris' office) and water damage was seen on and around the air conditioning vent in the ceiling of the bathroom. The wallboard around the vent had elevated moisture levels at least four inches away from the vent. See **Photographs 5-6, Appendix B** and the section of this report titled 'Moisture Activity'.
- Elevated moisture levels were found in the wallboard at the bottom on the wall under the sink and along the entire length of the west wall. See **Photograph 7, Appendix B** and the section of this report titled 'Moisture Activity'.

Lab

- Suspected fungal growth (similar to that seen in Chris' office) and water damage was seen on and around the air conditioning vent in the ceiling of the lab. The wallboard around the vent had elevated moisture levels at least four inches away from the vent. See **Photographs 8-9, Appendix B** and the section of this report titled 'Moisture Activity'.

Storage Area

- Flooring tiles just outside the storage office were warped and peeling up at the edges. Elevated moisture levels were found in these areas of damage. See **Photographs 10-11, Appendix B** and the section of this report titled 'Moisture Activity'.

- The inaccessible areas of the storage area could not be examined for elevated moisture levels.

Conference Room

- An air sample was taken in the conference room. See the section of this report titled 'Air and Surface Sampling'.
- Suspected fungal growth (similar to that seen in Chris' office) and water damage was seen on and around the air conditioning vent in the ceiling of the conference room. The vent is located just above the south wall of the room and the fungal growth extends onto the wall. The wallboard below the vent had elevated moisture levels at least halfway down the wall. See **Photographs 12-14, Appendix B** and the section of this report titled 'Moisture Activity'.

Women's Restroom and Surrounding Area

- Elevated moisture levels were found in the entire wall below the window on the west wall outside of the restroom. See **Photographs 15-16, Appendix B** and the section of this report titled 'Moisture Activity'.
- An area of water damage was seen in the ceiling adjacent to the south wall. Elevated moisture levels were found in this area. See **Photograph 17, Appendix B** and the section of this report titled 'Moisture Activity'.
- Elevated moisture levels were found in the bottom of the south wall. See **Photograph 18, Appendix B** and the section of this report titled 'Moisture Activity'.
- Elevated moisture levels were found in the floor of the restroom. See **Photograph 19, Appendix B** and the section of this report titled 'Moisture Activity'.

Greg's Office

- An air sample was taken in the hallway outside of the three offices on the south side of the building. See the section of this report titled 'Air and Surface Sampling'.
- No elevated moisture levels were found in this office, but some walls and floors were obstructed by furniture and other objects.

Judy's Office

- A water stain was observed on south-west corner of the ceiling. Elevated moisture levels were found in the stained area, and down the wall to the filing cabinet. The rest of the wall was obstructed by the cabinet and could not be measured. See **Photographs 20-21, Appendix B** and the section of this report titled 'Moisture Activity'.
- Slightly elevated moisture levels were found at the bottom on the west wall under the desk.

Kaitlin's Office

- Elevated moisture levels were found on the wallboard and door frame on the left side of the door outside of this office. See **Photograph 22, Appendix B** and the section of this report titled 'Moisture Activity'.
- At least two areas of water stains were seen on the ceiling in this office, but these areas did not have elevated moisture levels. See **Photograph 23, Appendix B**.
- Possible water damage (peeling caulk, staining) was seen around the bottom frame of the window. See **Photograph 24, Appendix B**.

Exterior of Building

- Damage to the siding of the building was seen on all sides, with the most extensive on the lower portion of the west wall, between the two doors. See **Photographs 25-27, Appendix B**.
- Several areas of insulation under the subfloor were damaged and pulled away from the building. See **Photograph 28, Appendix B** for one example.

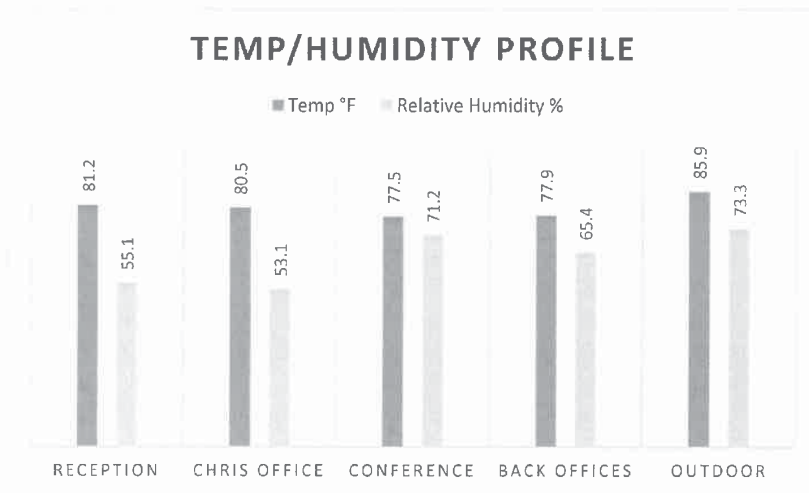
See **Figure 1, Appendix A** for sample locations and areas of elevated moisture in the rooms and offices described above.

Additional photographs were taken for the investigation but were not used in this report. They are available for additional documentation if needed.

Temperature / Humidity Profile

A hygrothermometer was used to measure the temperature and humidity inside and outside of the property in the locations air samples were taken. Indoor temperature and humidity measurements are important to assess if the indoor environment is favorable for fungal growth. See Figure 1 for these values.

Figure 1. Temperature/Humidity Profile at Time of Inspection



The ASHRAE (American Society of Heating, Refrigeration, Air-Conditioning Engineers) Standard 62.1-2010 recommends a relative humidity of 65% and below to prevent mold growth. The relative humidity was recorded inside the building around the locations of air sampling at the time of the inspection. Relative humidity in the area of the back offices was 65.4% and 71.2% in the conference room. The other indoor areas measured were below the recommended standard.

Moisture Activity

Remote moisture measurements were taken with an Infrared Thermal Camera (FLIR TG165) and direct measurements were taken with a GE Protimeter MMS2 Moisture Meter throughout the inspected area. Both devices found elevated moisture levels in walls, ceilings, and floors.

The moisture values given below were directly measured with the moisture meter. Values should be interpreted as the relative moisture reading of the material at the time of measurement and not the exact moisture content of the material.

The following values were used to interpret the conditions of the building material tested:

- 6.0 – 14.0% - Normal Moisture
- 14.1 – 16.9% - Elevated Moisture
- 17% – 19.9% - Risk of Excess Moisture
- ≥20.0% - Excessive Moisture

Moisture readings at the time of inspection ranged from 8.4% to 100%. Elevated moisture levels, all over 17% and most between 22% and 100% relative moisture were found in the following locations:

- Ceiling material around the air conditioning vents in most rooms
- Wallboard in the men's restroom
- Floors in the reception area, in the hallway between the lab and Chris' office and the lab, in the women's restroom, and the hallway outside of the storage area
- The south wall of the conference room under the air conditioner vent
- The wallboard under the window outside of the women's restroom
- The water damaged area on the ceiling of the women's restroom and the wallboard below this area
- The water stained area of the ceiling in Judy's office

See **Figure 2, Appendix A** for approximate locations of elevated moisture readings. These areas of elevated moisture readings are also noted in the section labeled 'Conditions at Time of Visit'.

Air and Surface Sampling

Spore Trap Air Sampling

Five spore trap air samples were collected; one each from the reception area, Chris' office, the conference room, the area of the back offices, and one outside (reference). See **Figure 2, Appendix A** for a layout of sample locations. All samples were submitted for analysis to EMSL Analytical, in Ft Lauderdale, Florida. EMSL is an independent and accredited laboratory.

None of the indoor samples collected had fungal spore levels that were elevated over the outdoor sample. All the indoor samples collected mostly *Aspergillus/Penicillium* type spores. Even though both indoor and outdoor samples contained *Aspergillus/Penicillium* type spores the total composition of the indoor samples differed from the outdoor sample, and an indoor source for the fungal spores collected indoors could be supported.

Outdoor Sample: The outdoor sample collected a total of 1,490 fungal spores per cubic meter. The three spore types that made up most of the sample were *Aspergillus/Penicillium* type spores at 42.3% of the sample, *Ascospores* type spores at 26.8% of the samples, and *Basidiospores* type spores at 20.1% of the sample. The remainder of the sample was made up of *Cladosporium*, *Fusarium*, and *Myxomycetes* type spores, each making up 2.7% of the sample.

Reception Area: 90 spores per cubic meter were collected in the air sample in the reception area. *Aspergillus/Penicillium* type spores made up 88.9% of this sample, with *Curvularia* type spores made up the remaining 11.1%.

Chris' Office: 510 spores per cubic meter were collected in the air sample in this office. *Aspergillus/Penicillium* type spores made up 82.4% of this sample, with *Cladosporium* type spores making up 15.7% of the sample and *Curvularia* type spores made up the remaining 2%.

Conference Room: 550 spores per cubic meter were collected in the air sample in the conference room. *Aspergillus/Penicillium* type spores made up the majority of the sample, at 92.7% of this sample. The remainder of the sample (7.3%) was made up of *Basidiospores* type spores.

Back Offices: 440 spores per cubic meter were collected in the air sample in the back offices. *Aspergillus/Penicillium* type spores made up 90.9% of this sample, with *Basidiospores* type spores making up the remaining 9.1%.

Surface Sampling

One surface sample was collected to analyze a selected area of suspected visible mold growth from the ceiling air conditioning vent in Chris' office. The surface sample was also submitted for analysis to EMSL Analytical, in Ft Lauderdale, Florida. EMSL is an independent and accredited laboratory. Not all areas of suspected surface mold growth see in the building were sampled.

Surface Swab Sample: The laboratory analysis for the swab sample taken from the ceiling vent showed medium (101 to 1,000 spores per area analyzed) counts of *Cladosporium* type spores.

See **Figure 2, Appendix A** for all sample collection locations, and **Photograph 4, Appendix B** for swab sample collection location.

The complete laboratory analysis reports and chain of custody are attached to this document, see **Appendix C**.

Remediation Protocol

The remediation protocol given below is based upon the site assessment conducted KWRU office building on October 17, 2017. The remediation contractor hired will be a Florida licensed mold remediator (FL MRSR) and/or licensed General Contractor. Refer to the Florida Department of Business and Professional Regulation website or office to check the license status of any hired contractor/business at www.myfloridalicense.com. The remediation activities will comply with this remediation protocol, regulations of the New York City Department of Health Guidelines on Assessment and Remediation of Fungi in Indoor Environments, Institute of Inspection, Cleaning and Restoration Certificate (IICRC) S520 and the EPA Guidelines for Mold and the US Occupational Safety and Health Administrations (OSHA), and any other applicable state or local regulations. Whenever there is a conflict or overlap between the above references the most stringent provisions shall apply.

The remediation contractor is solely responsible for the protection of health, safety, and the environment at the job site, including the management of asbestos containing materials and/or lead

based paint if applicable, and for all required training and licensure related to any work covered by this remediation protocol.

Remediation Protocol for KWRU:

- A full-scale containment is required surrounding any area to be remediated. Air filtration devices / scrubbers must be placed in the containment.
- Dehumidifiers must be placed in the containment.
- Place an air scrubber in a non-affected area outside of the containment (if applicable).
- See **Appendix D** for containment and remediation requirements, including air filters and dehumidifiers.

HVAC System

- Consult a HVAC system professional to assess that the system is functioning properly and address any condensation issues that are leading to the elevated moisture levels in the wallboard in the ceilings around the vents.

Exterior of Building

- Address the damaged areas on the exterior of the building that may be sources for moisture and/or humid air infiltration into the indoor environment and make all necessary repairs. Assess the doors, the roof, underneath the building and its foundation.

Reception Area

- Remove flooring in areas with elevated moisture levels in the subfloor, keeping in mind it may extend far beyond the area defined, and determine if the subfloor can be dried in place with dehumidification equipment. Clean remaining building materials. See **Appendix D** for cleaning requirements.
- Clean the contents of this area. See **Appendix D** for cleaning requirements.

Chris' Office

- Determine the source and extent of the moisture around the air conditioning vent. Remove all water and/or fungal damaged ceiling material, going two feet beyond the last observed water damage or fungal growth.
- Clean all remaining building materials and surfaces, including walls and ceiling. See **Appendix D** for cleaning requirements.
- Clean the contents of this office. See **Appendix D** for cleaning requirements.

Men's Restroom

- Determine the source and extent of the moisture around the air conditioning vent. Remove all water and/or fungal damaged ceiling material, going two feet beyond the last observed water damage or fungal growth.
- Determine the source and extent of the moisture in the wall under the sink and in the west wall. Make all necessary repairs to the plumbing and exterior of the building if these are found to be the sources. Remove all the water damaged wall board, and any with fungal growth, going two feet beyond the last observed water damage or fungal growth. Clean remaining building materials. See **Appendix D** for cleaning requirements.
- Clean the contents of the restroom. See **Appendix D** for cleaning requirements.

Lab

- Determine the source and extent of the moisture around the air conditioning vent. Remove all water and/or fungal damaged ceiling material, going two feet beyond the last observed water damage or fungal growth.
- Clean the contents of the restroom. See **Appendix D** for cleaning requirements.

Storage Area

- Determine if the damage seen on the exterior of the east side of the building has caused moisture intrusion into the storage room, starting with the east wall of the room. Remove any water and/or fungal damaged ceiling material, going two feet beyond the last observed water damage or fungal growth. Clean remaining building materials. See **Appendix D** for cleaning requirements.
- Remove flooring in areas with elevated moisture levels in the subfloor, keeping in mind it may extend far beyond the area defined, and determine if the subfloor can be dried in place with dehumidification equipment. Clean remaining building materials. See **Appendix D** for cleaning requirements.
- Clean the contents of the storage area. See **Appendix D** for cleaning requirements.

Conference Room

- Determine the source and extent of the moisture around the air conditioning vent. Remove all water and/or fungal damaged ceiling material, going two feet beyond the last observed water damage or fungal growth.
- Remove the water and/or fungal damaged areas of the south wall, starting at the ceiling under the vent and removing as much of the wall as necessary to remove two feet beyond the last observed water damage or fungal growth. Clean remaining building materials. See **Appendix D** for cleaning requirements.
- Clean the contents of the conference room. See **Appendix D** for cleaning requirements.

Women's Restroom

- Determine the source and extent of the water and fungal stain on the south corner of the restroom. Remove all water and/or fungal damaged ceiling material, going two feet beyond the last observed water damage or fungal growth.

- Remove the water damaged wallboard of the south wall, and any with fungal growth, going two feet beyond the last observed water damage or fungal growth. Clean remaining building materials. See **Appendix D** for cleaning requirements.
- Remove flooring in areas with elevated moisture levels in the subfloor, keeping in mind it may extend far beyond the area defined, and determine if the subfloor can be dried in place with dehumidification equipment.

Greg's Office

- When the wallboard is removed from the women's restroom inspect the back of the walls of this office and remove any that are water and/or fungal damaged wallboard, going two feet beyond the last observed water damage or fungal growth. Clean remaining building materials. See **Appendix D** for cleaning requirements.

Judy's Office

- Determine the source and extent of the water and fungal stain on the south east corner of the ceiling. Remove all water and/or fungal damaged ceiling material, going two feet beyond the last observed water damage or fungal growth. Clean remaining building materials. See **Appendix D** for cleaning requirements.
- Remove the water and/or fungal damaged areas of the east wall, starting at the ceiling under the water stain and removing as much of the wall as necessary to remove two feet beyond the last observed water damage or fungal growth. Clean remaining building materials. See **Appendix D** for cleaning requirements.
- Clean the contents of this office. See **Appendix D** for cleaning requirements.

Kaitlin's Office

- Make necessary repairs to the exterior door then remove water damaged door frame and surrounding wallboard as needed, going two feet beyond the last observed damage.
- Examine the floor inside of the door and remove flooring if wet then , and determine if the subfloor can be dried in place with dehumidification equipment. Clean remaining building materials. See **Appendix D** for cleaning requirements.
- Remove an area of the ceiling in the area of the two water stains large enough to serve as in inspection hole to investigate for any fungal growth on the back side of the ceiling. If fungal growth or any further water damage is found, remove all damaged materials, going two feet beyond the last observed damage. Clean remaining building materials. See **Appendix D** for cleaning requirements.
- Determine if the damaged window was a source for moisture intrusion and make necessary repairs, then removed water and/or fungal damaged materials as needed.

Post Remediation Evaluation Procedures

Post remediation evaluation for the project shall be accomplished with the collection of samples based on the following protocol: All minimum containments shall remain operational and in place until all work areas have successfully passed sample analysis. The evaluator shall be notified prior to the remediation area's readiness for visual inspection and post-remediation sampling. **All air scrubbers will be taken out of operation a minimum of 12 hours prior to inspection.** The cleanliness of the Heating, Ventilating and Air Conditioning (HVAC) system will not be included in Environmental Testing Solution's post-remediation evaluation. The cleaning and verification of cleanliness and function of the HVAC system must be completed by a qualified licensed mechanical contractor in accordance with Florida licensing statutes.

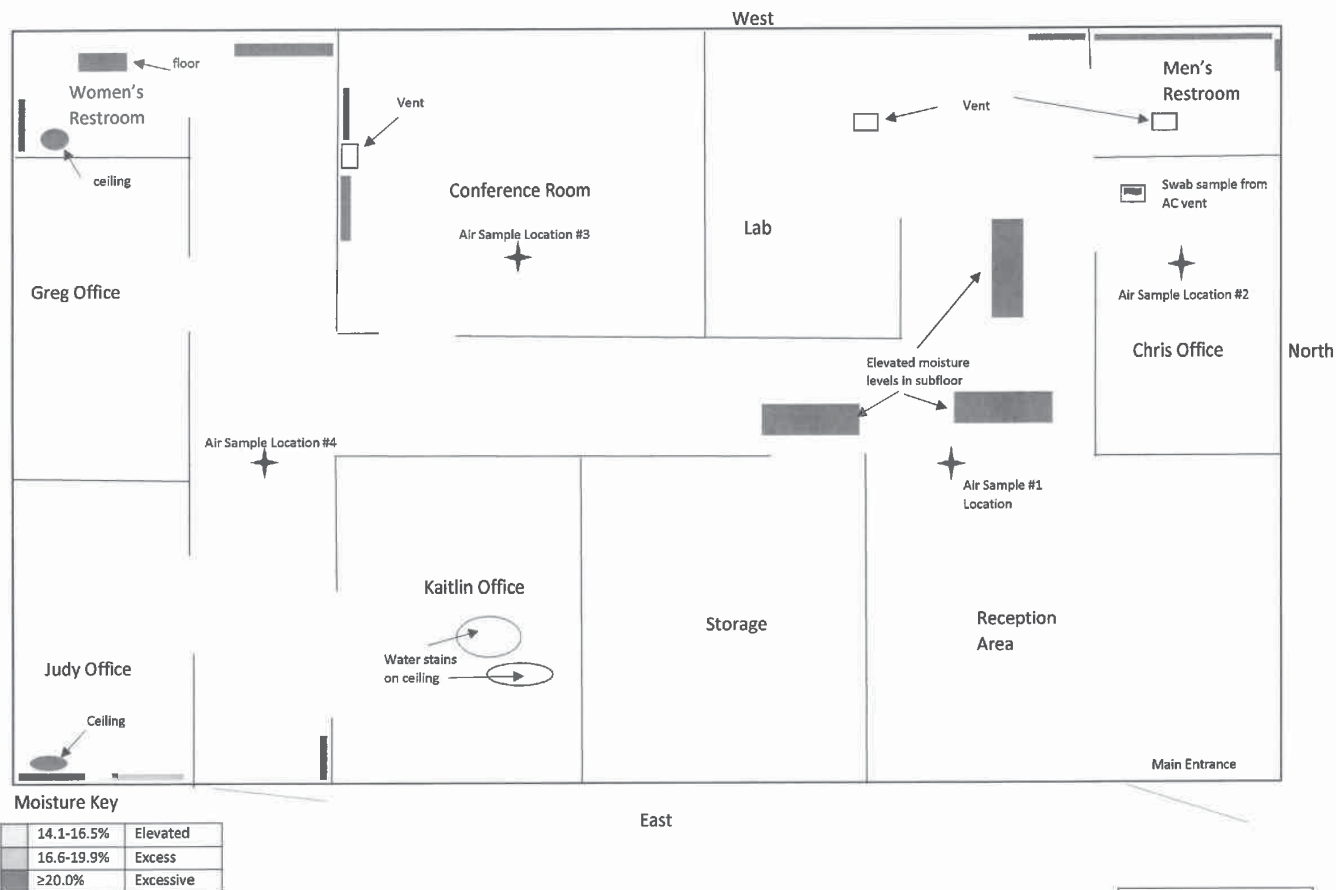
The remediation contractor shall re-clean and wipe down if the post remediation samples fail, or if the final visual inspection fails. If additional materials are found with elevated moisture levels the remediation contractor shall remove them or dry them in place if applicable. This process of re-cleaning and re-wiping shall continue until a successful post remediation is achieved.

Limitations

This report is based upon the information available to Environmental Testing solutions at the time of the inspection therefore the findings, results, and conclusions in this report are only representative of conditions at the time of the inspection and do not represent conditions at any other time. Environmental Testing Solutions and its representatives will not be held liable for any assumptions made from the findings of this report and accepts no responsibility for interpretations or actions by others based on this report. The evaluations and test results contained within do not guarantee the indoor environment is free of organisms sampled for or of any other contaminants. The inspection performed was not a complete examination of all systems and components of the indoor environment and this report issues no guarantee for any part of the subject structure or systems. This report is intended solely for the use of the client and their representatives and is not intended for any other purpose. The contents of this report are private and confidential.

Attachments: **Appendix A Figure 2.** Partial Floor Sketch Showing Moisture Levels and Sample Location
Appendix B. Photographs
Appendix C. Laboratory Analysis Report and Sample Chain of Custody
Appendix D. Requirements for Containment and Remediation

Appendix A. Figure 2. Partial Floor Sketch Showing Moisture Levels and Sample Locations*



*Not to scale, layout is approximated

Appendix B. Photographs



Photo 1. KWRU office building on day of inspection



Photo 2. Damaged flooring in one area of elevated moisture levels in floor in reception area



Photo 3. Elevated moisture levels in area of floor seen in photo 2



Photo 4. Air conditioning vent in Chris' office with fungal growth. Location of swab surface sample

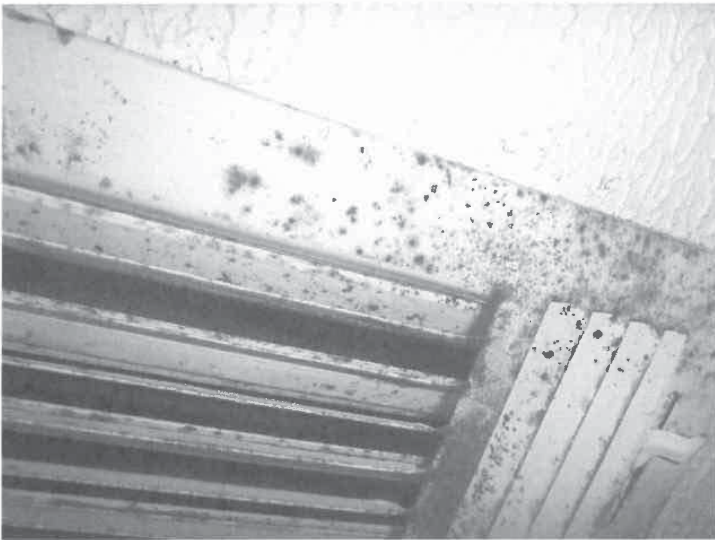


Photo 5. Close-up of fungal growth on AC vent in men's restroom



Photo 6. Elevated moisture level of 24.8% in ceiling material next to AC vent in men's restroom



Photo 7. Elevated moisture level in base of west wall of men's restroom

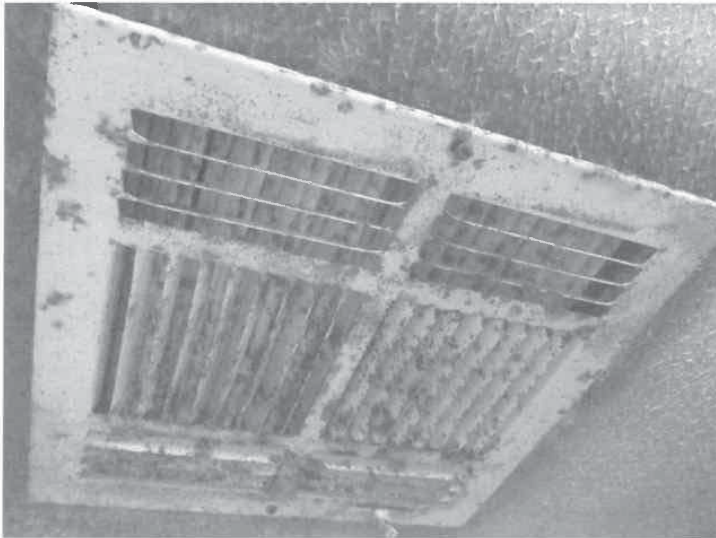


Photo 8. Air conditioning vent with fungal growth in Lab



Photo 9. Elevated moisture level in ceiling material around lab AC vent seen in photo 8



Photo 10. Damaged flooring outside of storage room



Photo 11. Elevated moisture level in floor outside storage room seen in Photo 10



Photo 12. Vent and adjacent wall with fungal growth in conference room



Photo 13. Elevated moisture level in south wall of conference room just under vent



Photo 14. Elevated moisture level in south wall of conference room a few feet down from vent



Photo 15. Elevated moisture level in base of wall under window on east wall just outside of women's restroom

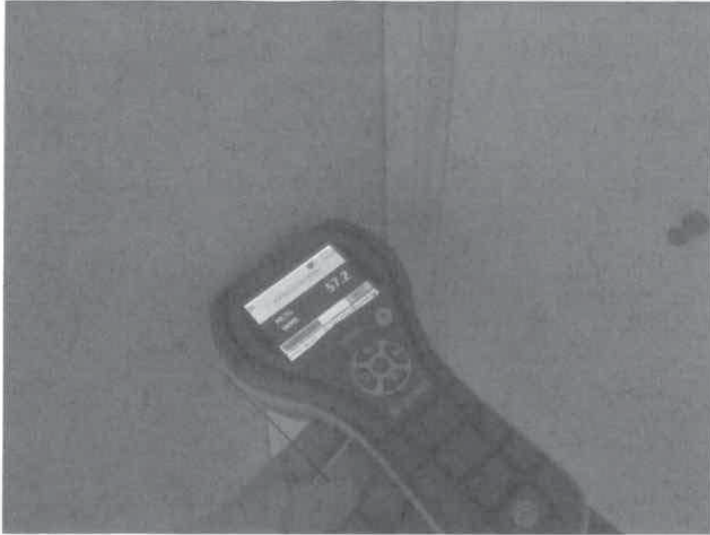


Photo 16. Elevated moisture level about a foot from the base of the wall under the window outside of the women's restroom



Photo 17. Elevated moisture levels around a water and possible fungal stained area in the ceiling of the women's restroom



Photo 18. Elevated moisture level in the base of the south wall of the women's restroom

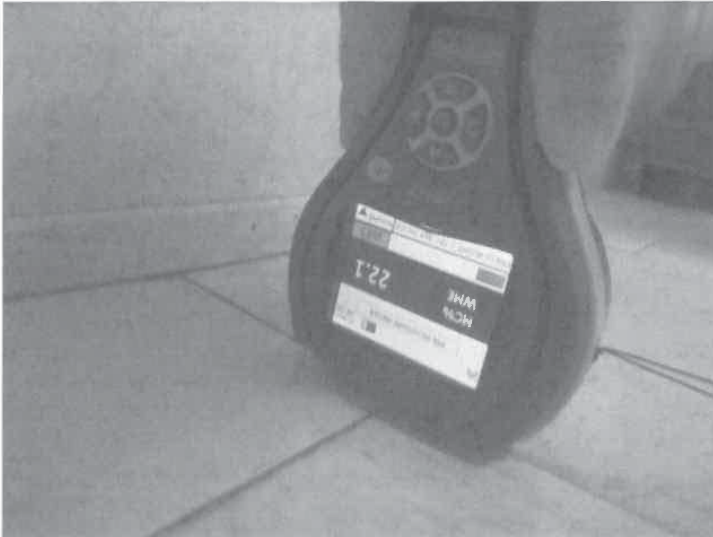


Photo 19. Elevated moisture level in floor of women's restroom



Photo 20. Water stain and elevated moisture level in south-west corner of ceiling in Judy's office



Photo 21. Elevated moisture level in wall under stained ceiling seen in Photo 20



Photo 22. Elevated moisture level in left side of door frame to door outside of Kaitlin's office



Photo 23. Water stains in ceiling of Kaitlin's office



Photo 24. Damage to window frame in Kaitlin's office



Photo 25. Damage to siding on west side of building

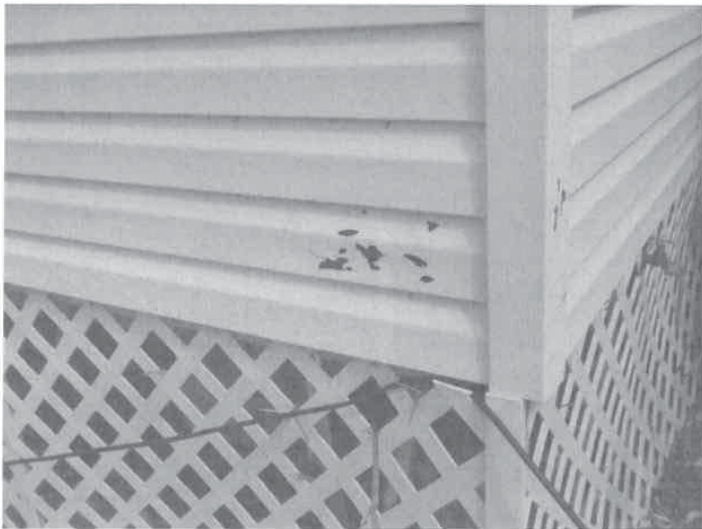


Photo 26. Damage to siding on south west corner of building

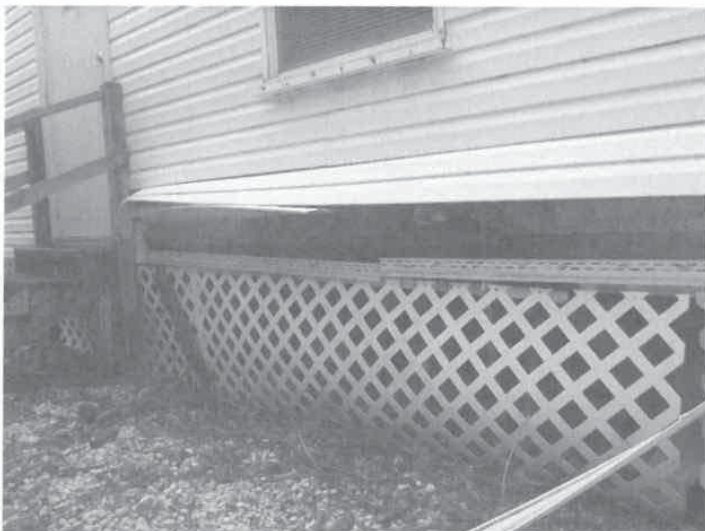


Photo 27. Damage to siding on east side of building

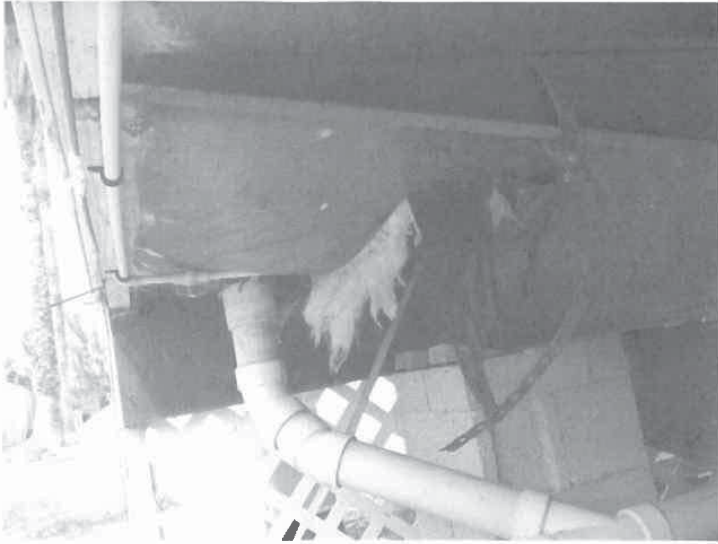


Photo 28. One area of damage (north west corner) to insulation and bottom of building

Appendix C. Laboratory Analysis Report and Sample Chain of Custody



EMSL Analytical, Inc.

2700 W. Cypress Creek Rd. Ste. C108 Fort Lauderdale, FL 33309
 Tel/Fax: (954) 788-9331 / (954) 941-4145
 http://www.EMSL.com / pompanobeachlab@emsl.com

EMSL Order: 561704425
 Customer ID: EVTS42
 Customer PO:
 Project ID:

Attn: Lauren Ewing
 Environmental Testing Solutions
 5409 Overseas HWY
 #124
 Marathon, FL 33050
Project: KWRU

Phone: (305) 767-0504
Fax:
Collected: 10/17/2017
Received: 10/19/2017
Analyzed: 10/19/2017

Test Report: Air-O-Cell™ Analysis of Fungal Spores & Particulates by Optical Microscopy (Methods EMSL 05-TP-003, ASTM D7391)

Lab Sample Number:	561704425-0001			561704425-0002			561704425-0003		
Client Sample ID:	1			2			3		
Volume (L):	75			75			75		
Sample Location:	Reception			Chris Office			Conference Room		
Spore Types	Raw Count	Count/m ³	% of Total	Raw Count	Count/m ³	% of Total	Raw Count	Count/m ³	% of Total
Alternaria	-	-	-	-	-	-	-	-	-
Ascospores	-	-	-	-	-	-	-	-	-
Aspergillus/Penicillium	2	80	88.9	10	420	82.4	12	510	92.7
Basidiospores	-	-	-	-	-	-	1	40	7.3
Bipolaris++	-	-	-	-	-	-	-	-	-
Chaetomium	-	-	-	-	-	-	-	-	-
Cladosporium	-	-	-	2	80	15.7	-	-	-
Curvularia	1*	10*	11.1	1*	10*	2	-	-	-
Epicoccum	-	-	-	-	-	-	-	-	-
Fusarium	-	-	-	-	-	-	-	-	-
Ganoderma	-	-	-	-	-	-	-	-	-
Myxomycetes++	-	-	-	-	-	-	-	-	-
Pithomyces	-	-	-	-	-	-	-	-	-
Rust	-	-	-	-	-	-	-	-	-
Scopulariopsis	-	-	-	-	-	-	-	-	-
Stachybotrys	-	-	-	-	-	-	-	-	-
Torula	-	-	-	-	-	-	-	-	-
Ulocladium	-	-	-	-	-	-	-	-	-
Unidentifiable Spores	-	-	-	-	-	-	-	-	-
Zygomycetes	-	-	-	-	-	-	-	-	-
Beltrania	-	-	-	-	-	-	-	-	-
Total Fungi	3	90	100	13	510	100	13	550	100
Hyphal Fragment	-	-	-	-	-	-	-	-	-
Insect Fragment	-	-	-	-	-	-	-	-	-
Pollen	-	-	-	-	-	-	-	-	-
Analyt. Sensitivity 800x	-	42	-	-	42	-	-	42	-
Analyt. Sensitivity 300x	-	13*	-	-	13*	-	-	13*	-
Skin Fragments (1-4)	-	2	-	-	1	-	-	1	-
Fibrous Particulate (1-4)	-	1	-	-	1	-	-	1	-
Background (1-5)	-	2	-	-	2	-	-	1	-

Bipolaris++ = Bipolaris/Drechlera/Exserohilum
 Myxomycetes++ = Myxomycetes/Periconia/Smut

Marie Garabal, Microbiology Technical Manager
 or other approved signatory

No discernable field blank was submitted with this group of samples.

High levels of background particulate can obscure spores and other particulates leading to underestimation. Background levels of 5 indicate an overloading of background particulates, prohibiting accurate detection and quantification. Present = Spores detected on overloaded samples. Results are not blank corrected unless otherwise noted. The detection limit is equal to one fungal spore, structure, pollen, fiber particle or insect fragment. --- Denotes particles found at 300X. -* Denotes not detected. Due to method stopping rules, raw counts in excess of 100 are extrapolated based on the percentage analyzed. EMSL maintains liability limited to cost of analysis. This report relates only to the samples reported above and may not be reproduced, except in full, without written approval by EMSL. EMSL bears no responsibility for sample collection activities or analytical method limitations. Interpretation and use of test results are the responsibility of the client. Samples received in good condition unless otherwise noted.

Samples analyzed by EMSL Analytical, Inc. Fort Lauderdale, FLAHLAP EMLAP 102704

Initial report from: 10/20/2017 08:45:07

For information on the fungi listed in this report, please visit the Resources section at www.emsl.com
 Printed: 10/20/2017 08:45 AM



EMSL Analytical, Inc.
 2700 W. Cypress Creek Rd. Ste. C108 Fort Lauderdale, FL 33309
 Tel/Fax (954) 788-8331 / (954) 941-4145
 http://www.EMSL.com / pompanobeachlab@emsl.com

EMSL Order: 561704425
Customer ID: EVTS42
Customer PO:
Project ID:

Attn: Lauren Ewing
 Environmental Testing Solutions
 5409 Overseas HWY
 #124
 Marathon, FL 33050
Project: KWRU

Phone: (305) 767-0504
Fax:
Collected: 10/17/2017
Received: 10/19/2017
Analyzed: 10/19/2017

Test Report: Air-O-Cell™ Analysis of Fungal Spores & Particulates by Optical Microscopy (Methods EMSL 05-TP-003, ASTM D7391)

Lab Sample Number: Client Sample ID: Volume (L): Sample Location	561704425-0004			561704425-0005		
	4	5		75	75	
	Back Offices			Outdoor		
Spore Types	Raw Count	Count/m ³	% of Total	Raw Count	Count/m ³	% of Total
Alternaria	-	-	-	-	-	-
Ascospores	-	-	-	9	400	26.8
Aspergillus/Penicillium	9	400	90.9	15	630	42.3
Basidiospores	1	40	9.1	6	300	20.1
Bipolaris++	-	-	-	-	-	-
Chaetomium	-	-	-	-	-	-
Cladosporium	-	-	-	1	40	2.7
Curvularia	-	-	-	-	-	-
Epicoccum	-	-	-	-	-	-
Fusarium	-	-	-	1	40	2.7
Ganoderma	-	-	-	-	-	-
Myxomycetes++	-	-	-	1	40	2.7
Pithomyces	-	-	-	-	-	-
Rust	-	-	-	-	-	-
Scopulariopsis	-	-	-	-	-	-
Stachybotrys	-	-	-	-	-	-
Torula	-	-	-	-	-	-
Ulocladium	-	-	-	-	-	-
Unidentifiable Spores	-	-	-	-	-	-
Zygomycetes	-	-	-	-	-	-
Beltrania	-	-	-	1	40	2.7
Total Fungi	10	440	100	34	1490	100
Hyphal Fragment	-	-	-	1*	10*	-
Insect Fragment	-	-	-	1*	10*	-
Pollen	-	-	-	1	40	-
Analyt. Sensitivity 600x	-	42	-	-	42	-
Analyt. Sensitivity 300x	-	13*	-	-	13*	-
Skin Fragments (1-4)	-	1	-	-	1	-
Fibrous Particulate (1-4)	-	1	-	-	1	-
Background (1-5)	-	1	-	-	3	-

Bipolaris++ = Bipolaris/Drechslera/Exserohilum
 Myxomycetes++ = Myxomycetes/Periconia/Smut

Marie Garabal, Microbiology Technical Manager
 or other approved signatory

No discernable field blank was submitted with this group of samples.

High levels of background particulates can obscure spores and other particulates leading to underestimation. Background levels of 5 indicate an overloading of background particulates, prohibiting accurate detection and quantification. Present * Spores detected on overloaded samples. Results are not blank corrected unless otherwise noted. The detection limit is equal to one fungal spore, structure, pollen, fiber particle or insect fragment. ** Denotes particles found at 900X. "-" Denotes not detected. Due to method stopping rules, raw counts in excess of 100 are extrapolated based on the percentage analyzed. EMSL maintains liability limited to cost of analysis. This report relates only to the samples reported above and may not be reproduced, except in full, without written approval by EMSL. EMSL bears no responsibility for sample collection activities or analytical method limitations. Interpretation and use of test results are the responsibility of the client. Samples received in good condition unless otherwise noted.

Samples analyzed by EMSL Analytical, Inc. Fort Lauderdale, FL AHA-LAP ENLAP 102794

Initial report from: 10/20/2017 08:45:07

For information on the fungi listed in this report, please visit the Resources section at www.emsl.com

Printed: 10/20/2017 08:45 AM

Page 2 of 2

KWRU 017295



EMSL Analytical, Inc.

2700 W. Cypress Creek Rd. Ste. C108 Fort Lauderdale, FL 33309
 Phone/Fax: (954) 786-9331 / (954) 941-4145
<http://www.EMSL.com> / pompanobeachlab@emsl.com

Order ID: 561704425
 Customer ID: EVTS42
 Customer PO:
 Project ID:

Attn: Lauren Ewing
 Environmental Testing Solutions
 5409 Overseas HWY
 #124
 Marathon, FL 33050
Proj: KWRU

Phone: (305) 767-0504
Fax:
Collected: 10/17/2017
Received: 10/19/2017
Analyzed: 10/19/2017

Test Report: Microscopic Examination of Fungal Spores, Fungal Structures, Hyphae, and Other Particulates from Swab Samples (EMSL Method: M041)

Spore Types	Category	-	-	-	-
Lab Sample Number: 561704425-0006	Client Sample ID: 8				
Sample Location: Chirs Office Ceiling Vents					
Agrocybe/Coprinus	-	-	-	-	-
Alternaria	-	-	-	-	-
Ascospores	-	-	-	-	-
Aspergillus/Penicillium	-	-	-	-	-
Basidiospores	-	-	-	-	-
Bipolaris++	-	-	-	-	-
Chaetomium	-	-	-	-	-
Cladosporium	*Medium*	-	-	-	-
Curvularia	-	-	-	-	-
Epicoccum	-	-	-	-	-
Fusarium	-	-	-	-	-
Ganoderma	-	-	-	-	-
Myxomycetes++	-	-	-	-	-
Paecilomyces	-	-	-	-	-
Rust	-	-	-	-	-
Scopulariopsis	-	-	-	-	-
Stachybotrys	-	-	-	-	-
Torula	-	-	-	-	-
Ulocladium	-	-	-	-	-
Unidentifiable Spores	-	-	-	-	-
Zygomycetes	-	-	-	-	-
Fibrous Particulate	-	-	-	-	-
Hyphal Fragment	-	-	-	-	-
Insect Fragment	-	-	-	-	-
Pollen	-	-	-	-	-

Category: Count/per area analyzed
 Rare: 1 to 10 Low: 11 to 100 Medium: 101 to 1000 High: >1000
 Bipolaris++ = Bipolaris/Dreschlera/Exserohilum Myxomycetes++ = Myxomycetes/Periconia/Smut
 * = Sample contains fruiting structures and/or hyphae associated with the spores.

Marie Garabal, Microbiology Technical Manager

No discernable field blank was submitted with this group of samples.

EMSL maintains liability limited to cost of analysis. This report relates only to the samples reported above and may not be reproduced, except in full, without written approval by EMSL. EMSL bears no responsibility for sample collection activities or analytical method limitations. Interpretation of the data contained in this report is the responsibility of the client. Samples received in good condition unless otherwise noted.
 Samples analyzed by EMSL Analytical, Inc. Fort Lauderdale, FL AHA-LAP, LLC-EMLAP Accredited #102794

Initial report from: 10/20/2017 08:45:07

KWRU 017296

OrderID: 561704425



501704425

EMSL Order Number (Lab Use Only):

EMSL ANALYTICAL, INC.

Company : Environmental Testing Solutions		EMSL-Bill to: <input checked="" type="checkbox"/> Same <input type="checkbox"/> Different If Bill to is Different please note in Comments**	
Street: 5409 Overseas Hwy #124		<i>Third Party Billing requires written authorization from third party</i>	
City: Marathon	State/Province: FL	Zip/Postal Code: 33050	Country: USA
Report To (Name): Lauren Ewing		Fax #:	
Telephone #: 305-767-0504		E-mail Address: environmentaltestingsolutions@gmail.	
Project Name/ Number: KWRU			
Please Provide Results: <input type="checkbox"/> Fax <input checked="" type="checkbox"/> E-mail		PO#	State Samples Taken: Florida
Turnaround Time (TAT) Options* - Please Check			
<input type="checkbox"/> 3 Hour <input type="checkbox"/> 6 Hour <input checked="" type="checkbox"/> 24 Hour <input type="checkbox"/> 48 Hour <input type="checkbox"/> 72 Hour <input type="checkbox"/> 96 Hour <input type="checkbox"/> 1 Week <input type="checkbox"/> 2 Week			
<small>*Analysis completed in accordance with EMSL's Terms and Conditions located in the Analytical Price Guide. TATs are subject to methodology requirements</small>			
Non Culturable Air Samples (Spore Traps)			
<ul style="list-style-type: none"> • M001 Air-O-Cell • M049 BioSIS • M030 Micro 5 	<ul style="list-style-type: none"> • M173 Allegro M2 • M003 Burkard • M174 MoldSnap 	<ul style="list-style-type: none"> • M004 Allergenco • M043 Cyclcx • M176 Relle Smart 	<ul style="list-style-type: none"> • M032 Allergenco-D • M002 Cyclcx-d • M130 Via-Cell
Other Microbiology Test Codes			
<ul style="list-style-type: none"> • M041 Fungal Direct Examination • M005 Viable Fungi ID and Count • M006 Viable Fungi ID and Count (Speciation) • M007 Culturable Fungi • M008 Culturable Fungi (Speciation) • M009 Gram Stain Culturable Bacteria • M010 Bacterial Count and ID - 3 Most Prominent • M011 Bacterial Count and ID - 5 Most Prominent • M013 Sewage Contamination in Buildings 	<ul style="list-style-type: none"> • M014 Endotoxin Analysis • M015 Heterotrophic Plate Count • M180 Real Time Q-PCR-ERMI 36 Panel • M018 Total Coliform (Membrane Filtration) • M020 Fecal Streptococcus (Membrane Filtration) • M210-215 Legionella Detection • M026 Recreational Water Screen • M027 Mycotoxin Analysis 	<ul style="list-style-type: none"> • M029 Enterococci • M019 Fecal Coliform • M133 MRSA Analysis • M028 <i>Cryptococcus neoformans</i> Detection • M120 <i>Histoplasma capsulatum</i> Detection • M033-39 Allergen Testing • M044 Group Allergen (Cat, Dog, Cockroach, Dustmites) • Other See Analytical Price Guide 	
Preservation Method (Water):			
Name of Sampler: Lauren Ewing		Signature of Sampler: <i>Lauren Ewing</i>	
Sample #	Sample Location	Sample Type	Test Code
1	Reception	Air	M001
2	Chris office	Air	M001
3	Conference Room	Air	M001
4	Back Offices	Air	M001
5	Outdoor	Air	M001
6	Chris Office Ceiling Vent	Swab	M041
Client Sample # (s):	1 - 6	Total # of Samples:	6
Relinquished (Client):	Lauren Ewing	Date:	10/18/17
		Time:	9:00
Received (Client):	AL-EMSL - Fed Ex	Date:	10/19/17
		Time:	10:30AM
Comments: 7993 5468 0387			

Appendix D. Requirements for Containment and Remediation

Containment

- The containment must be built using polyethylene sheeting of 6-mil thickness fire retardant that is clear or opaque and moisture resistant duct tape and spray on glue capable of continuously sealing polyethylene through project's remediation duration.
- The designated onsite clean storage area must be outside the containment area.
- PVC, zip poles, etc. supporting frames shall be utilized to ensure that the containments remain intact during the entire remediation and post-remediation procedures.
- Ground Fault Circuit Interrupters (GFCI) are to be used on all electrical equipment within the containment.
- Air Filtration devices with new HEPA filtration media will be used in sufficient number to provide a negative pressure between the containment and outside areas and shall be operated continuously from the time containment is established through the time all demolition is completed.
- Place ample dehumidification equipment within the containment areas and clean storage areas to maintain relative humidity at 50% (+/-5%) during the remediation process. Dehumidification should allow for <14% moisture in all construction materials.
- HEPA vacuum flooring (carpet and/or hard) prior to the installation of the engineering control.

Remediation

Cleaning:

- Remove all contents from the affected areas and move them to a designated cleaning area. The *non-porous* contents (e.g. metals, glass, plastics, wood furniture, etc.) must be HEPA vacuumed and sprayed/damp wiped with an EPA registered antimicrobial agent then wiped dry. In the event some contents cannot be removed (e.g. large furnishings) ensure they have been cleaned properly and are sealed with polyethylene sheeting of 6-mil thickness. Electronic equipment should be HEPA vacuumed or air wash in an outdoor environment. The *porous* contents (e.g. curtains, linen, clothing etc.) must be removed and washed or dry cleaned.
- HEPA-filtered vacuum all surfaces then apply an appropriate detergent solution and scrub/wipe all treated surfaces. Sanding of wood material may be required to adequately remove the fungal growth.

Removal:

- Upon adequate containment isolation, begin removal of the affected drywall/wallboard, wood framing, baseboards, and any non-salvageable porous or semi porous building material. In the event additional areas of contamination are identified, removal should continue until all areas are removed beyond two feet of any visual microbial growth. Additionally, any exposed insulation should be removed, exposed wood framing should be cleaned with an EPA-registered antimicrobial agent then scrub/wipe all treated surfaces. HEPA vacuum clean and wipe any exposed wall cavities.
- Polyethylene bags of 6-mil thickness will be used for disposal of removed items/materials.
- Once all the affected materials have been removed, HEPA vacuum to remove remaining dust and debris from the containment. Additionally, wipe down the interior of the containment to remove any particulate matter that may statically bind to the walls of the containment or any surface.

Drywizard Drywall Service

**3433 Lithia Pinecrest Rd #361
 Valrico, FL 33596**

Phone #	888-694-9273	Fax #	813-684-4811
E-mail	drywizard@yahoo.com		

Estimate

Date	Estimate #
1/3/2018	2630

Name / Address
chris - water treatment key wes t

Item	Description	Qty	Rate	Total
General Labor	Per Hour remove all interior wall paneling as needed all flooring materials and Subfloor as needed remove all cabinets kitchen and baths and electrical plate covers	120	75.00	9,000.00
Med Dehumidifiers	(for days) 4 x 5	20	100.00	2,000.00
Air Movers	(for days) 10 x 5	50	33.00	1,650.00
Large Air Scrubber	(for days) 2 x 5	10	160.00	1,600.00
Dumpster & Dump Fee	Each	4	450.00	1,800.00
Bio Wash	Sq Ft	3,000	0.90	2,700.00
HEPA Filter	Each (hepa vac)	2	100.00	200.00
Work Gloves	Each	6	10.00	60.00
project manager	Per Hour	20	75.00	1,500.00
Total				\$20,510.00

Signature _____

Drywizard Drywall Service

3433 Lithia Pinecrest Rd #361
 Valrico, FL 33596

Phone #	888-694-9273	Fax #	813-684-4811
E-mail	drywizard@yahoo.com		

Estimate

Date	Estimate #
1/3/2018	2631

Name / Address
chris - water treatment key wes t

Item	Description	Qty	Rate	Total
Service Call/ Mobilization	Each Truck		125.00	125.00
General Labor	(Per Hour) because of the current condition of the structure it would be nearly impossible to give an accurate estimate but based on the size 60x15 with the Sq ft price at 107.00 per foot this price may vary depending on structural issues or unseen damage that falls outside of whats considered a normal scope of work under normal circumstances this does not include any electrical or plumbing that needs to be brought up to code	900	107.00	96,300.00
Total				\$96,425.00

Signature _____

TH/HAWKS
ATTORNEYS AT LAW
11511111 VERMONT, FLORENCE, SC 29506, U.S.A.



Safe Point Insurance
P.O. Box 16047
Tampa, FL 33617-5647

KWRU 017301

TH/HAWKS
ATTORNEYS AT LAW

1 STREET, KEY WEST, FLORIDA 33040 U.S.A.



SAFE POINT INSURANCE
P.O. BOX 16647
TAMPA, FLORIDA 33687

KWRU 017302

ATTACHMENT 24

KWRU RESPONSE TO CITIZENS' INTERROGATORY NO. 118

MODULAR OFFICE INSTALLATION

118. Modular Office Installation Agreement. Please refer to CAJ-21

- a. Please explain how KWRU arrived at replacing its offices with another modular office as opposed to constructing a permanent structure.
- b. How many bids (from whom and in what amount) did KWRU receive for replacing the modular office before executing the agreement with PP Keys, LLC?
- c. Please explain whether anyone affiliated with KWRU has an ownership or affiliate relationship with PP Keys, LLC.

RESPONSE: As to portion (a) of the Interrogatory, the new office will be a prefabricated building, and not a manufactured office, “RV”, “Trailer”, or the like. The office to be replaced is a double wide trailer. Modular construction must meet the same building standards as site built construction. The replacement office will fully comply with all building codes and life safety regulations, and will provide security and lifespan comparable to units constructed utilizing other methods. However, the cost of modular construction is significantly less than site built construction in the Florida Keys, because, like most things identified in responses, the cost of living and labor in the Florida Keys is higher than anywhere else in the State of Florida.

As to portion (b) of the Interrogatory, none. Modular construction is based on the design and there is not a significant difference in costs between different modular manufactures. As fully explained in KWRU’s prior response to OPC Interrogatory 85, PP Keys 2016, LLC has a proven track record, is currently engaged in a modular residential project on Stock Island, and works with several different manufacturers to obtain optimal pricing.

As to portion (c) of the Interrogatory, no one affiliated with KWRU has an ownership or affiliate relationship with PP Keys, LLC.

~~120. Materials and Supplies. Please refer to Schedule B-8, line 9, which states “. . . when the Utility carries less staff the Utility often can't do small capital projects in house. Generally in these cases the small capital projects are awarded to outside contractors.” Please identify the~~

ATTACHMENT 25

KWRU RESPONSE TO CITIZENS' INTERROGATORY NO. 123

EMPLOYEE PENSIONS AND BENEFITS

~~KWRU to WS Utility. This is a standard distribution to a shareholder; (5) 5/1/2017 transfer represents a check from KWRU to WS Utility. This is a standard distribution to a shareholder; (6) 6/1/2017 transfer represents a check from KWRU to WS Utility. This is a standard distribution to a shareholder.~~

~~As to portion (d) of the Interrogatory, this balance decreased the total equity capital shown on Schedule D-2.~~

122. ~~Capital Structure. In response to OPC ROG #18, the utility describes a March 30, 2017 equity contribution of \$622,439.76 as a “Wire Transfer from WS Utility (release PSC Escrow)” and three April 2017 equity contributions totaling \$198,493 as a “Wire Transfer from WS Utility (CIAC monies)”. Please explain how the release of money from a PSC Escrow account and “CIAC monies” were “owned” by WS Utility and how and why these amounts became additional paid in capital.~~

~~**RESPONSE:** The notations referenced were made on entries that are irrelevant to these particular transactions. KWRU’s response to OPC ROG 18 identifying these entries as equity contribution was in error. The equity contributions do not contain these references. KWRU will file an amended response to OPC ROG 18 to correct the error.~~

123. Employee Pensions and Benefits. Please confirm that the total incremental cost of implementing a traditional pension plan included in the test year is \$10,141.

~~**RESPONSE:** The total incremental cost of implementing a traditional pension plan included within the test year will be higher than the \$10,141 included in the pro forma adjustment.~~

~~For the test year, KWRU contributed \$18,000.92 into its employees’ 401k plans. Total salaries and wages for the test year amounts to \$786,686.21. Five percent of the total salaries and wages equates to \$39,334.31, and when administrative and set-up fees (in the amount of \$5,200.00) are included, the test year total for a traditional pension plan is \$44,534.31. This equates to a total incremental cost increase of \$25,531.39.~~

The test year numbers are misleading in developing a forward-looking metric. This cost is more accurately assessed by utilizing employee compensation numbers from November 2017 (when KWRU was fully staffed). Payroll for November 2017 on an annualized basis (assuming full employment for the year, with no turnover or raises, and assuming 50 hours of unscheduled overtime work for each employee with on-call classification), is \$964,928. This equates to a pension contribution of \$48,246.40, plus \$5,200 for administrative and setup fees, for a total of \$53,446.40.

KWRU contributions in the test year totaled \$18,000.92. Utilizing the analysis based on November 2017 staffing and compensation levels, the incremental cost of implementing a traditional pension plan is estimated to be \$35,445.48.

KWRU will be correcting its MFRs to reflect this correction.

124. ~~Employee Pensions and Benefits. Please provide the annual expense for the last five calendar years (2013 2015 2017) for each of the following accounts:~~
- ~~a. 7048100 Employee relations, and~~
 - ~~b. 7048200 Employee health/benefits.~~

RESPONSE: ~~As to portion (a) of the Interrogatory, the 2015 annual expense was \$3,733.70; the 2016 annual expense was \$4,681.97; and the 2017 annual expense was \$6,806.32.~~

~~As to portion (b) of the Interrogatory, the 2015 annual expense was \$105,231.31; the 2016 annual expense was \$136,009.29; and the 2017 annual expense was \$151,809.17.~~

125. ~~Materials and Supplies Expense. In response to OPC Request For Production of Documents No. 14, the company provided a file named "KWRU MFRs Vol 1 TY 6 30 17_with Workpapers.xlsx". This file indicates 16 accounts for Materials and Supplies that total \$97,538.09 which is the amount included in the MFRs. Please reconcile this balance to the 2016 and 2017 General Ledger total balance of \$86,041.57 for these same accounts.~~

ATTACHMENT 26

**KWRU RESPONSE TO CITIZENS' REQUEST
FOR PRODUCTION OF DOCUMENTS NO. 4**

**GENERAL LEDGERS: 2016 AND 2017 EXCERPT
ACCOUNT 7750850 - DUES & SUBSCRIPTIONS**

~~affiliate costs or charges, and customer service operations from January 1, 2016 through June 30, 2017.~~

~~**RESPONSE:** Objection. The portion of the Request which seeks “all documents that reflect...any issues discussed related to any area of plant operations or management” is overly broad and unduly burdensome. Arguably, every document/record in KWRU’s possession relates to plant operations or management. Notwithstanding and without waiver of the foregoing, documents responsive to this Request are provided within file “#2”, produced herewith.~~

3. ~~Plant Additions. Please provide a copy of all documents, including but not limited to, estimates, contracts, bids, invoices, and work orders related to each plant addition by project made from January 2015 to June 30, 2017, and each plant addition by project planned to be placed into service in 2017 or 2018.~~

~~**RESPONSE:** Documents responsive to this Request are provided within file “#3”, produced herewith.~~

4. General Ledger. Please provide the detailed general ledger, in Excel format, for the years 2015, 2016, and 2017 year to date, with the ability to select specific transactions needed in the year.

RESPONSE: KWRU does not understand what the ability to “select specific transactions needed in the year” means or the utility of same. The General Ledgers requested are provided within file “#4”, produced herewith.

EXCERPT FROM OPC POD 4

FILES:

KW RESORT UTILITIES CORP. 2017 GL.XLSX
KW RESORT UTILITIES CORP. 2016 GL.XLSX

ACCOUNT 7750850 - DUES & SUBSCRIPTIONS

KW Resort Utilities Corp.
General Ledger
 January - December 2016

Date	Transaction Type	Num	Name	Memo/Description	Split	Amount	Balance
7750850 Dues & Subscriptions							
01/01/2016	Credit Card Expense		Rotary Club of Key West		3278 CitiBusiness/Advantage	106.00	106.00
01/25/2016	Credit Card Expense		Rotary Club of Key West		3278 CitiBusiness/Advantage	33.50	139.50
01/31/2016	Bill	134104	Sunshine State One Call of Florida	Monthly assessment billing: tickets transmitted from 1/1/16-1/31/16	2332000 Accounts Payable Accruals	20.86	160.36
02/01/2016	Credit Card Expense		Rotary Club of Key West		3278 CitiBusiness/Advantage	106.00	266.36
02/29/2016	Bill	135130	Sunshine State One Call of Florida	Monthly assessment billing: tickets transmitted from 2/1/16-2/29/16	2332000 Accounts Payable Accruals	20.86	287.22
03/01/2016	Credit Card Expense		Rotary Club of Key West		3278 CitiBusiness/Advantage	106.00	393.22
03/02/2016	Credit Card Expense		citibank credit card x3278		3278 CitiBusiness/Advantage	75.00	468.22
03/31/2016	Bill	137147	Sunshine State One Call of Florida	Monthly assessment billing: tickets transmitted from 3/1/16-3/31/16	2332000 Accounts Payable Accruals	20.86	489.08
04/01/2016	Credit Card Expense		Rotary Club of Key West		3278 CitiBusiness/Advantage	106.00	595.08
04/30/2016	Bill	138165	Sunshine State One Call of Florida	Monthly assessment billing: tickets transmitted from 4/1/16-4/30/16	2332000 Accounts Payable Accruals	20.86	615.94
05/31/2016	Bill	139199	Sunshine State One Call of Florida	Monthly assessment billing: tickets transmitted from 5/1/16-5/31/16	2332000 Accounts Payable Accruals	20.86	636.80
06/07/2016	Credit Card Expense		Rotary Club of Key West	June & July Dues	3278 CitiBusiness/Advantage	212.00	848.80
06/30/2016	Bill	140243	Sunshine State One Call of Florida	ANNUAL assessment billing FY 2016-2017	2332000 Accounts Payable Accruals	203.96	1,052.76
07/01/2016	Credit Card Expense		Rotary Club of Key West	May Dues	3278 CitiBusiness/Advantage	106.00	1,158.76
07/03/2016	Credit Card Expense		Rotary Club of Key West	Annual Dues	3278 CitiBusiness/Advantage	52.00	1,210.76
07/25/2016	Credit Card Expense		Rotary Club of Key West	Rotary international dues	3278 CitiBusiness/Advantage	41.54	1,252.30
08/01/2016	Credit Card Expense		Rotary Club of Key West	August dues	3278 CitiBusiness/Advantage	106.00	1,358.30
09/01/2016	Credit Card Expense		Rotary Club of Key West	September Dues	3278 CitiBusiness/Advantage	106.00	1,464.30
10/01/2016	Credit Card Expense		Rotary Club of Key West	October Dues	3278 CitiBusiness/Advantage	106.00	1,570.30
11/01/2016	Credit Card Expense		Rotary Club of Key West	November Dues	3278 CitiBusiness/Advantage	106.00	1,676.30
11/01/2016	Bill	41735	Florida Rural Water Association	Annual membership dues for Florida Rural Water Association 12-1-16 to 11-30-17	2332000 Accounts Payable Accruals	350.00	2,026.30
12/01/2016	Credit Card Expense		Rotary Club of Key West	December Dues	3278 CitiBusiness/Advantage	106.00	2,132.30
12/27/2016	Bill	12281	Key West Chamber of Commerce	2017 Membership dues	2332000 Accounts Payable Accruals	338.00	2,470.30
Total for 7750850 Dues & Subscriptions						\$ 2,470.30	

KW Resort Utilities Corp.
General Ledger
 January - October, 2017

Date	Transaction Type	Num	Name	Memo/Description	Split	Amount	Balance
7750850 Dues & Subscriptions							
01/01/2017	Credit Card Expense		Rotary Club of Key West	January Dues	3278 CitiBusiness/Advantage	106.00	106.00
01/21/2017	Credit Card Expense		Rotary Club of Key West	International Dues	3278 CitiBusiness/Advantage	34.00	140.00
02/01/2017	Credit Card Expense		Rotary Club of Key West	February Dues	3278 CitiBusiness/Advantage	106.00	246.00
03/01/2017	Credit Card Expense		Rotary Club of Key West	March Dues	3278 CitiBusiness/Advantage	106.00	352.00
03/02/2017	Credit Card Expense		citibank credit card x3278	Membership fee Mar 2017-Feb 2018	3278 CitiBusiness/Advantage	75.00	427.00
04/01/2017	Credit Card Expense		Rotary Club of Key West	April Dues	3278 CitiBusiness/Advantage	106.00	533.00
05/01/2017	Credit Card Expense		Rotary Club of Key West	May Dues	3278 CitiBusiness/Advantage	106.00	639.00
06/01/2017	Credit Card Expense		Rotary Club of Key West	June Dues	3278 CitiBusiness/Advantage	106.00	745.00
07/01/2017	Credit Card Expense		Rotary Club of Key West	July Dues	3278 CitiBusiness/Advantage	106.00	851.00
07/04/2017	Credit Card Expense		Rotary Club of Key West	Annual Dues	3278 CitiBusiness/Advantage	52.00	903.00
07/14/2017	Bill	152620	Sunshine State One Call of Florida	ANNUAL assessment billing FY 2017-2018. *Received by accounting 7/14/2017 invoice dated 6/29/17.	2332000 Accounts Payable Accruals	191.27	1,094.27
07/27/2017	Credit Card Expense		Rotary Club of Key West	International Dues	3278 CitiBusiness/Advantage	43.78	1,138.05
08/01/2017	Credit Card Expense		Rotary Club of Key West	August Dues	3278 CitiBusiness/Advantage	106.00	1,244.05
09/01/2017	Credit Card Expense		Rotary Club of Key West	September Dues	3278 CitiBusiness/Advantage	106.00	1,350.05
10/01/2017	Credit Card Expense		Rotary Club of Key West	October Dues	3278 CitiBusiness/Advantage	106.00	1,456.05
Total for 7750850 Dues & Subscriptions						\$ 1,456.05	

ATTACHMENT 27

KWRU RESPONSE TO CITIZENS' REQUEST

FOR PRODUCTION OF DOCUMENTS NO. 4

GENERAL LEDGERS: 2016 AND 2017 EXCERPT

ACCOUNT 7310820 - CONTRACT SERVICES - ENGINEER

~~affiliate costs or charges, and customer service operations from January 1, 2016 through June 30, 2017.~~

~~**RESPONSE:** Objection. The portion of the Request which seeks “all documents that reflect...any issues discussed related to any area of plant operations or management” is overly broad and unduly burdensome. Arguably, every document/record in KWRU’s possession relates to plant operations or management. Notwithstanding and without waiver of the foregoing, documents responsive to this Request are provided within file “#2”, produced herewith.~~

3. ~~Plant Additions. Please provide a copy of all documents, including but not limited to, estimates, contracts, bids, invoices, and work orders related to each plant addition by project made from January 2015 to June 30, 2017, and each plant addition by project planned to be placed into service in 2017 or 2018.~~

~~**RESPONSE:** Documents responsive to this Request are provided within file “#3”, produced herewith.~~

4. General Ledger. Please provide the detailed general ledger, in Excel format, for the years 2015, 2016, and 2017 year to date, with the ability to select specific transactions needed in the year.

RESPONSE: KWRU does not understand what the ability to “select specific transactions needed in the year” means or the utility of same. The General Ledgers requested are provided within file “#4”, produced herewith.

EXCERPT FROM OPC POD 4

FILES:

KW RESORT UTILITIES CORP. 2017 GL.XLSX

KW RESORT UTILITIES CORP. 2016 GL.XLSX

ACCOUNT 7310820 - CONTRACT SERVICES - ENGINEER

KW Resort Utilities Corp.
General Ledger
 January - December 2016

7310820 Contract Services- Engineer

Date	Transaction Type	Num	Name	Memo/Description	Split	Amount	Balance
01/08/2016	Bill	45207	The Weiler Engineering Corporation	General services	2332000 Accounts Payable Accruals	47.50	47.50
02/03/2016	Bill	45239	The Weiler Engineering Corporation	KWRU, WWTP ops, research filter and sand washing, email re: washing and getting sieve analysis.	2332000 Accounts Payable Accruals	95.00	142.50
03/03/2016	Bill	45278	The Weiler Engineering Corporation	WWTP Routine OPS	2332000 Accounts Payable Accruals	665.00	807.50
03/03/2016	Bill	45278	The Weiler Engineering Corporation	Force Main Expansion	2332000 Accounts Payable Accruals	190.00	997.50
04/08/2016	Bill	45333	The Weiler Engineering Corporation	General engineering	2332000 Accounts Payable Accruals	270.00	1,267.50
05/06/2016	Bill	45408	The Weiler Engineering Corporation	Vac sys review permits, get wet permit for Oceanside docks, review Houlds and Barnes curves & data, work w/Greg on surge tank pump failures.	2332000 Accounts Payable Accruals	367.50	1,635.00
06/30/2016	Bill	45544	The Weiler Engineering Corporation	Permit renewal, met w/Ed, gathered data from OCULUS, WWTP renewal application package, correspondence w/Ed re: renewal package and staffing requirements.	2332000 Accounts Payable Accruals	253.75	1,888.75
06/30/2016	Bill	45542	The Weiler Engineering Corporation	File research and email cad dwg file to Marathon office for 2nd Ave between 5th St and 3rd St.	2332000 Accounts Payable Accruals	100.00	1,988.75
08/05/2016	Bill	45598	The Weiler Engineering Corporation	General Services: permit renewal work	2332000 Accounts Payable Accruals	11,167.50	13,156.25
08/05/2016	Bill	45596	The Weiler Engineering Corporation	Gen Engineering: scanning in plans for phase 1,2,3 of expansion project, emailing them, saving in numerous locations, binding them back	2332000 Accounts Payable Accruals	435.00	13,591.25
08/05/2016	Bill	45597	The Weiler Engineering Corporation	Admin met with CJ and Greg, discuss projects, meet with Bill re: vac tank replacement and permit renewal; WWTP renewal application correspondence w/Ed	2332000 Accounts Payable Accruals	396.25	13,987.50
10/10/2016	Bill	45732	The Weiler Engineering Corporation	Discuss algae with Bill Smith, research and send articles, request lab analysis from Greg, copy and send KL I&I surcharge section from ILA to Bart, review of wastewater articles re: algae blooms and discuss reasons for the blooms w/Ed.	2332000 Accounts Payable Accruals	310.00	14,297.50
10/10/2016	Bill	45731	The Weiler Engineering Corporation	Infrastructure planning: gravity and FM extensions, call with Bill, discuss Key Haven, construction cost estimates for FM and reclaimed.	2332000 Accounts Payable Accruals	285.00	14,582.50
11/03/2016	Bill	45787	The Weiler Engineering Corporation	Review Key Haven salinity data and emails, update spreadsheet of flows, email to KWRU	2332000 Accounts Payable Accruals	142.50	14,725.00
12/06/2016	Bill	45849	The Weiler Engineering Corporation	Review Evoqua proposal for rehab of existing WWTPs, send comments to Greg, suggest on-site meeting; draft sole source letter for rehab/upgrade to two existing treatment trains.	2332000 Accounts Payable Accruals	285.00	15,010.00
12/06/2016	Bill	45848	The Weiler Engineering Corporation	Review plans for Cow Key Marina improvements, send comments to Greg; review data on wash bay equipment for KES, submit comments to Greg.	2332000 Accounts Payable Accruals	332.50	15,342.50
Total for 7310820 Contract Services- Engineer						\$ 15,342.50	

KW Resort Utilities Corp.
General Ledger
January - October, 2017

7310820 Contract Services- Engineer

Date	Transaction Type	Num	Name	Memo/Description	Split	Amount	Balance
01/05/2017	Bill	45903	The Weiler Engineering Corporation	Review County plans for Bernstein Park, work on flow estimates; finish review County plans for Bernstein Park, ask for additional information	2332000 Accounts Payable Accruals	380.00	380.00
02/02/2017	Bill	45963	The Weiler Engineering Corporation	Force main connections, review FDEP rules, call with GW re: permitting requirements for grinder pump stations.	2332000 Accounts Payable Accruals	95.00	475.00
02/02/2017	Bill	45964	The Weiler Engineering Corporation	Contact Evoqua re: Draimad system; send confined space entry permit form to CJ; research qualifications and training needs; calcs for GPD for various Draimad systems, send info and link to CJ and GW; call w/GW, look into vac pump noise, sewage pump impeller trim research, existing blower output issues.	2332000 Accounts Payable Accruals	712.50	1,187.50
03/02/2017	Bill	46021	The Weiler Engineering Corporation	Review Draimad data, estimate GPD for dewatering, request data from KWRU	2332000 Accounts Payable Accruals	142.50	1,330.00
03/02/2017	Bill	46023	The Weiler Engineering Corporation	Review Bernstein Park plans, provide flow calcs, calc grease interceptor size, review Rusty Anchor plans for WW flow estimates, re-calculate flows and grease interceptor size for Rusty Anchor based on revised seats.	2332000 Accounts Payable Accruals	617.50	1,947.50
03/02/2017	Bill	46022	The Weiler Engineering Corporation	Get data for screw press, contact Moss Kelly re Draimad bag system, forward info to KWRU	2332000 Accounts Payable Accruals	285.00	2,232.50
04/07/2017	Bill	46090	The Weiler Engineering Corporation	Submitted Minor Mod application for correction of sampling frequencies and reduction in staffing.	2332000 Accounts Payable Accruals	380.00	2,612.50
04/07/2017	Bill	46088	The Weiler Engineering Corporation	Review grease calcs from Rusty Anchor engineer, respond and cite 64E-6 sections	2332000 Accounts Payable Accruals	95.00	2,707.50
04/07/2017	Bill	46089	The Weiler Engineering Corporation	Met w/Mark and Greg, update on process, met w/CJ lead OP candidates and solids, select Grudfos BoosterpaQ water pump system, review BCR info, follow up on quote for water pumps	2332000 Accounts Payable Accruals	855.00	3,562.50
05/04/2017	Bill	46145	The Weiler Engineering Corporation	Respond to email from CJ re: sludge dewatering reps & equipment, drying bed tests	2332000 Accounts Payable Accruals	47.50	3,610.00
05/04/2017	Bill	46146	The Weiler Engineering Corporation	Flow calcs for Rusty Anchor, Airvac BT flow limits, discuss options for conversion	2332000 Accounts Payable Accruals	190.00	3,800.00
06/02/2017	Bill	46213	The Weiler Engineering Corporation	Emails w/GW re:confined space entry programs; review DO trend charts, lack of alarm for low DO; review sand sieve analyses; advise GW on suitability for drying beds	2332000 Accounts Payable Accruals	190.00	3,990.00
06/02/2017	Bill	46210	The Weiler Engineering Corporation	Force main connection review SPCA plans, check for hair and lint traps; contact greg re: flows	2332000 Accounts Payable Accruals	285.00	4,275.00
06/02/2017	Bill	46216	The Weiler Engineering Corporation	Review FDEP permit mod, check rules re staffing & testing; advise Greg to renew staffing exemption	2332000 Accounts Payable Accruals	95.00	4,370.00
06/02/2017	Bill	46211	The Weiler Engineering Corporation	Reclaimed connections, research corrosion restraint water meters; gets specs for electronic meter, NEMA 4 rating; review and approve for tapping sleeve, valve, fittings, tubing for Bernstein Park	2332000 Accounts Payable Accruals	760.00	5,130.00
06/02/2017	Bill	46217	The Weiler Engineering Corporation	Review all Rusty Anchor information	2332000 Accounts Payable Accruals	522.50	5,652.50
06/02/2017	Bill	46218	The Weiler Engineering Corporation	KWGC drainage research; review storm shutter NOA; form for insurance rate reduction; discuss inspection with Steve	2332000 Accounts Payable Accruals	120.00	5,772.50
06/02/2017	Bill	46214	The Weiler Engineering Corporation	Bio-solids Class A information	2332000 Accounts Payable Accruals	1,638.75	7,411.25
07/07/2017	Bill	46284	The Weiler Engineering Corporation	Reclaimed water expansion	2332000 Accounts Payable Accruals	5,922.50	13,333.75
07/07/2017	Bill	46286	The Weiler Engineering Corporation	Sent manual for tublex blowers; Isco sampler; compiled FDEP chronology; recommend calibration of linear actuators; site visit w/CJ and GW; review permits	2332000 Accounts Payable Accruals	991.25	14,325.00
07/07/2017	Bill	46283	The Weiler Engineering Corporation	Review Gerald Adams plans, OK pump station submittal; review SPCA pump station design and flow calcs, email OK to CJ and Greg.	2332000 Accounts Payable Accruals	190.00	14,515.00
08/03/2017	Bill	46338	The Weiler Engineering Corporation	Review draft permit, discuss w/GW, begin list of items to be addressed; prepare SCADA logic drawings and Certification of Electronic Surveillance & Control letter to FDEP	2332000 Accounts Payable Accruals	427.50	14,942.50
08/03/2017	Bill	46336	The Weiler Engineering Corporation	CCC/Filters plans pick up and review; Mudd Well/CCC/Existing measurement collection	2332000 Accounts Payable Accruals	210.00	15,152.50
08/03/2017	Bill	46334	The Weiler Engineering Corporation	Calls and emails w/FDEP re:Bernstein Park permit mod, correction of staffing requirements; review docs, send email to Robertson re:permit correction, call with Robertson to discuss; call w/GW permit mod for Bernstein	2332000 Accounts Payable Accruals	380.00	15,532.50
09/05/2017	Bill	46394	The Weiler Engineering Corporation	Call w/Greg re: permit mod for Bernstein, discuss MCDC and flows	2332000 Accounts Payable Accruals	95.00	15,627.50
10/02/2017	Bill	46452	The Weiler Engineering Corporation	Costs associated with Hurricane Irma: call w/GW checking on safety, status of return to KWRU; discuss WWTP, sampling, generators etc.	2332000 Accounts Payable Accruals	285.00	15,912.50
Total for 7310820 Contract Services- Engineer						\$ 15,912.50	

ATTACHMENT 28

**KWRU RESPONSE TO CITIZENS' REQUEST
FOR PRODUCTION OF DOCUMENTS NO. 4**

**GENERAL LEDGERS: 2016 AND 2017 EXCERPT
ACCOUNT 7750830 - TELEPHONE & FAX**

~~affiliate costs or charges, and customer service operations from January 1, 2016 through June 30, 2017.~~

~~**RESPONSE:** Objection. The portion of the Request which seeks “all documents that reflect...any issues discussed related to any area of plant operations or management” is overly broad and unduly burdensome. Arguably, every document/record in KWRU’s possession relates to plant operations or management. Notwithstanding and without waiver of the foregoing, documents responsive to this Request are provided within file “#2”, produced herewith.~~

- ~~3. Plant Additions. Please provide a copy of all documents, including but not limited to, estimates, contracts, bids, invoices, and work orders related to each plant addition by project made from January 2015 to June 30, 2017, and each plant addition by project planned to be placed into service in 2017 or 2018.~~

~~**RESPONSE:** Documents responsive to this Request are provided within file “#3”, produced herewith.~~

4. General Ledger. Please provide the detailed general ledger, in Excel format, for the years 2015, 2016, and 2017 year to date, with the ability to select specific transactions needed in the year.

RESPONSE: KWRU does not understand what the ability to “select specific transactions needed in the year” means or the utility of same. The General Ledgers requested are provided within file “#4”, produced herewith.

EXCERPT FROM OPC POD 4

FILES:

KW RESORT UTILITIES CORP. 2017 GL.XLSX
KW RESORT UTILITIES CORP. 2016 GL.XLSX

ACCOUNT 7750830 - TELEPHONE & FAX

KW Resort Utilities Corp.
General Ledger
 January - December 2016

Date	Transaction Type	Num	Name	Memo/Description	Split	Amount	Balance
7750830 Telephone & Fax							
01/04/2016	Bill	ATT1-4-16	AT&T		2332000 Accounts Payable Accruals	326.08	326.08
01/28/2016	Bill	985823125-158	Sprint	Per email 1/31/16 from Antonio Diaz, the correct amount to pay is \$317.00 not \$594.34 that is stated on the Sprint invoice. See attached email with this invoice for verification.	2332000 Accounts Payable Accruals	317.00	643.08
02/04/2016	Bill	ATT2-4-16	AT&T		2332000 Accounts Payable Accruals	332.95	976.03
02/28/2016	Bill	985823125-159	Sprint	Service period: January 25-February 24, 2016	2332000 Accounts Payable Accruals	338.62	1,314.65
03/04/2016	Bill	ATT3-4-16	AT&T		2332000 Accounts Payable Accruals	332.57	1,647.22
03/28/2016	Bill	985823125-160	Sprint	Service period: Feb 25-Mar 24, 2016	2332000 Accounts Payable Accruals	337.82	1,985.04
04/04/2016	Bill	ATT4-4-16	AT&T		2332000 Accounts Payable Accruals	372.68	2,357.72
05/04/2016	Bill	ATT5-4-16	AT&T		2332000 Accounts Payable Accruals	395.22	2,752.94
05/09/2016	Bill	985823125-161	Sprint	Service period: Mar 25-April 24, 2016	2332000 Accounts Payable Accruals	339.79	3,092.73
05/28/2016	Bill	985823125-162	Sprint	Service period: April 25-May 24, 2016	2332000 Accounts Payable Accruals	307.33	3,400.06
06/04/2016	Bill	ATT6-4-16	AT&T		2332000 Accounts Payable Accruals	337.42	3,737.48
06/28/2016	Bill	985823125-163	Sprint	Service period: May 25- June 24, 2016	2332000 Accounts Payable Accruals	317.02	4,054.50
07/04/2016	Bill	ATT7-4-16	AT&T		2332000 Accounts Payable Accruals	340.99	4,395.49
07/05/2016	Credit Card Expense		Amazon	3 wall chargers for work phones	3278 CitiBusiness/Advantage	17.97	4,413.46
07/28/2016	Bill	985823125-164	Sprint	Service period: June 25-July 24, 2016	2332000 Accounts Payable Accruals	330.67	4,744.13
08/04/2016	Bill	ATT8-4-16	AT&T		2332000 Accounts Payable Accruals	344.40	5,088.53
08/16/2016	Bill	CB8-22-16	Comcast	High speed internet (\$164.90/month). Plus one time fee of \$199 for Install fee on 8/16/2016. (AT&T internet was cancelled).	2332000 Accounts Payable Accruals	379.95	5,468.48
08/28/2016	Bill	985823125-165	Sprint	Service period: July 25-August 24, 2016	2332000 Accounts Payable Accruals	329.65	5,798.13
09/27/2016	Credit Card Expense		AT&T	Sept 2016 phone bill	3278 CitiBusiness/Advantage	340.79	6,138.92
09/28/2016	Bill	985823125-166	Sprint	Service period: August 25, 2016 - September 24, 2016	2332000 Accounts Payable Accruals	330.33	6,469.25
10/04/2016	Bill	ATT10-18-16	AT&T	The bill showed an amount due of double what we pay. Called AT&T and they are crediting our account \$438.46 (10-18-16). See backup in AT&T vendor file for additional information.	2332000 Accounts Payable Accruals	230.79	6,700.04
10/12/2016	Bill	CB10-18-16	Comcast	High speed internet	2332000 Accounts Payable Accruals	166.03	6,866.07
10/17/2016	Credit Card Expense		Amazon	Heavy duty nylon work phone cases with metal clip (4)	3278 CitiBusiness/Advantage	90.36	6,956.43
10/28/2016	Bill	985823125-167	Sprint	Service period: September 25, 2016 - October 24, 2016	2332000 Accounts Payable Accruals	326.35	7,282.78
11/12/2016	Bill	CB11-17-16	Comcast	High speed internet	2332000 Accounts Payable Accruals	166.03	7,448.81
11/28/2016	Bill	985823125-168	Sprint	Service period: October 25, 2016 - November 24, 2016	2332000 Accounts Payable Accruals	343.66	7,792.47
12/21/2016	Bill	ATTFINAL	AT&T	Final bill from AT&T. Adjustments all in from cancellation back in November. Two credit checks in the amount of \$98.02 and \$75.49 have been sent to KWRU.	2332000 Accounts Payable Accruals	531.07	8,323.54
12/28/2016	Deposit				1310000 BB&T Operating Account - 3361	-75.49	8,248.05
12/28/2016	Bill	985923125-169	Sprint	Service period: November 25 - December 24, 2016	2332000 Accounts Payable Accruals	349.13	8,597.18
Total for 7750830 Telephone & Fax						\$ 8,597.18	

KW Resort Utilities Corp.
General Ledger
January - October, 2017

7750830 Telephone & Fax

Date	Transaction Type	Num	Name	Memo/Description	Split	Amount	Balance
01/12/2017	Bill	CB1-30-17	Comcast	High speed internet and phone service. Added new service for phones - Comcast billed KWRU incorrectly and also never sent an invoice for the month of December. They are crediting our account on our next bill.	2332000 Accounts Payable Accruals	376.67	376.67
01/28/2017	Bill	985823125-170	Sprint	Service period: December 25, 2016 - January 24, 2017	2332000 Accounts Payable Accruals	344.56	721.23
02/01/2017	Credit Card Expense		Sprint	Fraudulent charges from Sprint - will credit back on next statement	3278 CitiBusiness/Advantage	220.69	941.92
02/02/2017	Credit Card Credit		citibank credit card x3278	Sprint fraudulent charges from February credited back to KWRU CC	3278 CitiBusiness/Advantage	-220.69	721.23
02/04/2017	Credit Card Expense		Sprint	Fraudulent charges from Sprint - CitiBank to credit us back	3278 CitiBusiness/Advantage	930.89	1,652.12
02/12/2017	Bill	CB3-3-17	Comcast	Amount is high due to never sending us a bill in December (plus new installation charges that were incurred in December), and prorating and adding charges from November. Now, the monthly bill for internet/phone service should be approx \$298.00.	2332000 Accounts Payable Accruals	709.59	2,361.71
03/01/2017	Bill	985823125-171	Sprint	Service period: January 25, 2017-February 24, 2017	2332000 Accounts Payable Accruals	363.59	2,725.30
03/02/2017	Credit Card Credit		citibank credit card x3278	Credit for Sprint fraud	3278 CitiBusiness/Advantage	-930.89	1,794.41
03/05/2017	Credit Card Expense		Amazon	Replacement phone for Richard	3278 CitiBusiness/Advantage	78.73	1,873.14
03/12/2017	Bill	CB3-12-17	Comcast	High speed internet and phones	2332000 Accounts Payable Accruals	288.87	2,162.01
03/28/2017	Bill	985823125-172	Sprint	Service period: February 25 - March 24, 2017.	2332000 Accounts Payable Accruals	398.35	2,560.36
04/12/2017	Bill	CB4-12-17	Comcast	High speed internet and phones	2332000 Accounts Payable Accruals	289.10	2,849.46
04/28/2017	Bill	985823125-173	Sprint	Service period: March 25- April 24, 2017.	2332000 Accounts Payable Accruals	491.50	3,340.96
05/12/2017	Bill	CB5-12-17	Comcast	High speed internet and phones	2332000 Accounts Payable Accruals	289.10	3,630.06
05/28/2017	Bill	985823125-174	Sprint	Service period: April 25- May 24, 2017.	2332000 Accounts Payable Accruals	411.37	4,041.43
06/12/2017	Bill	CB6-12-17	Comcast	High speed internet and phones	2332000 Accounts Payable Accruals	289.10	4,330.53
06/28/2017	Bill	985823125-175	Sprint	Service period: May 25 - June 24, 2017.	2332000 Accounts Payable Accruals	473.38	4,803.91
07/12/2017	Bill	CB7-12-17	Comcast	High speed internet and phones	2332000 Accounts Payable Accruals	298.90	5,102.81
07/28/2017	Bill	985823125-176	Sprint	Service period: June 25-July 24, 2017.	2332000 Accounts Payable Accruals	470.97	5,573.78
08/12/2017	Bill	CB8-12-17	Comcast	High speed internet and phones	2332000 Accounts Payable Accruals	239.40	5,813.18
08/28/2017	Bill	985823125-177	Sprint	Service period: July 25-Aug 24, 2017.	2332000 Accounts Payable Accruals	473.16	6,286.34
09/12/2017	Bill	CB9-12-17	Comcast	High speed internet and phones	2332000 Accounts Payable Accruals	289.36	6,575.70
09/28/2017	Bill	985923125-178	Sprint	Service period: Aug 25-Sept 24, 2017.	2332000 Accounts Payable Accruals	316.26	6,891.96
10/12/2017	Bill	CB10-12-17	Comcast	High speed internet and phones	2332000 Accounts Payable Accruals	289.63	7,181.59
10/28/2017	Bill	985823125-179	Sprint	Service period: Sept 25-Oct 24, 2017.	2332000 Accounts Payable Accruals	461.54	7,643.13
Total for 7750830 Telephone & Fax						\$ 7,643.13	

ATTACHMENT 29

**KWRU RESPONSE TO CITIZENS' REQUEST
FOR PRODUCTION OF DOCUMENTS NO. 4**

**GENERAL LEDGERS: 2016 EXCERPT
ACCOUNT 7048100 – EMPLOYEE RELATIONS**

~~affiliate costs or charges, and customer service operations from January 1, 2016 through June 30, 2017.~~

~~**RESPONSE:** Objection. The portion of the Request which seeks “all documents that reflect...any issues discussed related to any area of plant operations or management” is overly broad and unduly burdensome. Arguably, every document/record in KWRU’s possession relates to plant operations or management. Notwithstanding and without waiver of the foregoing, documents responsive to this Request are provided within file “#2”, produced herewith.~~

- ~~3. Plant Additions. Please provide a copy of all documents, including but not limited to, estimates, contracts, bids, invoices, and work orders related to each plant addition by project made from January 2015 to June 30, 2017, and each plant addition by project planned to be placed into service in 2017 or 2018.~~

~~**RESPONSE:** Documents responsive to this Request are provided within file “#3”, produced herewith.~~

4. General Ledger. Please provide the detailed general ledger, in Excel format, for the years 2015, 2016, and 2017 year to date, with the ability to select specific transactions needed in the year.

RESPONSE: KWRU does not understand what the ability to “select specific transactions needed in the year” means or the utility of same. The General Ledgers requested are provided within file “#4”, produced herewith.

KW Resort Utilities Corp.
General Ledger
January - December 2016

Date	Transaction Type	Num	Name	Memo/Description	Split	Amount	Balance
7048100 Employee Relations							
6	Credit Card Expense		Hurricane Hole		3278 CitiBusiness/Advantage	43.44	43.44
6	Credit Card Expense		Kennedy Cafe		3278 CitiBusiness/Advantage	31.90	75.34
6	Bill	1401	Goal Line Embroidery, Inc	Dri-mesh polo shirts for workers. 24 baseball caps for workers.	2332000 Accounts Payable Accruals	322.50	397.84
6	Bill	1403	Goal Line Embroidery, Inc	47 silver shirts and 70 t shirts	2332000 Accounts Payable Accruals	1,324.40	1,722.24
6	Credit Card Expense		Hurricane Hole		3278 CitiBusiness/Advantage	56.09	1,778.33
6	Credit Card Expense		Chico's Cantina		3278 CitiBusiness/Advantage	13.21	1,791.54
6	Credit Card Expense		Hurricane Hole		3278 CitiBusiness/Advantage	51.91	1,843.45
6	Credit Card Expense		Hurricane Hole		3278 CitiBusiness/Advantage	36.50	1,879.95
6	Credit Card Expense		Hurricane Hole	OPS mtg w/CJ, GW, MP.	3278 CitiBusiness/Advantage	67.69	1,947.64
6	Credit Card Expense		Chico's Cantina	Interview w/Glenn Miller for operator position	3278 CitiBusiness/Advantage	46.70	1,994.34
6	Credit Card Expense		Chico's Cantina	Admin mtg w/CJ,GW,KB,JR,JI re: billing sys, accounting info	3278 CitiBusiness/Advantage	80.11	2,074.45
6	Credit Card Expense		Hurricane Hole	Admin mtg: CJ,GW,KB,JR & JI	3278 CitiBusiness/Advantage	94.28	2,168.73
6	Credit Card Expense		Chico's Cantina	OPS mtg w/CJ, GW, MP	3278 CitiBusiness/Advantage	55.69	2,224.42
6	Credit Card Expense		Chico's Cantina	Monthly admin mtg w/CJ, GW, KB, JI, JR	3278 CitiBusiness/Advantage	63.75	2,288.17
6	Credit Card Expense		Key Plaza Creperie	Chris & Greg operations lunch to discuss staffing and projects	3278 CitiBusiness/Advantage	30.64	2,318.81
6	Bill	3261	Goal Line Embroidery, Inc	Work hats for crew (12).	2332000 Accounts Payable Accruals	129.00	2,447.81
6	Bill	3347	Goal Line Embroidery, Inc	Work shirts for crew (80).	2332000 Accounts Payable Accruals	1,006.20	3,454.01
6	Credit Card Expense		Chico's Cantina	Operations lunch for CJ, GW and Richard	3278 CitiBusiness/Advantage	43.55	3,497.56
6	Credit Card Expense		Goldmans Bagel Deli	CJ and GW quarterly meeting	3278 CitiBusiness/Advantage	26.41	3,523.97
6	Credit Card Expense		Hogfish Bar and Grille	OPS mtg CJ, GW and Rich	3278 CitiBusiness/Advantage	64.02	3,587.99
6	Bill	2016	Key West Golf Club	Christmas Party	2332000 Accounts Payable Accruals	1,050.00	4,637.99
6	Credit Card Expense		Hogfish Bar and Grille	OPS mtg CJ and GW	3278 CitiBusiness/Advantage	43.98	4,681.97
Total for 7048100 Employee Relations						\$4,681.97	

ATTACHMENT 30

**KWRU RESPONSE TO CITIZENS' REQUEST
FOR PRODUCTION OF DOCUMENTS NO. 4**

**GENERAL LEDGERS: 2016 AND 2017 EXCERPT
ACCOUNT 7048300 – EMPLOYEE TRAINING**

~~affiliate costs or charges, and customer service operations from January 1, 2016 through June 30, 2017.~~

~~**RESPONSE:** Objection. The portion of the Request which seeks “all documents that reflect...any issues discussed related to any area of plant operations or management” is overly broad and unduly burdensome. Arguably, every document/record in KWRU’s possession relates to plant operations or management. Notwithstanding and without waiver of the foregoing, documents responsive to this Request are provided within file “#2”, produced herewith.~~

- ~~3. Plant Additions. Please provide a copy of all documents, including but not limited to, estimates, contracts, bids, invoices, and work orders related to each plant addition by project made from January 2015 to June 30, 2017, and each plant addition by project planned to be placed into service in 2017 or 2018.~~

~~**RESPONSE:** Documents responsive to this Request are provided within file “#3”, produced herewith.~~

4. General Ledger. Please provide the detailed general ledger, in Excel format, for the years 2015, 2016, and 2017 year to date, with the ability to select specific transactions needed in the year.

RESPONSE: KWRU does not understand what the ability to “select specific transactions needed in the year” means or the utility of same. The General Ledgers requested are provided within file “#4”, produced herewith.

KW Resort Utilities Corp.
General Ledger
 January - December 2016

7048300 Employee Training

Date	Transaction Type	Num	Name	Memo/Description	Split	Amount	Balance
06/27/2016	Credit Card Expense		Expedia	Airfare to CEU training - Chris	3278 CitiBusiness/Advantage	441.20	441.20
06/27/2016	Credit Card Expense		Expedia	Airfare to CEU training - Greg	3278 CitiBusiness/Advantage	441.20	882.40
06/27/2016	Credit Card Expense		Expedia	Airfare to CEU training - Mark	3278 CitiBusiness/Advantage	441.20	1,323.60
06/30/2016	Credit Card Expense		Weftec	CEU training - Greg	3278 CitiBusiness/Advantage	528.00	1,851.60
06/30/2016	Credit Card Expense		Weftec	CEU training - Chris	3278 CitiBusiness/Advantage	558.00	2,409.60
07/01/2016	Credit Card Expense		Weftec	CEU training - Mark	3278 CitiBusiness/Advantage	558.00	2,967.60
07/04/2016	Credit Card Credit		citibank credit card x3278	Credit from 6-27-15 (Room Charge for Matt P. during training)	3278 CitiBusiness/Advantage	-14.57	2,953.03
07/04/2016	Credit Card Credit		citibank credit card x3278	Credit from 6-27-15 (Room Charge for John W. during training)	3278 CitiBusiness/Advantage	-14.57	2,938.46
09/22/2016	Credit Card Expense		American Airlines	Flight seat upgrade for WEFTEC CEU training	3278 CitiBusiness/Advantage	72.77	3,011.23
09/22/2016	Credit Card Expense		American Airlines	Flight seat upgrade for WEFTEC CEU training	3278 CitiBusiness/Advantage	48.06	3,059.29
09/22/2016	Credit Card Expense		American Airlines	Flight seat upgrade for WEFTEC CEU training	3278 CitiBusiness/Advantage	47.13	3,106.42
09/23/2016	Credit Card Expense		Uber	Uber ride for WEFTEC CEU training (airport to hotel)	3278 CitiBusiness/Advantage	33.00	3,139.42
09/23/2016	Credit Card Expense		Felix's Restaurant	WEFTEC CEU conference	3278 CitiBusiness/Advantage	145.55	3,284.97
09/23/2016	Credit Card Expense		Jackson Brewery	3 employees food/drink WEFTEC CEU conference	3278 CitiBusiness/Advantage	21.50	3,306.47
09/23/2016	Credit Card Expense		Jackson Brewery	3 employees food/drink WEFTEC CEU conference	3278 CitiBusiness/Advantage	18.00	3,324.47
09/23/2016	Credit Card Expense		Bacardi Mojito Bar	1 employee breakfast for WEFTEC CEU conference.	3278 CitiBusiness/Advantage	9.20	3,333.67
09/23/2016	Credit Card Expense		Uber	Uber ride for WEFTEC CEU training	3278 CitiBusiness/Advantage	7.10	3,340.77
09/23/2016	Credit Card Expense		K Paul's Louisiana Kitchen	3 employees WEFTEC CEU conference	3278 CitiBusiness/Advantage	258.13	3,598.90
09/24/2016	Credit Card Expense		Starbucks	3 employee breakfasts WEFTEC CEU conference	3278 CitiBusiness/Advantage	24.48	3,623.38
09/24/2016	Credit Card Expense		Uber	Uber ride for WEFTEC CEU training	3278 CitiBusiness/Advantage	6.67	3,630.05
09/24/2016	Credit Card Expense		Uber	Uber ride for WEFTEC CEU training	3278 CitiBusiness/Advantage	5.95	3,636.00
09/24/2016	Credit Card Expense		Tommy G's Pizzeria	3 employees lunch WEFTEC CEU conference	3278 CitiBusiness/Advantage	36.44	3,672.44
09/25/2016	Credit Card Expense		Tommy G's Pizzeria	3 employees lunch WEFTEC CEU conference	3278 CitiBusiness/Advantage	42.65	3,715.09
09/25/2016	Credit Card Expense		Iberville Lounge	3 employees food & drink WEFTEC CEU conference	3278 CitiBusiness/Advantage	90.50	3,805.59
09/25/2016	Credit Card Expense		Bayona	3 employees dinner WEFTEC CEU conference	3278 CitiBusiness/Advantage	245.35	4,050.94
09/25/2016	Credit Card Expense		Pat O'Brien's	WEFTEC CEU conference	3278 CitiBusiness/Advantage	89.39	4,140.33
09/25/2016	Credit Card Expense		Tommy G's Pizzeria	1 employee meal WEFTEC CEU conference	3278 CitiBusiness/Advantage	21.00	4,161.33
09/25/2016	Credit Card Expense		Uber	Uber ride for WEFTEC CEU training	3278 CitiBusiness/Advantage	7.07	4,168.40
09/25/2016	Credit Card Expense		Uber	Uber ride for WEFTEC CEU training	3278 CitiBusiness/Advantage	6.41	4,174.81
09/25/2016	Credit Card Expense		Pat O'Brien's	WEFTEC CEU conference	3278 CitiBusiness/Advantage	40.50	4,215.31
09/26/2016	Credit Card Expense		Uber	Uber ride for WEFTEC CEU training	3278 CitiBusiness/Advantage	9.45	4,224.76
09/26/2016	Credit Card Expense		Uber	Uber ride for WEFTEC CEU training	3278 CitiBusiness/Advantage	5.99	4,230.75
09/26/2016	Credit Card Expense		Iberville Lounge	WEFTEC CEU conference	3278 CitiBusiness/Advantage	70.25	4,301.00
09/26/2016	Credit Card Expense		Domenica	WEFTEC CEU conference	3278 CitiBusiness/Advantage	182.83	4,483.83
09/26/2016	Credit Card Expense		Butcher	3 employees lunch WEFTEC CEU conference	3278 CitiBusiness/Advantage	48.18	4,532.01
09/26/2016	Credit Card Expense		The Ruby Slipper Cafe	WEFTEC CEU conference	3278 CitiBusiness/Advantage	47.68	4,579.69
09/27/2016	Credit Card Expense		The Saint New Orleans	Hotel room for WEFTEC CEU training	3278 CitiBusiness/Advantage	1,095.54	5,675.23
09/27/2016	Credit Card Expense		The Saint New Orleans	Fourth night charge for hotel room for WEFTEC CEU training	3278 CitiBusiness/Advantage	274.46	5,949.69
09/27/2016	Credit Card Expense		The Saint New Orleans	Fourth night charge for hotel room for WEFTEC CEU training	3278 CitiBusiness/Advantage	342.86	6,292.55
09/27/2016	Credit Card Expense		Office of Water Programs	Glenn Miller class and materials for Class A license	3278 CitiBusiness/Advantage	117.00	6,409.55
09/27/2016	Credit Card Expense		Uber	Uber ride for WEFTEC CEU training to airport	3278 CitiBusiness/Advantage	33.00	6,442.55
09/27/2016	Credit Card Expense		The Saint New Orleans	Hotel room for WEFTEC CEU training	3278 CitiBusiness/Advantage	924.37	7,366.92
09/27/2016	Credit Card Expense		The Saint New Orleans	Hotel room for WEFTEC CEU training	3278 CitiBusiness/Advantage	926.19	8,293.11
09/27/2016	Credit Card Expense		The Saint New Orleans	Fourth night charge for hotel room for WEFTEC CEU training	3278 CitiBusiness/Advantage	274.46	8,567.57

10/18/2016	Credit Card Expense		Southwest	Airvac school flights for Glenn Miller and Richard Jeselskis	3278 CitiBusiness/Advantage	851.92	9,219.49
10/19/2016	Bill	90083483	Aqseptence Group, Inc.	John Hartsock from Aqseptence came out to do a one day on-site service for PLC programming and station efficiency test and training on 10/14/2016.	2332000 Accounts Payable Accruals	720.00	9,939.49
11/12/2016	Credit Card Expense		Days Inn	AIRVAC trip: Hotel room for Glenn Miller	3278 CitiBusiness/Advantage	154.30	10,093.79
11/12/2016	Credit Card Expense		Shell Oil	AIRVAC trip: snack for 1 employee	3278 CitiBusiness/Advantage	1.70	10,095.49
11/12/2016	Credit Card Expense		Shell Oil	AIRVAC trip: water and snack	3278 CitiBusiness/Advantage	6.22	10,101.71
11/12/2016	Credit Card Expense		McDonald's	AIRVAC trip: Lunch for 1 employee	3278 CitiBusiness/Advantage	2.88	10,104.59
11/12/2016	Credit Card Expense		Days Inn		3278 CitiBusiness/Advantage	154.30	10,258.89
11/13/2016	Credit Card Expense		T1B Temp Sergio's	AIRVAC trip: Breakfast for 2 employees	3278 CitiBusiness/Advantage	17.98	10,276.87
11/13/2016	Credit Card Expense		Millers Ale House	AIRVAC trip: Dinner for 2 employees	3278 CitiBusiness/Advantage	85.00	10,361.87
11/13/2016	Credit Card Expense		Speedway	AIRVAC trip: snacks in Chesterton, IN	3278 CitiBusiness/Advantage	6.62	10,368.49
11/13/2016	Credit Card Expense		Marathon Petro	AIRVAC trip: snacks in Indianapolis, IN	3278 CitiBusiness/Advantage	7.47	10,375.96
11/13/2016	Credit Card Expense		Famous Famiglia	AIRVAC trip: Breakfast for 2 employees	3278 CitiBusiness/Advantage	15.83	10,391.79
11/13/2016	Credit Card Expense		Alamo	AIRVAC trip: car rental from Key West to Fort Lauderdale	3278 CitiBusiness/Advantage	88.47	10,480.26
11/13/2016	Credit Card Expense		Aurelios Pizza	AIRVAC trip: Dinner for 2 employees	3278 CitiBusiness/Advantage	100.00	10,580.26
11/13/2016	Credit Card Expense		Arbys	AIRVAC trip: Lunch for 2 employees	3278 CitiBusiness/Advantage	14.84	10,595.10
11/14/2016	Credit Card Expense		Good to Go	AIRVAC trip: Snack for 2 employees	3278 CitiBusiness/Advantage	5.30	10,600.40
11/15/2016	Credit Card Expense		The Dam Landing	AIRVAC trip: Dinner for 2 employees	3278 CitiBusiness/Advantage	122.72	10,723.12
11/16/2016	Credit Card Expense		El Cielito Lindo	AIRVAC trip: Lunch for 2 employees	3278 CitiBusiness/Advantage	25.29	10,748.41
11/16/2016	Credit Card Expense		Slappy's Rib Shack	AIRVAC trip: Lunch for 2 employees	3278 CitiBusiness/Advantage	27.00	10,775.41
11/16/2016	Credit Card Credit		citibank credit card x3278	Days Inn Easy Savings	3278 CitiBusiness/Advantage	-6.17	10,769.24
11/16/2016	Credit Card Credit		citibank credit card x3278	Days Inn Easy Savings	3278 CitiBusiness/Advantage	-6.17	10,763.07
11/16/2016	Credit Card Credit		citibank credit card x3278	GOOD to Go Easy Savings	3278 CitiBusiness/Advantage	-0.05	10,763.02
11/17/2016	Credit Card Expense		Arbys	AIRVAC trip: Dinner for 1 employee	3278 CitiBusiness/Advantage	16.22	10,779.24
11/17/2016	Credit Card Expense		Quality Inn	AIRVAC trip: Hotel in Rochester, IN for Richard Jeselskis	3278 CitiBusiness/Advantage	341.00	11,120.24
11/17/2016	Credit Card Expense		Quality Inn	AIRVAC trip: Hotel in Rochester, IN for Glenn Miller	3278 CitiBusiness/Advantage	341.00	11,461.24
11/17/2016	Credit Card Expense		Kazablanka Grill	AIRVAC trip: Dinner for 2 employees	3278 CitiBusiness/Advantage	27.00	11,488.24
11/18/2016	Credit Card Expense		Wingate Inn	AIRVAC trip: Hotel in Indianapolis, IN for Richard Jeselskis	3278 CitiBusiness/Advantage	115.83	11,604.07
11/18/2016	Credit Card Expense		Wingate Inn	AIRVAC trip: Hotel in Indianapolis, IN for Glenn Miller	3278 CitiBusiness/Advantage	115.83	11,719.90
11/18/2016	Credit Card Expense		Speedway	AIRVAC trip: gas	3278 CitiBusiness/Advantage	16.32	11,736.22
11/18/2016	Credit Card Expense		ALT Today	AIRVAC trip: Snack for 1 employee	3278 CitiBusiness/Advantage	2.91	11,739.13
11/18/2016	Bill	GM11-28-16	Glenn Miller	Reimburse Glenn Miller for flight seat on 11/18/2016 from Atlanta, GA to Fort Lauderdale, FL (Airvac work trip).	2332000 Accounts Payable Accruals	30.00	11,769.13
11/18/2016	Credit Card Expense		Hertz Rent a Car	AIRVAC trip: car rental from airport to hotel and back 11-13 to 11-18	3278 CitiBusiness/Advantage	325.06	12,094.19
11/18/2016	Credit Card Expense		Shapiro's	AIRVAC trip: Breakfast for 2 employees	3278 CitiBusiness/Advantage	27.30	12,121.49
11/18/2016	Credit Card Expense		Jersey Boardwalk Pizza	AIRVAC trip: Lunch for 2 employees	3278 CitiBusiness/Advantage	23.00	12,144.49
11/18/2016	Credit Card Expense		Shell Oil	AIRVAC trip: gas	3278 CitiBusiness/Advantage	18.44	12,162.93
11/20/2016	Credit Card Expense		National Car Rental	AIRVAC trip: car rental from Fort Lauderdale to Key West	3278 CitiBusiness/Advantage	162.08	12,325.01
11/21/2016	Credit Card Credit		citibank credit card x3278	Quality Inn Easy Savings	3278 CitiBusiness/Advantage	-13.64	12,311.37
11/21/2016	Credit Card Credit		citibank credit card x3278	Quality Inn Easy Savings	3278 CitiBusiness/Advantage	-13.64	12,297.73
11/22/2016	Credit Card Expense		Hertz Toll Charge	AIRVAC trip: toll charge	3278 CitiBusiness/Advantage	32.30	12,330.03
11/23/2016	Credit Card Expense		Alamo Rent a Car tolls	AIRVAC trip: toll charge	3278 CitiBusiness/Advantage	9.23	12,339.26
11/29/2016	Credit Card Expense		National Car Tolls	AIRVAC trip: toll charge	3278 CitiBusiness/Advantage	9.23	12,348.49

Total for 7048300 Employee Training

\$ 12,348.49

KW Resort Utilities Corp.
General Ledger
 January - December 2016

	Date	Transaction Type	Num	Name	Memo/Description	Split	Amount	Balance
7048300 Employee Training								
	02/23/2017	Expense		Key West Chamber of Commerce	Seminar for Chris	3278 CitiBusiness/Advantage	72.00	72.00
	03/27/2017	Credit Card Expense		Office of Water Programs	Course package enrollment and manual	3278 CitiBusiness/Advantage	115.00	187.00
	04/02/2017	Credit Card Expense		Roy A Pelletier	CEU course for Mark Burkemper	3278 CitiBusiness/Advantage	69.00	256.00
	04/03/2017	Credit Card Expense		Roy A Pelletier	CEU course for Greg Wright	3278 CitiBusiness/Advantage	69.00	325.00
	04/05/2017	Credit Card Expense		Roy A Pelletier	CEU course for Chris Johnson	3278 CitiBusiness/Advantage	69.00	394.00
	05/01/2017	Credit Card Expense		Office of Water Programs	Course books for Greg Wright	3278 CitiBusiness/Advantage	50.00	444.00
	10/24/2017	Credit Card Expense		Office of Water Programs	Jeffrey Morse Operator training course	3278 CitiBusiness/Advantage	50.00	494.00
Total for 7048300 Employee Training							\$ 494.00	

ATTACHMENT 31

**KWRU RESPONSE TO CITIZENS' REQUEST
FOR PRODUCTION OF DOCUMENTS NO. 14**

WORKING CAPITAL ALLOWANCE

8. Unless otherwise stated, each of these general objections applies to each of the numbered Requests set forth below and should be deemed related for each numbered Request. All responses are made subject to and without waiver of these general objections. Where specific objections are raised, those objections are raised in addition and not to the exclusion of these general objections.

REQUEST FOR CONFERRAL PRIOR TO MOTION PRACTICE

~~Undersigned counsel respectfully requests conferral prior to the filing of any motion directed to the following Response to Request for Production. It is possible that KWRU interpreted one or more Requests differently from its intent, or that certain detail requested was inadvertently not provided. KWRU intends to cooperate with the discovery process and to tender all information which it is legally required to tender.~~

RESPONSES TO OPC'S SECOND REQUEST FOR PRODUCTION OF DOCUMENTS

13. ~~MFRs. Please provide a complete set of workpapers associated with the compilation of the MFRs. Provide the requested documents in both hard copy and electronic format (i.e. Excel spreadsheet). This includes, but is not limited to all documents, accounting records, memoranda, workpapers, studies undertaken, and calculations that support all adjustments to test year revenues, rate base and expenses.~~

~~**RESPONSE:** Documents responsive to this Request are provided within folder "13", produced herewith.~~

14. Working Capital Allowance: Please provide all supporting documentation and source documents for responses to Interrogatory Nos. 14-17 regarding the Working Capital Allowance.

RESPONSE: Documents responsive to this Request are provided within folder "14", produced herewith,

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	KW Resort Utilities Corp.														
2	Trial Balance														
3	June 2016 - June 2017														
4															
5		June 2016	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017	13 Month Avg
6	1310000 BB&T Operating Account - 3361	75,795.77	41,522.33	94,384.02	129,337.27	80,233.65	120,740.20	92,075.57	38,121.90	63,019.87	264,078.53	79,449.82	112,345.05	134,019.10	101,932.54
7	1311000 BB&T Payroll Account - 9497	8,826.74	7,656.82	12,206.78	5,183.83	5,183.83	5,183.83	4,289.39	10,508.90	6,508.90	5,019.48	5,584.54	5,609.54	5,666.66	6,725.33
8	1321000 BB&T Customer Escrow Account - 0761	170,609.32	170,246.81	171,472.85	173,255.84	174,483.23	175,730.66	175,893.72	178,156.92	178,333.24	178,359.80	177,966.93	178,937.75	178,590.21	175,541.33
9	1322000 BB&T Reserve Acct/Capacity - 0982	485.37	485.37	485.37	485.37	485.37	485.37	485.37	485.37	485.37	485.37	-	-	-	373.36
10	1323000 BB&T Capital Account - 4687	259,464.68	552,483.70	465,333.14	773,610.53	1,773,815.47	595,191.63	434,059.58	345,179.65	398,402.89	753,572.87	664,769.60	740,051.73	398,352.74	627,252.94
11	1328000 BB&T PSC Escrow Account	22,746.33	91,923.48	172,649.60	256,630.01	338,968.79	426,150.85	503,957.91	583,462.32	677,725.84	129,988.96	141,451.50	153,329.58	155,615.75	281,123.15
12	1410000 Accounts Receivable:A/R Customers	221,507.53	237,428.14	212,457.68	265,479.04	263,999.11	263,989.32	235,767.98	209,263.09	263,150.23	215,604.56	291,678.42	245,945.79	128,208.14	234,959.93
13	1420000 Accounts Receivable:A/R Other	9,973.96	9,710.63	9,240.60	12,037.77	26,216.38	24,984.19	32,541.74	54,033.14	62,571.55	79,099.62	78,415.17	64,488.82	10,804.89	36,470.65
14	1421100 A/R Escrow Deposits	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85
15	1430000 Allowance for Doubtful A/Cs	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)
16	1427500 Due from Monroe County SSI 205-2016	9,619.00	9,619.00	11,259.00	11,259.00	11,259.00	11,259.00	11,259.00	11,259.00	12,899.00	12,946.50	14,122.50	20,577.00	23,966.25	13,177.17
17	1470000 Employee Loans/Advances	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	2,652.10	2,652.10	2,652.10	-	-	-	-	-	2,092.79
18	1621000 Prepaid Insurance	26,779.90	23,248.27	29,304.96	31,333.56	30,765.16	30,005.50	32,096.84	32,757.32	32,054.80	31,352.28	30,649.76	30,685.24	37,992.55	30,694.32
19	1740000 Undeposited Funds	1,462.00	-	-	-	-	-	1,462.00	-	-	-	-	57.08	-	229.31
20	1861000 Deferred Rate Case Expenses:Deferred Rate Case Expenses - 2014	317,999.80	349,887.61	383,326.33	414,369.72	492,438.65	550,114.59	430,828.00	432,728.00	444,417.00	478,599.54	484,129.06	484,339.06	430,828.00	438,000.41
21	1861200 Deferred Rate Case Expenses:Deferred Rate Case Expenses - 2017	-	-	-	-	-	-	-	-	-	-	-	4,337.50	7,892.50	940.77
22	1863100 Accumulated Amortization Rate Case	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Exchange	-	-	-	-	-	-	-	-	399.55	-	-	-	-	30.73
24	1051803 Construction Work in Progress: CWIP	261,536.83	261,536.83	261,536.83	261,536.83	1,806,563.89	2,919,676.27	2,940,864.65	3,984,874.43	4,330,094.01	-	-	5,650.00	15,149.74	1,311,463.10
25	1861000 Deferred Rate Case Expenses:Deferred Rate Case Expenses - 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	1080000 Accumulated Depreciation	(6,076,159.68)	(6,076,159.68)	(6,076,159.68)	(6,076,159.68)	(6,076,159.68)	(6,076,159.68)	(6,461,586.13)	(6,461,586.13)	(6,461,586.13)	(6,461,586.13)	(6,461,586.13)	(6,461,586.13)	(6,461,586.13)	(6,283,697.00)
27	3521000 Franchises	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06
28	3534000 Land & Land Rights	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63
29	3543000 Structures & Improvements - System Pumping	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00
30	3544000 Structures & Improvements - Treatment & Disposal Plant	936,450.22	1,273,890.12	1,827,931.13	2,066,442.23	541,444.10	537,543.11	537,543.11	537,543.11	537,543.11	5,345,069.45	5,830,883.43	6,129,557.59	6,131,974.31	2,479,524.23
31	3554000 Power & Generator Equipment	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71
32	3602000 Collection Sewers-Force	3,643,926.75	3,643,926.75	3,643,926.75	3,643,926.75	3,643,926.75	3,643,926.75	3,643,926.75	3,874,265.17	3,874,265.17	3,874,265.17	3,874,265.17	3,874,265.17	3,874,265.17	3,750,236.79

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	KW Resort Utilities Corp.														
2	Trial Balance														
3	June 2016 - June 2017														
4															
5		June 2016	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017	13 Month Avg
33	3603000 Collection System - Force System Pumping	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25
34	3612000 Collection Sewers - Gravity	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18
35	3632000 Services to Customers	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56
36	3640000 Flow Measuring Devices	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60
37	3703000 Receiving Well	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22
38	3713000 Pumping Equipment	331,349.05	335,652.28	344,112.23	344,349.49	351,602.72	357,810.14	352,555.00	371,602.36	371,602.36	371,602.36	374,665.99	376,775.42	380,042.00	358,747.80
39	3714000 Pumping Equipment - Treatment & Disposal	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62
40	3756000 Reuse Transmission & Distribution	289,307.50	289,307.50	289,307.50	289,307.50	289,307.50	289,307.50	289,307.50	492,061.48	492,061.48	492,061.48	492,061.48	492,061.48	492,061.48	382,886.26
41	3800400 Vacuum Station	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88
42	3803000 Drying Beds	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13
43	3804000 Treatment & Disposal Equipment	3,727,062.60	3,731,341.10	3,731,341.10	3,731,341.10	3,731,341.10	3,731,341.10	3,734,028.60	3,734,028.60	3,756,544.69	3,756,544.69	3,758,557.86	3,761,162.94	3,761,162.94	3,741,984.49
44	3814000 Plant Sewers	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23
45	3894000 Other Plant/Misc Equip	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66
46	3907000 Office Furniture & Equipment	30,177.59	30,177.59	30,177.59	30,177.59	30,177.59	30,177.59	30,177.59	30,177.59	30,177.59	30,177.59	30,177.59	34,096.05	34,096.05	30,780.43
47	3917000 Vehicles	107,770.50	107,770.50	107,770.50	107,770.50	107,770.50	107,770.50	94,260.48	94,260.48	94,260.48	94,260.48	94,260.48	94,260.48	94,260.48	100,495.87
48	3920000 Stores Equipment	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00
49	3937000 Tools & Shop Equipment	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84
50	3940000 Laboratory Equipment	16,280.59	16,280.59	16,280.59	16,280.59	17,627.05	17,627.05	17,627.05	17,627.05	17,627.05	17,627.05	17,627.05	17,627.05	17,627.05	17,212.75
51	3957000 Power Operated Equipment	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58
52	1740200 Deposits - Electric	12,975.00	12,975.00	12,975.00	12,975.00	12,975.00	12,975.00	12,325.00	28,325.00	28,325.00	28,325.00	28,325.00	28,325.00	28,325.00	20,009.62
53	1740300 Deposits - Water	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
54	1810100 Closing Costs	18,486.70	16,166.35	16,166.35	58,187.23	58,187.23	58,187.23	58,187.23	58,187.23	58,187.23	58,187.23	58,187.23	58,187.23	58,187.23	48,668.59
55	1810110 Accumulated Amortization - Closing Costs	(18,486.70)	(269.44)	(538.88)	(808.32)	(1,778.11)	(2,747.90)	(3,717.69)	(4,687.48)	(5,657.27)	(6,627.06)	(7,596.85)	(8,566.64)	(9,536.43)	(5,462.98)
56	1830000 Preliminary Investigation Charges - Appraisal	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88
57	1831000 Accumulated Amortization of PIC	(2,400.00)	(2,400.00)	(2,400.00)	(2,400.00)	(2,400.00)	(2,400.00)	(3,600.00)	(3,600.00)	(3,600.00)	(3,600.00)	(3,600.00)	(3,600.00)	(4,200.00)	(3,092.31)
58	1862000 Deferred Debits - Last Stand	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00
59	1863200 Accumulated Amortization of Last Stand	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	KW Resort Utilities Corp.														
2	Trial Balance														
3	June 2016 - June 2017														
4															
5		June 2016	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017	13 Month Avg
60	2332000 Accounts Payable Accruals	(136,911.06)	(133,969.79)	(192,460.24)	(159,045.69)	(159,205.64)	(219,041.01)	(212,013.22)	(171,600.96)	(524,089.98)	(636,507.17)	(744,442.46)	(577,707.63)	(283,858.94)	(319,296.45)
61	3278 CitiBusiness/Advantage	(6,153.03)	(7,882.09)	(4,480.55)	(9,633.54)	(2,218.03)	(16,059.90)	(5,919.58)	(23,496.72)	(7,040.91)	(6,594.20)	(5,000.76)	(7,050.40)	(5,061.72)	(8,199.34)
62	2311000 Accrued Gross Receipts Tax	(39,957.00)	(6,659.50)	(15,495.55)	(22,155.05)	(30,257.74)	(48,070.00)	(55,085.00)	(8,978.00)	(15,993.00)	(25,082.00)	(27,158.84)	(35,370.73)	(40,164.00)	(28,494.34)
63	2350000 Customer Escrow Deposits	(195,734.51)	(197,979.35)	(198,987.71)	(200,256.47)	(200,106.41)	(201,160.69)	(201,977.47)	(202,819.85)	(202,232.29)	(202,284.15)	(202,148.29)	(203,454.53)	(204,389.07)	(201,040.83)
64	2362000 A/P Property Taxes	(8,882.06)	(9,847.56)	(10,813.06)	(11,778.56)	(12,744.03)	(1,062.00)	(2,124.00)	(3,186.00)	(4,248.00)	(5,310.00)	(6,372.00)	(7,434.00)	(8,496.00)	(7,099.79)
65	2413000 Deferred Income-Residential	(56,057.14)	(57,580.80)	(57,492.16)	(52,863.74)	(54,252.65)	(55,535.92)	(56,856.70)	(54,751.76)	(52,762.29)	(48,367.90)	(50,565.90)	(50,598.10)	(50,406.94)	(53,699.38)
66	224400 Noters Payable - Expansion (BB&T - 007)	(305,396.64)	(1,000,000.00)	(988,602.78)	(991,666.66)	(987,499.99)	(983,333.32)	(979,166.65)	(974,999.98)	(970,833.31)	(966,666.64)	(962,499.97)	(958,333.30)	(954,166.63)	(924,858.91)
67	2245000 BB&T Loan	-	-	-	(741,000.00)	(741,000.00)	(741,000.00)	(741,000.00)	(1,812,013.97)	(2,056,660.47)	(2,364,951.51)	(2,500,000.00)	(2,500,000.00)	(2,500,000.00)	(1,284,432.77)
68	2711000 Contribution to Construction (Capacity Reserve)	(10,275,357.59)	(10,275,357.59)	(10,289,897.09)	(10,289,897.09)	(10,289,897.09)	(10,304,436.59)	(10,211,412.59)	(10,644,504.99)	(10,659,044.49)	(10,687,043.49)	(10,852,787.49)	(10,399,385.49)	(10,399,385.49)	(10,429,108.24)
69	2719000 CIAC - Legal Fees	10,827.02	10,827.02	10,827.02	10,827.02	10,827.02	10,827.02	10,827.02	10,827.02	10,827.02	10,827.02	10,827.02	10,827.02	10,827.02	10,827.02
70	2721000 Accumulated Amortization - CIAC	3,544,814.00	3,544,814.00	3,544,814.00	3,544,814.00	3,544,814.00	3,544,814.00	3,897,220.00	3,897,220.00	3,897,220.00	3,897,220.00	3,897,220.00	3,897,220.00	3,897,220.00	3,734,571.08
71	2010000 Common Stock	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)
72	2111000 Capital Investment - SH Contribution	(1,770,205.03)	(1,770,205.03)	(2,300,205.03)	(2,300,205.03)	(3,400,205.03)	(3,400,205.03)	(3,400,205.03)	(3,400,205.03)	(3,400,205.03)	(4,022,644.79)	(4,221,137.79)	(5,221,137.79)	(5,221,137.79)	(3,371,377.19)
73	2121000 Distributions	-	-	-	-	-	-	-	-	-	622,439.76	820,932.76	840,932.76	860,932.76	241,941.39
74	2151000 Prior Year Adjustments	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58
75	Retained Earnings	862,846.23	862,846.23	862,846.23	862,846.23	862,846.23	862,846.23	862,846.23	754,383.42	754,383.42	754,383.42	754,383.42	754,383.42	754,383.42	812,786.47
76	Net Income	\$ 35,292.00	\$ 101,324.65	\$ 132,511.88	\$ 203,805.63	\$ 257,446.38	\$ 284,166.15	\$ 108,462.81	\$ 21,621.24	\$ 33,195.14	\$ 68,894.63	-\$ 30,243.24	-\$ 14,127.53	-\$ 215,876.24	
77															

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	KW Resort Utilities Corp.														
2	Balance Sheet														
3	As of June 2016 - June 2017														
4															
5		Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	
6	ASSETS														
7	Current Assets														
8	Bank Accounts														
9	1310000 BB&T Operating Account - 3361	75,795.77	41,522.33	94,384.02	129,337.27	80,233.65	120,740.20	92,075.57	38,121.90	63,019.87	264,078.53	79,449.82	112,345.05	134,019.10	
10	1311000 BB&T Payroll Account - 9497	8,826.74	7,656.82	12,206.78	5,183.83	5,183.83	5,183.83	4,289.39	10,508.90	6,508.90	5,019.48	5,584.54	5,609.54	5,666.66	
11	1311100 BB&T Customer Escrow Account - 0761	170,609.32	170,246.81	171,472.85	173,255.84	174,483.23	175,730.66	175,893.72	178,156.92	178,333.24	178,359.80	177,966.93	178,937.75	178,590.21	
12	1322000 BB&T Reserve Acct/Capacity - 0982	485.37	485.37	485.37	485.37	485.37	485.37	485.37	485.37	485.37	485.37	-	-	-	
13	1313000 BB&T Capital Account - 4687	259,464.68	552,483.70	465,333.14	773,610.53	1,773,815.47	595,191.63	434,059.58	345,179.65	398,402.89	753,572.87	664,769.60	740,051.73	398,352.74	
14															
15	Total Bank Accounts	\$ 515,181.88	\$ 772,395.03	\$ 743,882.16	\$ 1,081,872.84	\$ 2,034,201.55	\$ 897,331.69	\$ 706,803.63	\$ 572,452.74	\$ 646,750.27	\$ 1,201,516.05	\$ 927,770.89	\$ 1,036,944.07	\$ 716,628.71	
16	1328000 BB&T PSC Escrow Account	22,746.33	91,923.48	172,649.60	256,630.01	338,968.79	426,150.85	503,957.91	583,462.32	677,725.84	129,988.96	141,451.50	153,329.58	155,615.75	
17															
18	Accounts Receivable														
19	1400000 Accounts Receivable														
20	1410000 Accounts Receivable:A/R Customers	221,507.53	237,428.14	212,457.68	265,479.04	263,999.11	263,989.32	235,767.98	209,263.09	263,150.23	215,604.56	291,678.42	245,945.79	128,208.14	
21	1420000 Accounts Receivable:A/R Other	9,973.96	9,710.63	9,240.60	12,037.77	26,216.38	24,984.19	32,541.74	54,033.14	62,571.55	79,099.62	78,415.17	64,488.82	10,804.89	
22	Total 1400000 Accounts Receivable	\$ 231,481.49	\$ 247,138.77	\$ 221,698.28	\$ 277,516.81	\$ 290,215.49	\$ 288,973.51	\$ 268,309.72	\$ 263,296.23	\$ 325,721.78	\$ 294,704.18	\$ 370,093.59	\$ 310,434.61	\$ 139,013.03	
23	1421100 A/R Escrow Deposits	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	
24	1423000 A/R WS Utility														
25	1424000 A/R KEI														
26	1430000 Allowance for Doubtful A/Cs	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	
27	Total Accounts Receivable	\$ 225,668.34	\$ 241,325.62	\$ 215,885.13	\$ 271,703.66	\$ 284,402.34	\$ 283,160.36	\$ 262,496.57	\$ 257,483.08	\$ 319,908.63	\$ 288,891.03	\$ 364,280.44	\$ 304,621.46	\$ 133,199.88	
28	Other current assets														
29	1427500 Due from Monroe County SSI 205-2016	9,619.00	9,619.00	11,259.00	11,259.00	11,259.00	11,259.00	11,259.00	11,259.00	12,899.00	12,946.50	14,122.50	20,577.00	23,966.25	
30	1470000 Employee Loans/Advances	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	2,652.10	2,652.10	2,652.10	-	-	-	-	-	
31	1621000 Prepaid Insurance	26,779.90	23,248.27	29,304.96	31,333.56	30,765.16	30,005.50	32,096.84	32,757.32	32,054.80	31,352.28	30,649.76	30,685.24	37,992.55	
32	1740000 Undeposited Funds	1,462.00	-	-	-	-	-	1,462.00	-	-	-	-	57.08	-	
33	1740200 Deposits - Electric	12,975.00	12,975.00	12,975.00	12,975.00	12,975.00	12,975.00	12,325.00	28,325.00	28,325.00	28,325.00	28,325.00	28,325.00	28,325.00	
34	1740300 Deposits - Water	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	
35	1861000 Deferred Rate Case Expenses:Deferred Rate Case Expenses - 2014	317,999.80	349,887.61	383,326.33	414,369.72	492,438.65	550,114.59	430,828.00	432,728.00	444,417.00	478,599.54	484,129.06	484,339.06	430,828.00	
36	1861200 Deferred Rate Case Expenses:Deferred Rate Case Expenses - 2017	-	-	-	-	-	-	-	-	-	-	-	4,337.50	7,892.50	
37	1863100 Accumulated Amortization Rate Case	-	-	-	-	-	-	-	-	-	-	-	-	-	
38	1862000 Deferred Debits - Last Stand	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	
39	1863200 Accumulated Amortization of Last Stand														
40	Exchange	-	-	-	-	-	-	-	-	399.55	-	-	-	-	
41															
42	Total Other current assets	\$ 869,808.70	\$ 896,702.88	\$ 937,838.29	\$ 970,910.28	\$ 1,048,410.81	\$ 1,104,129.19	\$ 987,745.94	\$ 1,004,844.42	\$ 1,015,218.35	\$ 1,048,346.32	\$ 1,054,349.32	\$ 1,065,443.88	\$ 1,026,127.30	

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	KW Resort Utilities Corp.														
2	Balance Sheet														
3	As of June 2016 - June 2017														
4															
5		Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	
43	Total Current Assets	\$ 1,633,405.25	\$ 2,002,347.01	\$ 2,070,255.18	\$ 2,581,116.79	\$ 3,705,983.49	\$ 2,710,772.09	\$ 2,461,004.05	\$ 2,418,242.56	\$ 2,659,603.09	\$ 2,668,742.36	\$ 2,487,852.15	\$ 2,560,338.99	\$ 2,031,571.64	
44															
45	1051803 Construction Work in Progress: CWIP	\$ 261,536.83	\$ 261,536.83	\$ 261,536.83	\$ 261,536.83	\$ 1,806,563.89	\$ 2,919,676.27	\$ 2,940,864.65	\$ 3,984,874.43	\$ 4,330,094.01	\$ 0.00	\$ 0.00	\$ 5,650.00	\$ 15,149.74	
46	Fixed Assets														
47	1080000 Accumulated Depreciation	(6,076,159.68)	(6,076,159.68)	(6,076,159.68)	(6,076,159.68)	(6,076,159.68)	(6,076,159.68)	(6,461,586.13)	(6,461,586.13)	(6,461,586.13)	(6,461,586.13)	(6,461,586.13)	(6,461,586.13)	(6,461,586.13)	
48	3521000 Franchises	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	
49	3534000 Land & Land Rights	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	
50	3543000 Structures & Improvements - System Pumping	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	
51	3544000 Structures & Improvements - Treatment & Disposal Plant	936,450.22	1,273,890.12	1,827,931.13	2,066,442.23	541,444.10	537,543.11	537,543.11	537,543.11	537,543.11	5,345,069.45	5,830,883.43	6,129,557.59	6,131,974.31	
52	3554000 Power & Generator Equipment	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	
53	3602000 Collection Sewers-Force	3,643,926.75	3,643,926.75	3,643,926.75	3,643,926.75	3,643,926.75	3,643,926.75	3,643,926.75	3,643,926.75	3,874,265.17	3,874,265.17	3,874,265.17	3,874,265.17	3,874,265.17	
54	3603000 Collection System - Force System Pumping	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	
55	3612000 Collection Sewers - Gravity	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	
56	3632000 Services to Customers	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	
57	3640000 Flow Measuring Devices	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	
58	3703000 Receiving Well	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	
59	3713000 Pumping Equipment	331,349.05	335,652.28	344,112.23	344,349.49	351,602.72	357,810.14	352,555.00	371,602.36	371,602.36	371,602.36	374,665.99	376,775.42	380,042.00	
60	3714000 Pumping Equipment - Treatment & Disposal	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	
61	3756000 Reuse Transmission & Distribution	289,307.50	289,307.50	289,307.50	289,307.50	289,307.50	289,307.50	289,307.50	492,061.48	492,061.48	492,061.48	492,061.48	492,061.48	492,061.48	
62	3800400 Vacuum Station	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	
63	3803000 Drying Beds	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	
64	3804000 Treatment & Disposal Equipment	3,727,062.60	3,731,341.10	3,731,341.10	3,731,341.10	3,731,341.10	3,731,341.10	3,734,028.60	3,734,028.60	3,756,544.69	3,756,544.69	3,758,557.86	3,761,162.94	3,761,162.94	
65	3814000 Plant Sewers	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	
66	3894000 Other Plant/Misc Equip	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	
67	3907000 Office Furniture & Equipment	30,177.59	30,177.59	30,177.59	30,177.59	30,177.59	30,177.59	30,177.59	30,177.59	30,177.59	30,177.59	30,177.59	34,096.05	34,096.05	
68	3917000 Vehicles	107,770.50	107,770.50	107,770.50	107,770.50	107,770.50	107,770.50	94,260.48	94,260.48	94,260.48	94,260.48	94,260.48	94,260.48	94,260.48	
69	3920000 Stores Equipment	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	
70	3937000 Tools & Shop Equipment	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	
71	3940000 Laboratory Equipment	16,280.59	16,280.59	16,280.59	16,280.59	17,627.05	17,627.05	17,627.05	17,627.05	17,627.05	17,627.05	17,627.05	17,627.05	17,627.05	
72	3957000 Power Operated Equipment	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	
73	Total Fixed Assets	\$ 6,061,067.27	\$ 6,407,088.90	\$ 6,969,589.86	\$ 7,208,338.22	\$ 5,691,939.78	\$ 5,694,246.21	\$ 5,292,742.10	\$ 5,744,881.86	\$ 5,767,397.95	\$ 10,574,924.29	\$ 11,065,815.07	\$ 11,373,122.20	\$ 11,378,805.50	
74	Other Assets														
75	1050300 Botanical Gardens														
76	1051900 AWT Conversion														
77	1810100 Closing Costs	18,486.70	16,166.35	16,166.35	58,187.23	58,187.23	58,187.23	58,187.23	58,187.23	58,187.23	58,187.23	58,187.23	58,187.23	58,187.23	
78	1810110 Accumulated Amortization - Closing Costs	(18,486.70)	(269.44)	(538.88)	(808.32)	(1,778.11)	(2,747.90)	(3,717.69)	(4,687.48)	(5,657.27)	(6,627.06)	(7,596.85)	(8,566.64)	(9,536.43)	
79	1830000 Preliminary Investigation Charges - Appraisal	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	
80	1831000 Accumulated Amortization of PIC	(2,400.00)	(2,400.00)	(2,400.00)	(2,400.00)	(2,400.00)	(2,400.00)	(2,400.00)	(3,600.00)	(3,600.00)	(3,600.00)	(3,600.00)	(3,600.00)	(4,200.00)	

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	KW Resort Utilities Corp.														
2	Balance Sheet														
3	As of June 2016 - June 2017														
4															
5		Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	
81	Total Other Assets	\$ 47,030.88	\$ 62,927.79	\$ 62,658.35	\$ 104,409.79	\$ 103,440.00	\$ 102,470.21	\$ 100,300.42	\$ 99,330.63	\$ 98,360.84	\$ 97,391.05	\$ 96,421.26	\$ 95,451.47	\$ 93,881.68	
82	TOTAL ASSETS	\$ 8,003,040.23	\$ 8,733,900.53	\$ 9,364,040.22	\$ 10,155,401.63	\$ 11,307,927.16	\$ 11,427,164.78	\$ 10,794,911.22	\$ 12,247,329.48	\$ 12,855,455.89	\$ 13,341,057.70	\$ 13,650,088.48	\$ 14,034,562.66	\$ 13,519,408.56	

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	KW Resort Utilities Corp.														
2	Balance Sheet														
3	As of June 2016 - June 2017														
4															
5		Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	
83	LIABILITIES AND EQUITY														
84	Liabilities														
85	Current Liabilities														
86	Accounts Payable														
87	2311009 Accounts Payable														
88	2331000 Accounts Payable - KEI														
89	2332000 Accounts Payable Accruals	(136,911.06)	(133,969.79)	(192,460.24)	(159,045.69)	(159,205.64)	(219,041.01)	(212,013.22)	(171,600.96)	(524,089.98)	(636,507.17)	(744,442.46)	(577,707.63)	(283,858.94)	
90	Total Accounts Payable	(136,911.06)	(133,969.79)	(192,460.24)	(159,045.69)	(159,205.64)	(219,041.01)	(212,013.22)	(171,600.96)	(524,089.98)	(636,507.17)	(744,442.46)	(577,707.63)	(283,858.94)	
91	Credit Cards														
92	3278 CitBusiness/Advantage	(6,153.03)	(7,882.09)	(4,480.55)	(9,633.54)	(2,218.03)	(16,059.90)	(5,919.58)	(23,496.72)	(7,040.91)	(6,594.20)	(5,000.76)	(7,050.40)	(5,061.72)	
93	Total Credit Cards	(6,153.03)	(7,882.09)	(4,480.55)	(9,633.54)	(2,218.03)	(16,059.90)	(5,919.58)	(23,496.72)	(7,040.91)	(6,594.20)	(5,000.76)	(7,050.40)	(5,061.72)	
94	Other Current Liabilities														
95	2311000 Accrued Gross Receipts Tax	(39,957.00)	(6,659.50)	(15,495.55)	(22,155.05)	(30,257.74)	(48,070.00)	(55,085.00)	(8,978.00)	(15,993.00)	(25,082.00)	(27,158.84)	(35,370.73)	(40,164.00)	
96	2330110 Accrued Interest - WS Utility														
97	2330201 Accrued Interest - WL Smith														
98	2330301 Accrued Interest - WLS Capital														
99	2330401 Accrued Interest - WLS capital Loan #2														
100	2330600 William Smith Loan \$30K-Payable														
101	2330700 WS Utility 5/2011 Capital Loan 75K 6.5%														
102	2330800 WS Utility 7/2011 Capital Loan 75k 6.5%														
103	2350000 Customer Escrow Deposits	(195,734.51)	(197,979.35)	(198,987.71)	(200,256.47)	(200,106.41)	(201,160.69)	(201,977.47)	(202,819.85)	(202,232.29)	(202,284.15)	(202,148.29)	(203,454.53)	(204,389.07)	
104	2362000 A/P Property Taxes	(8,882.06)	(9,847.56)	(10,813.06)	(11,778.56)	(12,744.03)	(1,062.00)	(2,124.00)	(3,186.00)	(4,248.00)	(5,310.00)	(6,372.00)	(7,434.00)	(8,496.00)	
105	2363099 Payroll Taxes Payable														
106	2413000 Deferred Income-Residential	(56,057.14)	(57,580.80)	(57,492.16)	(52,863.74)	(54,252.65)	(55,535.92)	(56,856.70)	(54,751.76)	(52,762.29)	(48,367.90)	(50,565.90)	(50,598.10)	(50,406.94)	
107	2712000 SSI Cap Reserve Fees to Monroe County														
108	Total Other Current Liabilities	(300,630.71)	(272,067.21)	(282,788.48)	(287,053.82)	(297,360.83)	(305,828.61)	(316,043.17)	(269,735.61)	(275,235.58)	(281,044.05)	(286,245.03)	(296,857.36)	(303,456.01)	
109	Total Current Liabilities	(443,694.80)	(413,919.09)	(479,729.27)	(455,733.05)	(458,784.50)	(540,929.52)	(533,975.97)	(464,833.29)	(806,366.47)	(924,145.42)	(1,035,688.25)	(881,615.39)	(592,376.67)	
110	Long-Term Liabilities														
111	2241000 Notes Payable - Vehicle (BB&T 004 - \$800.50)														
112	2242000 Notes Payable - AWT (BB&T 005 - \$9330.16)														
113	2243000 Notes Payable - Vehicle (BB&T 003 - \$390.74)														
114	2321000 Notes Payable (BB&T 001 - \$4645.23)														
115	2244000 Noters Payable - Expansion (BB&T - 007)	(305,396.64)	(1,000,000.00)	(988,602.78)	(991,666.66)	(987,499.99)	(983,333.32)	(979,166.65)	(974,999.98)	(970,833.31)	(966,666.64)	(962,499.97)	(958,333.30)	(954,166.63)	
116	2245000 BB&T Loan	-	-	-	(741,000.00)	(741,000.00)	(741,000.00)	(741,000.00)	(1,812,013.97)	(2,056,660.47)	(2,364,951.51)	(2,500,000.00)	(2,500,000.00)	(2,500,000.00)	
117	2330100 Notes Payable - WS Utilities														
118	2330200 Notes Payable - William L. Smith Jr														
119	2330300 WS Utility Loan-Payable														
120	2330400 WS Utility Capital Loan 2														

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1	KW Resort Utilities Corp.														
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3	As of June 2016 - June 2017														
4															
5		Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	
121	2330500 Note Payable - WS Utility 29K 6.5														
122	2521000 Monroe County / SSI Cap Reserve														
123	2711000 Contribution to Construction (Capacity Reserve)	(10,264,530.57)	(10,264,530.57)	(10,279,070.07)	(10,279,070.07)	(10,279,070.07)	(10,293,609.57)	(10,200,585.57)	(10,633,677.97)	(10,648,217.47)	(10,676,216.47)	(10,841,960.47)	(10,388,558.47)	(10,388,558.47)	
124	2714000 Stock Island Vacuum Line														
125	2411000 Suspense & Other Liabilities														
126	2520000 Monroe County / SSI Advance for Construction														
127	2721000 Accumulated Amortization - CIAC	3,544,814.00	3,544,814.00	3,544,814.00	3,544,814.00	3,544,814.00	3,544,814.00	3,897,220.00	3,897,220.00	3,897,220.00	3,897,220.00	3,897,220.00	3,897,220.00	3,897,220.00	
128	Total Long-Term Liabilities	(7,025,113.21)	(7,719,716.57)	(7,722,858.85)	(8,466,922.73)	(8,462,756.06)	(8,473,128.89)	(8,023,532.22)	(9,523,471.92)	(9,778,491.25)	(10,110,614.62)	(10,407,240.44)	(9,949,671.77)	(9,945,505.10)	
129	Total Liabilities	(7,468,808.01)	(8,133,635.66)	(8,202,588.12)	(8,922,655.78)	(8,921,540.56)	(9,014,058.41)	(8,557,508.19)	(9,988,305.21)	(10,584,857.72)	(11,034,760.04)	(11,442,928.69)	(10,831,287.16)	(10,537,881.77)	
130	Equity														
131	2010000 Common Stock	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	
132	2111000 Capital Investment - SH Contribution	(1,770,205.03)	(1,770,205.03)	(2,300,205.03)	(2,300,205.03)	(3,400,205.03)	(3,400,205.03)	(3,400,205.03)	(3,400,205.03)	(3,400,205.03)	(4,022,644.79)	(4,221,137.79)	(5,221,137.79)	(5,221,137.79)	
133	2121000 Distributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	622,439.76	820,932.76	840,932.76	860,932.76	
134	2151000 Prior Year Adjustments	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	
135	Retained Earnings	862,846.23	862,846.23	862,846.23	862,846.23	862,846.23	862,846.23	862,846.23	754,383.42	754,383.42	754,383.42	754,383.42	754,383.42	754,383.42	
136	Net Income	(35,292.00)	(101,324.65)	(132,511.88)	(203,805.63)	(257,446.38)	(284,166.15)	(108,462.81)	(21,621.24)	(33,195.14)	(68,894.63)	30,243.24	14,127.53	215,876.24	
137	Total Equity	(534,232.22)	(600,264.87)	(1,161,452.10)	(1,232,745.85)	(2,386,386.60)	(2,413,106.37)	(2,237,403.03)	(2,259,024.27)	(2,270,598.17)	(2,306,297.66)	(2,207,159.79)	(3,203,275.50)	(2,981,526.79)	
138	TOTAL LIABILITIES AND EQUITY	(8,003,040.23)	(8,733,900.53)	(9,364,040.22)	(10,155,401.63)	(11,307,927.16)	(11,427,164.78)	(10,794,911.22)	(12,247,329.48)	(12,855,455.89)	(13,341,057.70)	(13,650,088.48)	(14,034,562.66)	(13,519,408.56)	
139															
140		#REF!	\$ 8,733,901	\$ 9,364,040	\$ 10,155,402	\$ 11,307,927	\$ 11,427,165	\$ 10,794,911	\$ 12,247,329	\$ 12,855,456	\$ 13,341,058	\$ 13,650,088	\$ 14,034,563	\$ 13,519,409	

ATTACHMENT 32

**KWRU RESPONSE TO CITIZENS' REQUEST
FOR PRODUCTION OF DOCUMENTS NO. 14**

ACCUMULATED DEPRECIATION

8. Unless otherwise stated, each of these general objections applies to each of the numbered Requests set forth below and should be deemed related for each numbered Request. All responses are made subject to and without waiver of these general objections. Where specific objections are raised, those objections are raised in addition and not to the exclusion of these general objections.

REQUEST FOR CONFERRAL PRIOR TO MOTION PRACTICE

~~Undersigned counsel respectfully requests conferral prior to the filing of any motion directed to the following Response to Request for Production. It is possible that KWRU interpreted one or more Requests differently from its intent, or that certain detail requested was inadvertently not provided. KWRU intends to cooperate with the discovery process and to tender all information which it is legally required to tender.~~

RESPONSES TO OPC'S SECOND REQUEST FOR PRODUCTION OF DOCUMENTS

13. ~~MFRs. Please provide a complete set of workpapers associated with the compilation of the MFRs. Provide the requested documents in both hard copy and electronic format (i.e. Excel spreadsheet). This includes, but is not limited to all documents, accounting records, memoranda, workpapers, studies undertaken, and calculations that support all adjustments to test year revenues, rate base and expenses.~~

~~**RESPONSE:** Documents responsive to this Request are provided within folder "13", produced herewith.~~

14. Working Capital Allowance: Please provide all supporting documentation and source documents for responses to Interrogatory Nos. 14-17 regarding the Working Capital Allowance.

RESPONSE: Documents responsive to this Request are provided within folder "14", produced herewith,

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	KW Resort Utilities Corp.														
2	Trial Balance														
3	June 2016 - June 2017														
4															
5		June 2016	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017	13 Month Avg
6	1310000 BB&T Operating Account - 3361	75,795.77	41,522.33	94,384.02	129,337.27	80,233.65	120,740.20	92,075.57	38,121.90	63,019.87	264,078.53	79,449.82	112,345.05	134,019.10	101,932.54
7	1311000 BB&T Payroll Account - 9497	8,826.74	7,656.82	12,206.78	5,183.83	5,183.83	5,183.83	4,289.39	10,508.90	6,508.90	5,019.48	5,584.54	5,609.54	5,666.66	6,725.33
8	1321000 BB&T Customer Escrow Account - 0761	170,609.32	170,246.81	171,472.85	173,255.84	174,483.23	175,730.66	175,893.72	178,156.92	178,333.24	178,359.80	177,966.93	178,937.75	178,590.21	175,541.33
9	1322000 BB&T Reserve Acct/Capacity - 0982	485.37	485.37	485.37	485.37	485.37	485.37	485.37	485.37	485.37	485.37	-	-	-	373.36
10	1323000 BB&T Capital Account - 4687	259,464.68	552,483.70	465,333.14	773,610.53	1,773,815.47	595,191.63	434,059.58	345,179.65	398,402.89	753,572.87	664,769.60	740,051.73	398,352.74	627,252.94
11	1328000 BB&T PSC Escrow Account	22,746.33	91,923.48	172,649.60	256,630.01	338,968.79	426,150.85	503,957.91	583,462.32	677,725.84	129,988.96	141,451.50	153,329.58	155,615.75	281,123.15
12	1410000 Accounts Receivable:A/R Customers	221,507.53	237,428.14	212,457.68	265,479.04	263,999.11	263,989.32	235,767.98	209,263.09	263,150.23	215,604.56	291,678.42	245,945.79	128,208.14	234,959.93
13	1420000 Accounts Receivable:A/R Other	9,973.96	9,710.63	9,240.60	12,037.77	26,216.38	24,984.19	32,541.74	54,033.14	62,571.55	79,099.62	78,415.17	64,488.82	10,804.89	36,470.65
14	1421100 A/R Escrow Deposits	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85	4,186.85
15	1430000 Allowance for Doubtful A/Cs	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)
16	1427500 Due from Monroe County SSI 205-2016	9,619.00	9,619.00	11,259.00	11,259.00	11,259.00	11,259.00	11,259.00	11,259.00	12,899.00	12,946.50	14,122.50	20,577.00	23,966.25	13,177.17
17	1470000 Employee Loans/Advances	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	2,652.10	2,652.10	2,652.10	-	-	-	-	-	2,092.79
18	1621000 Prepaid Insurance	26,779.90	23,248.27	29,304.96	31,333.56	30,765.16	30,005.50	32,096.84	32,757.32	32,054.80	31,352.28	30,649.76	30,685.24	37,992.55	30,694.32
19	1740000 Undeposited Funds	1,462.00	-	-	-	-	-	1,462.00	-	-	-	-	57.08	-	229.31
20	1861000 Deferred Rate Case Expenses:Deferred Rate Case Expenses - 2014	317,999.80	349,887.61	383,326.33	414,369.72	492,438.65	550,114.59	430,828.00	432,728.00	444,417.00	478,599.54	484,129.06	484,339.06	430,828.00	438,000.41
21	1861200 Deferred Rate Case Expenses:Deferred Rate Case Expenses - 2017	-	-	-	-	-	-	-	-	-	-	-	4,337.50	7,892.50	940.77
22	1863100 Accumulated Amortization Rate Case	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Exchange	-	-	-	-	-	-	-	-	399.55	-	-	-	-	30.73
24	1051803 Construction Work in Progress: CWIP	261,536.83	261,536.83	261,536.83	261,536.83	1,806,563.89	2,919,676.27	2,940,864.65	3,984,874.43	4,330,094.01	-	-	5,650.00	15,149.74	1,311,463.10
25	1861000 Deferred Rate Case Expenses:Deferred Rate Case Expenses - 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	1080000 Accumulated Depreciation	(6,076,159.68)	(6,076,159.68)	(6,076,159.68)	(6,076,159.68)	(6,076,159.68)	(6,076,159.68)	(6,461,586.13)	(6,461,586.13)	(6,461,586.13)	(6,461,586.13)	(6,461,586.13)	(6,461,586.13)	(6,461,586.13)	(6,283,697.00)
27	3521000 Franchises	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06	92,864.06
28	3534000 Land & Land Rights	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63	374,999.63
29	3543000 Structures & Improvements - System Pumping	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00
30	3544000 Structures & Improvements - Treatment & Disposal Plant	936,450.22	1,273,890.12	1,827,931.13	2,066,442.23	541,444.10	537,543.11	537,543.11	537,543.11	537,543.11	5,345,069.45	5,830,883.43	6,129,557.59	6,131,974.31	2,479,524.23
31	3554000 Power & Generator Equipment	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71	216,344.71

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	KW Resort Utilities Corp.														
2	Trial Balance														
3	June 2016 - June 2017														
4															
5		June 2016	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017	13 Month Avg
32	3602000 Collection Sewers-Force	3,643,926.75	3,643,926.75	3,643,926.75	3,643,926.75	3,643,926.75	3,643,926.75	3,643,926.75	3,874,265.17	3,874,265.17	3,874,265.17	3,874,265.17	3,874,265.17	3,874,265.17	3,750,236.79
33	3603000 Collection System - Force System Pumping	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25	65,383.25
34	3612000 Collection Sewers - Gravity	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18	1,082,705.18
35	3632000 Services to Customers	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56	95,954.56
36	3640000 Flow Measuring Devices	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60	2,220.60
37	3703000 Receiving Well	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22	884,800.22
38	3713000 Pumping Equipment	331,349.05	335,652.28	344,112.23	344,349.49	351,602.72	357,810.14	352,555.00	371,602.36	371,602.36	371,602.36	374,665.99	376,775.42	380,042.00	358,747.80
39	3714000 Pumping Equipment - Treatment & Disposal	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62	3,047.62
40	3756000 Reuse Transmission & Distribution	289,307.50	289,307.50	289,307.50	289,307.50	289,307.50	289,307.50	289,307.50	492,061.48	492,061.48	492,061.48	492,061.48	492,061.48	492,061.48	382,886.26
41	3800400 Vacuum Station	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88	8,798.88
42	3803000 Drying Beds	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13	35,137.13
43	3804000 Treatment & Disposal Equipment	3,727,062.60	3,731,341.10	3,731,341.10	3,731,341.10	3,731,341.10	3,731,341.10	3,734,028.60	3,734,028.60	3,756,544.69	3,756,544.69	3,758,557.86	3,761,162.94	3,761,162.94	3,741,984.49
44	3814000 Plant Sewers	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23	28,762.23
45	3894000 Other Plant/Misc Equip	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66	44,202.66
46	3907000 Office Furniture & Equipment	30,177.59	30,177.59	30,177.59	30,177.59	30,177.59	30,177.59	30,177.59	30,177.59	30,177.59	30,177.59	30,177.59	34,096.05	34,096.05	30,780.43
47	3917000 Vehicles	107,770.50	107,770.50	107,770.50	107,770.50	107,770.50	107,770.50	94,260.48	94,260.48	94,260.48	94,260.48	94,260.48	94,260.48	94,260.48	100,495.87
48	3920000 Stores Equipment	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00	1,862.00
49	3937000 Tools & Shop Equipment	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84	28,097.84
50	3940000 Laboratory Equipment	16,280.59	16,280.59	16,280.59	16,280.59	17,627.05	17,627.05	17,627.05	17,627.05	17,627.05	17,627.05	17,627.05	17,627.05	17,627.05	17,212.75
51	3957000 Power Operated Equipment	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58	88,846.58
52	1740200 Deposits - Electric	12,975.00	12,975.00	12,975.00	12,975.00	12,975.00	12,975.00	12,325.00	28,325.00	28,325.00	28,325.00	28,325.00	28,325.00	28,325.00	20,009.62
53	1740300 Deposits - Water	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
54	1810100 Closing Costs	18,486.70	16,166.35	16,166.35	58,187.23	58,187.23	58,187.23	58,187.23	58,187.23	58,187.23	58,187.23	58,187.23	58,187.23	58,187.23	48,668.59
55	1810110 Accumulated Amortization - Closing Costs	(18,486.70)	(269.44)	(538.88)	(808.32)	(1,778.11)	(2,747.90)	(3,717.69)	(4,687.48)	(5,657.27)	(6,627.06)	(7,596.85)	(8,566.64)	(9,536.43)	(5,462.98)
56	1830000 Preliminary Investigation Charges - Appraisal	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88	49,430.88
57	1831000 Accumulated Amortization of PIC	(2,400.00)	(2,400.00)	(2,400.00)	(2,400.00)	(2,400.00)	(2,400.00)	(3,600.00)	(3,600.00)	(3,600.00)	(3,600.00)	(3,600.00)	(3,600.00)	(4,200.00)	(3,092.31)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	KW Resort Utilities Corp.														
2	Trial Balance														
3	June 2016 - June 2017														
4															
5		June 2016	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017	13 Month Avg
58	1862000 Deferred Debits - Last Stand	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00	496,973.00
59	1863200 Accumulated Amortization of Last Stand	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60	2332000 Accounts Payable Accruals	(136,911.06)	(133,969.79)	(192,460.24)	(159,045.69)	(159,205.64)	(219,041.01)	(212,013.22)	(171,600.96)	(524,089.98)	(636,507.17)	(744,442.46)	(577,707.63)	(283,858.94)	(319,296.45)
61	3278 CitiBusiness/Advantage	(6,153.03)	(7,882.09)	(4,480.55)	(9,633.54)	(2,218.03)	(16,059.90)	(5,919.58)	(23,496.72)	(7,040.91)	(6,594.20)	(5,000.76)	(7,050.40)	(5,061.72)	(8,199.34)
62	2311000 Accrued Gross Receipts Tax	(39,957.00)	(6,659.50)	(15,495.55)	(22,155.05)	(30,257.74)	(48,070.00)	(55,085.00)	(8,978.00)	(15,993.00)	(25,082.00)	(27,158.84)	(35,370.73)	(40,164.00)	(28,494.34)
63	2350000 Customer Escrow Deposits	(195,734.51)	(197,979.35)	(198,987.71)	(200,256.47)	(200,106.41)	(201,160.69)	(201,977.47)	(202,819.85)	(202,232.29)	(202,284.15)	(202,148.29)	(203,454.53)	(204,389.07)	(201,040.83)
64	2362000 A/P Property Taxes	(8,882.06)	(9,847.56)	(10,813.06)	(11,778.56)	(12,744.03)	(1,062.00)	(2,124.00)	(3,186.00)	(4,248.00)	(5,310.00)	(6,372.00)	(7,434.00)	(8,496.00)	(7,099.79)
65	2413000 Deferred Income-Residential	(56,057.14)	(57,580.80)	(57,492.16)	(52,863.74)	(54,252.65)	(55,535.92)	(56,856.70)	(54,751.76)	(52,762.29)	(48,367.90)	(50,565.90)	(50,598.10)	(50,406.94)	(53,699.38)
66	224400 Noters Payable - Expansion (BB&T - 007)	(305,396.64)	(1,000,000.00)	(988,602.78)	(991,666.66)	(987,499.99)	(983,333.32)	(979,166.65)	(974,999.98)	(970,833.31)	(966,666.64)	(962,499.97)	(958,333.30)	(954,166.63)	(924,858.91)
67	2245000 BB&T Loan	-	-	-	(741,000.00)	(741,000.00)	(741,000.00)	(741,000.00)	(1,812,013.97)	(2,056,660.47)	(2,364,951.51)	(2,500,000.00)	(2,500,000.00)	(2,500,000.00)	(1,284,432.77)
68	2711000 Contribution to Construction (Capacity Reserve)	#####	#####	#####	#####	#####	#####	#####	(10,211,412.59)	(10,644,504.99)	(10,659,044.49)	(10,687,043.49)	(10,852,787.49)	(10,399,385.49)	(10,399,385.49)
69	2719000 CIAC - Legal Fees	10,827.02	10,827.02	10,827.02	10,827.02	10,827.02	10,827.02	10,827.02	10,827.02	10,827.02	10,827.02	10,827.02	10,827.02	10,827.02	10,827.02
70	2721000 Accumulated Amortization - CIAC	3,544,814.00	3,544,814.00	3,544,814.00	3,544,814.00	3,544,814.00	3,544,814.00	3,897,220.00	3,897,220.00	3,897,220.00	3,897,220.00	3,897,220.00	3,897,220.00	3,897,220.00	3,734,571.08
71	2010000 Common Stock	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)
72	2111000 Capital Investment - SH Contribution	(1,770,205.03)	(1,770,205.03)	(2,300,205.03)	(2,300,205.03)	(3,400,205.03)	(3,400,205.03)	(3,400,205.03)	(3,400,205.03)	(3,400,205.03)	(3,400,205.03)	(4,022,644.79)	(4,221,137.79)	(5,221,137.79)	(3,371,377.19)
73	2121000 Distributions	-	-	-	-	-	-	-	-	-	622,439.76	820,932.76	840,932.76	860,932.76	241,941.39
74	2151000 Prior Year Adjustments	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58	409,418.58
75	Retained Earnings	862,846.23	862,846.23	862,846.23	862,846.23	862,846.23	862,846.23	862,846.23	754,383.42	754,383.42	754,383.42	754,383.42	754,383.42	754,383.42	812,786.47
76	Net Income	\$ 35,292.00	\$ 101,324.65	\$ 132,511.88	\$ 203,805.63	\$ 257,446.38	\$ 284,166.15	\$ 108,462.81	\$ 21,621.24	\$ 33,195.14	\$ 68,894.63	-\$ 30,243.24	-\$ 14,127.53	-\$ 215,876.24	
77															

Pro Forma Plant Additions & Retirements

	<u>CAP OR</u>	<u>NARUC</u>	<u>Plant</u>		<u>Depr</u>	<u>Accum Depr</u>
Sewer						
Additions:						
Replace Lift Station		354.4	146,393	3.33%	4,875	(2,437)
Install Vacuum Pits and Lines		361.2		2.22%		
WWTP Rehabilitation		380.4	1,104,764	5.56%	61,425	(30,712)
Chlorine Contact Chamber		380.4	1,071,814	5.56%	59,593	(29,796)
Generator		380.4	321,006	5.56%	17,848	(8,924)
Tow behind generator		371.3	83,470	5.56%	4,641	(2,320)
Telephone System		390.7	15,000	16.67%	2,501	(1,250)
Service Truck with Crane		391.7	74,174	16.67%	12,365	(6,182)
New Office		354.5	288,000	3.33%	9,590	(4,795)
Cheerington Beachcleaner / Sifter		395.7	44,300	8.33%	3,690	(1,845)
					<u>176,527</u>	<u>(88,264)</u>
Lift Station - Retirement		354.4			-	-
Chlorine Contact Chamber- Retirement		380.4				
Vacuum Structure - Retirement		361.2	(390,285)		\$ (4,293)	
Cheerington Beachcleaner / Sifter		395.7	(36,443)		\$ (3,037)	
Sludge Drying Beds (from CWIP)		380.4	15,450	5.56%	859	(430)

Projects added to the test year
 For Annualizing Depreciation

	<u>Plant</u>	<u>Life</u>	<u>Annual Depr</u>	<u>Adjustments</u>		
				<u>Accum Depr</u>	<u>Depr Exp</u>	
354.4 Structures & Improvements	3,824,162	30	127,472	63,736	95,604	added March 2017
360.2 Collec Sewer Force	230,338	30	7,678	3,839	4,479	added January 2017
364.2 Flow Measuring Devices	78,652	5	15,730	7,865	11,798	added March 2017
371.3 Pumping Equipment	19,047	18	1,058	529	617	added January 2017
371.3 Pumping Equipment	3,064	18	170	85	142	added in April 2017
371.3 Pumping Equipment	2,109	18	117	59	107	added in May 2017
371.3 Pumping Equipment	3,267	18	181	91	181	added in June 2017
				<u>764</u>	<u>1,048</u>	
375.6 Reuse Trans/Dist	202,754	43	4,715	2,358	2,751	added January 2017
380.4 Treatment & Disposal Equipment	22,516	18	1,251	625	834	added February 2017
380.4 Treatment & Disposal Equipment	1,591,112	18	88,395	44,198	66,296	added March 2017
380.4 Treatment & Disposal Equipment	2,013	18	112	56	93	added in April 2017
380.4 Treatment & Disposal Equipment	2,605	18	145	72	133	added in May 2017
				<u>44,951</u>	<u>67,356</u>	
381.4 Plant Sewers	100,100	35	2,860	1,430	2,145	added March 2017
390.7 Office Furniture	3,918	15	261	132	131	added December 2016
	<u>6,085,658</u>					
				<u>125,074</u>	<u>185,311</u>	

ATTACHMENT 33

KWRU RESPONSE TO CITIZENS' REQUEST

FOR PRODUCTION OF DOCUMENTS NO. 39

CONSTRUCTION DRAWINGS FOR THE MODULAR

OFFICE REFERENCED IN CAJ-21

39. O&M Expenses. Please refer to MFR Volume 1, Schedule B-8. Please provide a similar schedule showing the 2017 actual calendar year amounts.

RESPONSE: The requested schedule is provided within folder “39”, produced herewith. Please note that amounts after June 30, 2017, have not been audited and are preliminary, based on KWRU’s allocation of expenses.

~~40. Affiliate Charges. Please identify all amounts paid to affiliates included in the test year by account number.~~

~~**RESPONSE:** The amounts are provided, by account number, within the documents included within folder “40”, produced herewith.~~

~~41. Salaries and Wages. Please refer to Page 15, Lines 4-5 of Christopher Johnson's testimony. For each of the last five years ended December 31: Identify the number of employees that were a) hired, b) resigned c) retired, and d) were terminated.~~

RESPONSE:

Type	2013	2014	2015	2016	2017
Hired	3	4	8	8	11
Resigned	1	5	7	1	8
Retired	0	0	0	0	1
Terminated	0	0	2	5	2

No.	Account No. and Name	FY2017
1	701 Salaries & Wages - Employees	\$ 841,120
3	704 Employee Pensions & Benefits	160,549
5	711 Sludge Removal Expense	123,288
6	715 Purchased Power	201,350
8	718 Chemicals	127,314
9	720 Materials & Supplies	153,355
10	731 Contractual Services - Engr.	16,131
11	732 Contractual Services - Acct.	25,898
12	733 Contractual Services - Legal	21,028
13	734 Contractual Services - Mgmt. Fees	17,097
14	735 Contractual Services - Testing	15,374
15	736 Contractual Services - Other	-
16	741 Rental of Building/Real Prop.	5,962
17	742 Rental of Equipment	53,829
18	750 Transportation Expenses	27,756
20	757 Insurance - General Liability	54,996
21	758 Insurance - Workman's Comp.	28,860
23	760 Advertising Expense	10,873
26	770 Bad Debt Expense	2,443
27	775 Miscellaneous Expenses	53,232
	701 Payroll Taxes	68,700
29	TOTAL	\$ <u>2,009,153.96</u>

ATTACHMENT 34

**KWRU RESPONSE TO CITIZENS' REQUEST
FOR PRODUCTION OF DOCUMENTS NO. 59**

HURRICANE COSTS

~~8. Unless otherwise stated, each of these general objections applies to each of the numbered Requests set forth below and should be deemed related for each numbered Request. All responses are made subject to and without waiver of these general objections. Where specific objections are raised, those objections are raised in addition and not to the exclusion of these general objections.~~

REQUEST FOR CONFERRAL PRIOR TO MOTION PRACTICE

~~Undersigned counsel respectfully requests conferral prior to the filing of any motion directed to the following Response to Request for Production. It is possible that KWRU interpreted one or more Requests differently from its intent, or that certain detail requested was inadvertently not provided. KWRU intends to cooperate with the discovery process and to tender all information which it is legally required to tender.~~

RESPONSES TO OPC'S AMENDED FOURTH REQUEST FOR PRODUCTION OF DOCUMENTS

DOCUMENTS REQUESTED

~~54. Flows. Please Refer to MFRS Volume III. Please provide copies of the DEP Discharge Monitoring Reports for the months July—December 2017.~~

~~**RESPONSE:** Documents responsive to this Request are produced within folder “54”, produced herewith.~~

~~55. Temporary Office Space. Please refer to Page 10 of Christopher Johnson's testimony, Lines 10-17. Please provide all documentation and support for the \$6,000 identified on Line 12 for the company's installation costs and the \$1,000 identified on Line 15 for the monthly lease for space for the accounting and billing functions.~~

~~**RESPONSE:** Documents responsive to this Request are produced within folder “55”, produced herewith.~~

~~59. Estimated Outstanding Hurricane invoices. Please refer to page 12 of Christopher Johnson's testimony, Lines 6-8. Please provide all documentation, support, and calculations supporting the \$15,000 estimated outstanding invoices.~~

RESPONSE: Documents responsive to this Request are provided within file “59”, produced herewith.

~~62. Incentive Compensation. Please provide complete copies of any incentive compensation plans, bonus programs or other incentive award programs in effect at the company for the test year, and each of the years **2013 2015** through 2017.~~

~~**RESPONSE:** Documents responsive to this Request are provided within folder “62”, produced herewith. Please also see KWRU’s response to OPC Interrogatory 101, served simultaneously herewith.~~

~~65. Pension & Benefits. Please provide all documentation supporting the new pension plan the company proposes to implement.~~

~~**RESPONSE:** Documents responsive to this Request are provided within folder “65”, produced herewith.~~

~~66. Insurance. Please refer to the company’s response to OPC Interrogatory No. 8. Please provide any additional documentation regarding the current status of the company’s insurance claim and ongoing negotiations.~~

~~**RESPONSE:** Documents responsive to this Request are provided within folder “66”, produced herewith.~~

~~67. Chemicals. Please refer to Schedule CAJ-4. Please provide all calculations and documents supporting the increased quantities and price increases for chemicals in the test year.~~

11/3/2017

Amazon.com - Order 111-3083970-9104257

amazon.com

Details for Order #111-3083970-9104257

Print this page for your records.

Order Placed: November 3, 2017
Amazon.com order number: 111-3083970-9104257
Order Total: \$154.80

hurricane

Not Yet Shipped

Items Ordered

	Price
2 of: <i>Coaster Home Furnishings Oriental Shoji 4 Panel Folding Privacy Screen Room Divider - Black</i>	\$72.00
Sold by: Amazon.com LLC	

Condition: New

Shipping Address:

Greg Wright
6630 FRONT ST
KEY WEST, FL 33040-6050
United States

Shipping Speed:

Two-Day Shipping

Payment information

Payment Method:

MasterCard | Last digits: 6491

Billing address

Greg Wright
6630 FRONT ST
KEY WEST, FL 33040-6050
United States

Item(s) Subtotal: \$144.00-
Shipping & Handling: \$0.00

Total before tax: \$144.00
Estimated tax to be collected: \$10.80

Grand Total: \$154.80

To view the status of your order, return to [Order Summary](#).

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MODSPACE
 1200 SWEDESFORD RD.
 BERWYN, PA 19312

Return Service Requested

INVOICE

hurricane
Remittance Section

Customer Number 1465890
 Invoice Number 502276628
 Invoice Date 12/21/2017
Due Date
Please Pay This Amount **Due Upon Receipt**
\$ 552.55

Amount Enclosed: \$ _____

Make Checks payable to Modular Space Corporation

9764000195 PRESORT 195 1 MB 0.420 P1C2

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

Modular Space Corporation
 12603 Collections Center Drive
 Chicago, IL 60693-0126



0000055255014658900005022766284

Please return this portion with your payment. Do not enclose correspondence.

Important Messages

IMPORTANT MESSAGE

Beginning August 1, 2017, ModSpace will assess late charges when an invoice remains unpaid after sixty (60) days. You can avoid late charges by paying all open invoices before July 31, 2017 and by promptly paying all future invoices.

Access your account, retrieve invoice copies and make a payment 24/7 at ModSpace.com/en/Accounts.



Customer Name:	Kw Resort Utilities Corp	Total Base Amount:	\$ 514.00
Customer Number:	1465890-0001	Total Taxes:	\$ 38.55
Invoice Number:	502276628	Total Due:	\$ 552.55
ModSpace Tax ID:	54-1375284		

DESCRIPTION	CONTRACT NUMBER	PO NUMBER	BILLING PERIOD	AMOUNT	TAX	TOTAL DUE
Project#: Project Name: Office Replacement Contact: Greg Wright Location:6630 Front St Key West FL 33040 Asset(s): 636365 Single 12 wide - 12 x 60 s/n DSI-14269	1671161	Hurricane Irma	12/26/2017 - 1/25/2018			
Rental 3				400.00	30.00	430.00
Asset(s): 636365						
Rental-Steps				90.00	6.75	96.75
Asset(s): 636365						
Rental-Personal Property Exp				24.00	1.80	25.80
Subtotal				514.00		
State Tax					30.84	
County Tax					7.71	
Total Tax					38.55	
Invoice Total						552.55

PLEASE PAY THIS AMOUNT \$ 552.55

KW RESORT UTILITIES CORP.
OPERATING ACCOUNT
P.O. BOX 2125
KEY WEST, FL 33045-2125
PH. 305-295-3301

BRANCH BANKING AND TRUST COMPANY
1-800-BANK BBT BBT.COM

63-9138-2631

PAY TO THE
ORDER OF

Modular Space Corporation

01/03/2018

\$
**552.55

DOLLARS

Five hundred fifty-two and 55/100*****

MEMO
Modular Space Corporation
12603 Collections Center Drive
Chicago, IL 60693-0126



Account
Account

EZShield™ PLUS Check Fraud
Protection & ID Restraints

⑈00008212⑈ ⑆263191387⑆ [REDACTED]

KW RESORT UTILITIES CORP.

Date	Type	Reference	Original Amount	Balance Due	Payment
01/03/2018	Bill	502276628	552.55	552.55	552.55
			Check Amount		552.55

8212

1310000 BB&T Opera

552.55

KW RESORT UTILITIES CORP.

Date	Type	Reference	Original Amount	Balance Due	Payment
01/03/2018	Bill	502276628	552.55	552.55	552.55
			Check Amount		552.55

8212

1310000 BB&T Opera

552.55

11/3/2017

Amazon.com - Order 111-8225792-4758606

amazon.com

Details for Order #111-8225792-4758606
Print this page for your records.

Order Placed: November 3, 2017
Amazon.com order number: 111-8225792-4758606
Order Total: \$89.40

Not Yet Shipped

Items Ordered

2 of: *Stand Only Use for Room Divider*
Sold by: Square Furniture ([seller profile](#))

Condition: New
Black color

Price
\$44.70

Shipping Address:

Greg Wright
6630 FRONT ST
KEY WEST, FL 33040-6050
United States

Shipping Speed:

Standard Shipping

Payment information

Payment Method:

MasterCard | Last digits: 6491

Item(s) Subtotal: \$89.40
Shipping & Handling: \$0.00

Billing address

Greg Wright
6630 FRONT ST
KEY WEST, FL 33040-6050
United States

Total before tax: \$89.40
Estimated tax to be collected: \$0.00

Grand Total: \$89.40

To view the status of your order, return to [Order Summary](#).

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INVOICE

B.R.I.A.N. Inc.

P.O. Box 478
 Lake Hamilton, FL 33851
 863-438-9356
stephenstechnologies@yahoo.com

INVOICE NO. 14208-3
DATE January 4, 2018
CUSTOMER PO NONE

hurricane

Key West Resort Utilities
 6630 Front Street
 Key West, FL 33040

ATTENTION	JOB	PAYMENT TERMS		DUE DATE
Chris Johnson	Vacume Blvd	Net 30		February 3, 2018
DESCRIPTION		QUANTITY	RATE	TOTAL
Clean Out & Mulch Bed				
Vac Truck		9.00	250.00	2,250.00
<p><i>We do expect payment within terms, so please process this invoice within that time. There will be a 1.8% interest charge per month on late payments. You are responsible for all local, state, federal taxes and fees pertaining to your area.</i></p>		<p>SUBTOTAL \$ 2,250.00</p> <p>SALES TAX</p> <p>TOTAL \$ 2,250.00</p>		

THANK YOU FOR YOUR BUSINESS!

8268

KW RESORT UTILITIES CORP.
OPERATING ACCOUNT
 P.O. BOX 2125
 KEY WEST, FL 33045-2125
 PH. 305-295-3301

BRANCH BANKING AND TRUST COMPANY
 1-800-BANK BBT BBT.COM

63-9138-2631

PAY TO THE
 ORDER OF

B.R.I.A.N. Inc.

01/22/2018

\$
 **2,250.00

DOLLARS

Two thousand two hundred fifty and 00/100*****

B.R.I.A.N. Inc.
 P.O. Box 478
 Lake Hamilton, FL 33851

MEMO



Handwritten signature: G. W. ...
Handwritten signature: ...

ESNield® PLUS Check Fraud
 Protection & ID Restoration

⑈00008 268⑈ ⑆263 19 138 7⑆

KW RESORT UTILITIES CORP.

8268

Date	Type	Reference	Original Amount	Balance Due	Payment
01/04/2018	Bill	14208-3	2,250.00	2,250.00	2,250.00
			Check Amount		2,250.00

1310000 BB&T Opera

2,250.00

KW RESORT UTILITIES CORP.

Date	Type	Reference	Original Amount	Balance Due	Payment
01/04/2018	Bill	14208-3	2,250.00	2,250.00	2,250.00
			Check Amount		2,250.00

1310000 BB&T Opera

2,250.00

7360600 VB

FERGUSON
 WATERWORKS

1950 NW 18TH STREET
 POMPANO BEACH, FL 33069-1394

INVOICE NUMBER	TOTAL DUE	CUSTOMER	PAGE
0800233-1	\$68.80	40362	1 of 1

PLEASE REFER TO INVOICE NUMBER WHEN
 MAKING PAYMENT AND REMIT TO:

FEI-POMPANO BEACH, FL WW #125
 PO BOX 100286
 ATLANTA, GA 30384-0286

Please contact with Questions: 954-973-8100

hurricane

6087 1 AB 0.403 E0036X I0066 D2849763639 S2 P4749459 0001:0002



K W RESORT UTILITIES CORP
 PO BOX 2125
 KEY WEST FL 33045-2125

SHIP TO:

K W RESORT UTILITIES CORP
 6330 FRONT STREET
 KEY WEST, FL 33040

SHIP WHSE.	SELL WHSE.	TAX CODE	CUSTOMER ORDER NUMBER	SALESMAN	JOB NAME	INVOICE DATE	BATCH IO
1216	1216	FL2MON	GREG	414	STOCK	10/20/17	102774
ORDERED	SHIPPED	ITEM NUMBER	DESCRIPTION		UNIT PRICE	UM	AMOUNT
4	4	P80S9P	4 PVC S80 SXS 90 ELL		16.000	EA	64.00
							INVOICE SUB-TOTAL
							84.00
							TAX
						Monroe	4.80
<p>***** LEAD LAW WARNING: IT IS ILLEGAL TO INSTALL PRODUCTS THAT ARE NOT "LEAD FREE" IN ACCORDANCE WITH US FEDERAL OR OTHER APPLICABLE LAW IN POTABLE WATER SYSTEMS ANTICIPATED FOR HUMAN CONSUMPTION PRODUCTS WITH "NP IN THE DESCRIPTION ARE NOT LEAD FREE AND CAN ONLY BE INSTALLED IN NON-POTABLE APPLICATIONS. BUYER IS SOLELY RESPONSIBLE FOR PRODUCT SELECTION. *****</p>							
<p>Our thoughts are with those affected by our most recent natural disasters. For storm clean up and preparation products, please call our special products hotline at (888) 334-0004.</p>						<p>FERGUSON</p>	

TERMS: NET 10TH PROX ORIGINAL INVOICE TOTAL DUE \$68.80

All past due amounts are subject to a service charge of 1.5% per month, or the maximum allowed by law, if lower. If Buyer fails to pay within terms, then in addition to other remedies, Buyer agrees to pay Seller all costs of collection, including reasonable attorney fees. Complete terms and conditions are available upon request or at http://wolseley.com/terms_conditionsSale.html and are incorporated by reference. Seller may convert checks to ACH.

0001:0002

KWRU 016161



FEI-MIAMI WATERWORKS #1216
 10810 S.W. 184TH ST.
 MIAMI, FL 33157-6737

PH: 786-573-7140 FAX: 305-969-0361

ORDER NO. 0800233-1 REQUIRED DATE 10/19/17 SHIP WHS. 1216 SELL WHS. 1216

STOCK SALES ORDER

ACCEPT B/O = Y
 SHOWROOM = N
 SOURCE = SOE
 IB FRT = Y 0.0
 OB SHP = N 0.0
 18 OCT 2017 08:06:1

WRITER SALESMAN
 DVP 414
 TAG PO. NO.

CUSTOMER NO. 40362	CUSTOMER ALPHA KWRESORTU	CONTRACT NO.	BID NO.	ORDER DATE 10/11/17	ORDERED BY	INSTRUCTIONS SHIP TUESDAY LAST ITEM WILL BE ON UPS TRUCK MONDAY Tool Box	OML CONTACT Drew Petonick
S K W RESORT UTILITIES CORP PO BOX 2125 KEY WEST, FL 33040		S K W RESORT UTILITIES CORP 6330 FRONT STREET KEY WEST, FL 33040		SHIP VIA OT OUR TRUCK		VENDOR VENDOR P.O. NO.	
CUST PH: 305-295-3301		ATTN:		SHIP WT.		ROUTE NO. RUN NO. DEPART	
CUSTOMER P.O. NO. GREG		JOB NAME STOCK		SHIP DATE		ROUTE DESC.	

LINE	ORDER QTY	SHIP QTY	ITEM CODE	DESCRIPTION	UNIT PRICE	U/M	TOTAL	P.O. NO.	ASLE LOC
1	4	4	P80S9P	4 PVC S80 SXS 90 ELL		EA		T1216-1279	W9AH
								2.9 lb	

*Hurricane
for Temp
Trailer 10/19/17
-OT*

***** LEAD LAW WARNING: It is illegal to install products that are not "lead free" in accordance with US Federal or other applicable law in potable water systems anticipated for human consumption. Products with *NP in the description are NOT lead free and can only be installed in non-potable applications. Buyer is solely responsible for product selection. NO RETURNS ALLOWED WITHOUT PROPER AUTHORIZATION. RETURNED MATERIALS SUBJECT TO HANDLING CHARGES. SEE REVERSE SIDE FOR IMPORTANT TERMS AND CONDITIONS OF SALE AND LIMITATIONS OF WARRANTY.										
SUBTOTAL				MIBOUND FREIGHT		OUTBOUND SHIPPING		TAX	LESS DEPOSIT	TOTAL DUE

CUSTOMER'S SIGNATURE:

DATE:

TERMS:

CUSTOMER COPY

KWRU016102

Page 183 of 280

Docket No. 20170141-SU
 Composite Exhibit: Discovery
 and Other References
 Exhibit HWS-2

7180510 VB

FERGUSON
 WATERWORKS
 1950 NW 18TH STREET
 POMPANO BEACH, FL 33069-1394

INVOICE NUMBER	TOTAL DUE	CUSTOMER	PAGE
0801233	\$459.56	40362	1 of 1

PLEASE REFER TO INVOICE NUMBER WHEN
 MAKING PAYMENT AND REMIT TO:

FEI-POMPANO BEACH, FL WW #125
 PO BOX 100286
 ATLANTA, GA 30384-0286

Please contact with Questions: 954-973-8100

hurricane

8087 1 AB 0.403 E0036 I0067 D2949763665 S2 P4749459 0002:0002



K W RESORT UTILITIES CORP
 PO BOX 2125
 KEY WEST FL 33045-2125

SHIP TO:

K W RESORT UTILITIES CORP
 6330 FRONT STREET
 KEY WEST, FL 33040

SHIP WHSE.	SELL WHSE.	TAX CODE	CUSTOMER ORDER NUMBER	SALESMAN	JOB NAME	INVOICE DATE	BATCH	
1216	1216	FL2MON	GREG	414	STOCK	10/20/17	IO 102774	
ORDERED	SHIPPED	ITEM NUMBER	DESCRIPTION		UNIT PRICE	UM	AMOUNT	
140	140	P40BEPP20	4X20 FT PVC S40 BE PIPE		250.000	C	350.00	
1	1	MUL040492	4 PVC SWR REC THRD CO PLUG		4.000	EA	4.00	
1	1	P40SFAP	4 PVC S40 SXF ADPT		5.500	EA	5.50	
4	4	P40SMAP	4 PVC S40 SXM ADPT		5.000	EA	20.00	
6	6	P40S9P	4 PVC S40 SXS 90 ELL		8.000	EA	48.00	
INVOICE SUB-TOTAL								427.50
TAX							Monroe	32.06
***** LEAD LAW WARNING: IT IS ILLEGAL TO INSTALL PRODUCTS THAT ARE NOT "LEAD FREE" IN ACCORDANCE WITH US FEDERAL OR OTHER APPLICABLE LAW IN POTABLE WATER SYSTEMS ANTICIPATED FOR HUMAN CONSUMPTION. PRODUCTS WITH "NP" IN THE DESCRIPTION ARE NOT LEAD FREE AND CAN ONLY BE INSTALLED IN NON-POTABLE APPLICATIONS. BUYER IS SOLELY RESPONSIBLE FOR PRODUCT SELECTION. *****								

Our thoughts are with those affected by our most recent natural disasters. For storm clean up and preparation products, please call our special products hotline at (888) 334-0004.



TERMS: NET 10TH PROX	ORIGINAL INVOICE	TOTAL DUE	\$459.56
----------------------	------------------	-----------	----------

All past due amounts are subject to a service charge of 1.5% per month, or the maximum allowed by law, if lower. If Buyer fails to pay within terms, then in addition to other remedies, Buyer agrees to pay Seller all costs of collection, including reasonable attorney fees. Complete terms and conditions are available upon request or at http://wolseley.com/terms_conditionsSale.html and are incorporated by reference. Seller may convert checks to ACH.

0002:0002

KWRU 016163



FEI-MIAMI WATERWORKS #1216
 10810 S.W. 184TH ST.
 MIAMI, FL 33157-6737

PH: 786-573-7140 FAX: 305-969-0361

ACCEPT B/O = Y
 SHOWROOM = N
 SOURCE = SOE
 IB FRT = N
 OB SHP = N
 17 OCT 2017 09:31
 0.0

STOCK SALES ORDER

ORDER NO. 0801233
 REQUIRED DATE 10/19/17
 SHIP WHS. 1216
 SELL WHS. 1216

CUSTOMER NO. 40362	CUSTOMER ALPHA KWRESORTU	CONTRACT NO.	BID NO.	ORDER DATE 10/16/17	ORDERED BY	INSTRUCTIONS SHIP THURSDAY	OML CONTACT Drew Petonick
SK W RESORT UTILITIES CORP PO BOX 2125 KEY WEST, FL 33040 CUST PH: 805-295-3301				SK W RESORT UTILITIES CORP 6330 FRONT STREET KEY WEST, FL 33040		SHIP VIA OT OUR TRUCK	VENDOR R.O. NO.
CUSTOMER P.O. NO. GREG	JOB NAME STOCK	ATTN:	SHIP WT.	SHIP DATE	DELIVERED BY	PACKED BY	CHECKED BY

LINE	ORDER QTY.	SHIP QTY.	ITEM CODE	DESCRIPTION	UNIT PRICE	U/M	TOTAL	P.O. NO.	aisle loc
1	140	140	P40BEP20	4X20 FT PVC S40 BE PIPE		C	210.6 lb		P05A0
2	1	1	MUL040492	4 PVC SWR REC THRD CO PLUG		EA	0.3 lb		R01A0
3	1	1	P40SEAP	4 PVC S40 SXF ADPT		EA	0.9 lb	T1216-1318	SL
4	4	4	P40SMAP	4 PVC S40 SXM ADPT		EA	0.8 lb	T1216-1318	SL
5	6	6	P40S9P	4 PVC S40 SXS 90 ELL		EA	1.7 lb	T1216-1318	W7DR

Handwritten notes:
 Hurricane for Temp Ycaiter 10/19/17
 Tool Box

LEAD LAW WARNING: It is illegal to install products that are not "lead free" in accordance with US Federal or other applicable law in potable water systems anticipated for human consumption. Products with *NP in the description are NOT lead free and can only be installed in non-potable applications. Buyer is solely responsible for product selection.

NO RETURNS ALLOWED WITHOUT PROPER AUTHORIZATION. RETURNED MATERIALS SUBJECT TO HANDLING CHARGES.	SUBTOTAL	INBOUND FREIGHT	OUTBOUND SHIPPING	TAX	LESS DEPOSIT	TOTAL DUE
SEE REVERSE SIDE FOR IMPORTANT TERMS AND CONDITIONS OF SALE AND LIMITATIONS OF WARRANTY.						

CUSTOMER'S SIGNATURE: _____ DATE: _____ TERMS: _____ CUSTOMER COPY

KWRU 016164

KW RESORT UTILITIES CORP.
 OPERATING ACCOUNT
 P.O. BOX 2125
 KEY WEST, FL 33045-2125
 PH. 305-295-3301

BRANCH BANKING AND TRUST COMPANY
 1-800-BANK-BBT BBT.COM

8108

63-9138-2831

PAY TO THE
 ORDER OF

Ferguson Enterprises, Inc

11/21/2017

\$
 1,752.79

DOLLARS

One thousand seven hundred fifty-two and 79/100*****

Ferguson Enterprises, Inc
 FEI-Pompano Beach, FL WW#125
 PO Box 100286
 Atlanta, GA 30384-0286

MEMO



C. J. White
Christina J.

⑈00008108⑈ ⑆ 263191387⑆

KW RESORT UTILITIES CORP.

11/21/2017 Ferguson Enterprises, Inc					8108
Date	Type	Reference	Original Amount	Balance Due	Payment
10/20/2017	Bill	0800233-1	68.80	68.80	68.80
10/20/2017	Bill	0801233	459.56	459.56	459.56
10/25/2017	Bill	0802233	1,224.43	1,224.43	1,224.43
			Check Amount		1,752.79

1310000 BB&T Opera

1,752.79

KW RESORT UTILITIES CORP.

11/21/2017 Ferguson Enterprises, Inc					8108
Date	Type	Reference	Original Amount	Balance Due	Payment
10/20/2017	Bill	0800233-1	68.80	68.80	68.80
10/20/2017	Bill	0801233	459.56	459.56	459.56
10/25/2017	Bill	0802233	1,224.43	1,224.43	1,224.43
			Check Amount		1,752.79

1310000 BB&T Opera

1,752.79



2811 N ROOSEVELT KEY WEST, FL 33040
 305-293-1313 NOW HIRING!

6313 00003 45678 11/03/17 11:40 AM
 CASHIER TYLER

073149988867 16QTSTGBX <A>
 70QT ULTRA LATCH STORAGE BOX
 3@11.97 35.91
 044413271619 80QT BOX <A>
 80QT PREMIUM CLEAR JUMBO BOX
 5@13.97 69.85
 073149149985 106QTLCHBX <A>
 106QT LATCHING BOX - WHITE
 6@14.97 89.82
 648846020334 VAC_FLTR <A> 25.97
 RIDGID FILTER 2-PACK
 665679005277 HVDR430SE <A> 199.00
 HVDR430SE 4.3 CU FT COMPACT REFRIG
 097298015694 ABEAM <A>
 ATOMIC BEAM LED MULTI MODE FLASHLIGH
 2@19.88 39.76
 038698779700 18"X30" MAT <A>
 TM FLOOR SAVER 18"X30" BLACK MAT
 2@9.97 19.94
 648846020723 9GALWDVAC <A> 59.97
 RIDGID 9 GAL WET/DRY VAC
 086364031034 3X5 MAT <A>
 TM ENVIROBACK 3'X5' CHARCOAL MAT
 2@18.47 36.94
 045242363742 M18FUELHAM <A> 299.00
 M18 FUEL HAMMER DRILL KIT
 025582133274 7"DIAGPLIER <A>
 CHANNELLOCK 7" CROSS CUT DIAG PLIER
 3@17.97 53.91
 076174103199 UTILITY KNIFE <A> 12.97
 DEWALT RETRACTABLE UTILITY KNIFE
 045242287000 MILCTBLD50 <A> 14.97
 MILWAUKEE CARTON BLADE 50PC
 023400037315 RASP ADJ <A> 3.28
 RENUZIT ADJ RASPBERRY 7.5OZ 3PK
 046500733437 GLDAERAPLE <A> 1.27
 GLADE AEROSOL APPLE CINNAMON 8 OZ.

SUBTOTAL 962.56
 SALES TAX 72.20
 TOTAL \$1,034.76
 XXXXXXXXXXXX7986 MASTERCARD USD\$.1,034.76
 AUTH CODE 17213Z/6031142 TA
 Chip Read
 AID A0000000041010 MasterCard
 TVR 0000008000
 IAD 0110607003220000F7280000000000
 TSI E800
 ARC 00

P.O.#/JOB NAME: TEMP TRAILOR



KB

Invoice

Invoice Date
10/26/2017

Invoice Number
2100

K W RESORT UTILITIES CORP
 6630 FRONT STREET
 KEY WEST, FL 33040

C & C CONSULTANTS
 P.O. BOX 701340
 ST. CLOUD, FL
 34770-1340
 888-494-9844

Insurance Company	Policy Number	Effective	Expires
ARCH INSURANCE COMPANY	GWPKG0063312	08/13/2017	08/13/2017

Invoice Description	Premium
ADDITION OF LEASED GENERATOR (800 KW GENERATOR - XQ800 NC) TO INSURANCE POLICY	

Description of other charges, payments, etc. applied against this invoice	Amount
MONTHLY INSTALLMENT	167.37
ENDORSEMENT #2 EFFECTIVE 10/12/17	
Balance	167.37

Comments

ADDITIONAL PREMIUM FOR GENERATOR LEASE INSURANCE COVERAGE TO BE CHARGED IN MONTHLY INSTALLMENTS OF \$167.37 FOR THE BALANCE OF THE POLICY PERIOD OR UNTIL THE GENERATOR LEASE IS TERMINATED. TOTAL ADDITIONAL PREMIUM FOR ENDORSEMENT #2 IS \$1,673.67

KWURU 016167

C & C Consultants
Utility Insurance Specialists

November 29, 2017

K.W. Resort Utilities Corp
Mr. Chris Johnson
6630 Front Street
Key West, FL 33040

Policy No: GWPKG0063312/GWFXS0063306
Term: 8/13/17-8/13/18

Dear Chris,

Enclosed is the second installment invoice pertaining to the insurance coverage for the 800 KW Generator (XQ800 NC) being leased by K.W. Resort Utilities Corp through Pantropic Power.

Chris, as discussed, the total additional premium will be invoiced monthly for the balance of the policy term or until the generator lease is terminated.

If you have any questions, please feel free to contact us.

Regards,



Lou Morrison
C&C Consultants

Enclosure

8148

KW RESORT UTILITIES CORP.
 OPERATING ACCOUNT
 P.O. BOX 2125
 KEY WEST, FL 33045-2125
 PH. 305-295-3301

BRANCH BANKING AND TRUST COMPANY
 1-800-BANK BBT BBT.COM

63-9138-2631

PAY TO THE
 ORDER OF

C&C Consultants

12/05/2017

\$
 **334.74

DOLLARS

Three hundred thirty-four and 74/100*****

C&C Consultants
 PO BOX 701340
 St. Cloud, FL 34770-1340

MEMO



C. J. Untch
Clinton

EZShield PLUS Check Fraud
 Protection & ID Restoration

⑈00008148⑈ ⑆263191387⑆

KW RESORT UTILITIES CORP.

12/05/2017		C&C Consultants			8148
Date	Type	Reference	Original Amount	Balance Due	Payment
10/26/2017	Bill	2100	167.37	167.37	167.37
11/29/2017	Bill	2113	167.37	167.37	167.37
Check Amount					334.74

1310000 BB&T Opera

334.74

KW RESORT UTILITIES CORP.

12/05/2017		C&C Consultants			8148
Date	Type	Reference	Original Amount	Balance Due	Payment
10/26/2017	Bill	2100	167.37	167.37	167.37
11/29/2017	Bill	2113	167.37	167.37	167.37
Check Amount					334.74

1310000 BB&T Opera

334.74

Invoice

Invoice Date
 11/29/2017

Invoice Number
 2113

K W RESORT UTILITIES CORP
 6630 FRONT STREET
 KEY WEST, FL 33040

C & C CONSULTANTS
 P.O. BOX 701340
 ST. CLOUD, FL
 34770-1340
 888-494-9844

Insurance Company	Policy Number	Effective	Expires
ARCH INSURANCE COMPANY	GWPKG0063312	08/13/2017	08/13/2018

Invoice Description	Premium
PREMIUM INSTALLMENT #2 - INSURANCE FOR LEASED GENERATOR	

Description of other charges, payments, etc. applied against this invoice	Amount
MONTHLY INSTALLMENT #2	167.37
ENDORSEMENT #2 EFFECTIVE 10/12/17	
Balance	167.37

Comments

ADDITIONAL PREMIUM FOR GENERATOR LEASE INSURANCE COVERAGE TO BE CHARGED IN MONTHLY INSTALLMENTS OF \$167.37 FOR THE BALANCE OF THE POLICY PERIOD OR UNTIL THE GENERATOR LEASE IS TERMINATED. TOTAL ADDITIONAL PREMIUM FOR ENDORSEMENT #2 IS \$1,673.67

C & C Consultants
Utility Insurance Specialists

November 29, 2017

K.W. Resort Utilities Corp
Mr. Chris Johnson
6630 Front Street
Key West, FL 33040

Policy No: GWPKG0063312/GWFXS0063306
Term: 8/13/17-8/13/18

Dear Chris,

Enclosed is the second installment invoice pertaining to the insurance coverage for the 800 KW Generator (XQ800 NC) being leased by K.W. Resort Utilities Corp through Pantropic Power.

Chris, as discussed, the total additional premium will be invoiced monthly for the balance of the policy term or until the generator lease is terminated.

If you have any questions, please feel free to contact us.

Regards,



Lou Morrison
C&C Consultants

Enclosure

8148

KW RESORT UTILITIES CORP.
OPERATING ACCOUNT
 P.O. BOX 2125
 KEY WEST, FL 33045-2125
 PH. 305-295-3301

BRANCH BANKING AND TRUST COMPANY
 1-800-BANK BBT BBT COM

63-9138-2631

PAY TO THE
 ORDER OF

C&C Consultants

12/05/2017

\$
 **334.74

DOLLARS

Three hundred thirty-four and 74/100*****

C&C Consultants
 PO BOX 701340
 St. Cloud, FL 34770-1340

MEMO



C. J. [Signature]
[Signature]

ESN® PLUS Check Fraud
 Protection & ID Recognition

⑈00008148⑈ ⑆263191387⑆

KW RESORT UTILITIES CORP.

12/05/2017		C&C Consultants				8148
Date	Type	Reference	Original Amount	Balance Due	Payment	
10/26/2017	Bill	2100	167.37	167.37	167.37	
11/29/2017	Bill	2113	167.37	167.37	167.37	
		Check Amount			334.74	

1310000 BB&T Opera

334.74

KW RESORT UTILITIES CORP.

12/05/2017		C&C Consultants				8148
Date	Type	Reference	Original Amount	Balance Due	Payment	
10/26/2017	Bill	2100	167.37	167.37	167.37	
11/29/2017	Bill	2113	167.37	167.37	167.37	
		Check Amount			334.74	

1310000 BB&T Opera

334.74

Invoice

Invoice Date
01/11/2018

Invoice Number
2126

K W RESORT UTILITIES CORP
6630 FRONT STREET
KEY WEST, FL 33040

C & C CONSULTANTS
P.O. BOX 701340
ST. CLOUD, FL
34770-1340
888-494-9844

Insurance Company	Policy Number	Effective	Expires
ARCH INSURANCE COMPANY	GEPKG0063312	08/13/2017	08/13/2018

Invoice Description	Premium
PREMIUM INSTALLMENT #3 - INSURANCE FOR LEASED GENERATOR	

Description of other charges, payments, etc. applied against this invoice	Amount
MONTHLY INSTALLMENT #3	167.37

Balance 167.37

Comments

ADDITIONAL PREMIUM FOR GENERATOR LEASE INSURANCE COVERAGE TO BE CHARGED IN MONTHLY INSTALLMENTS OF \$167.37 FOR THE BALANCE OF THE POLICY PERIOD OR UNTIL THE GENERATOR LEASE IS TERMINATED. TOTAL ADDITIONAL PREMIUM FOR ENDORSEMENT #2 IS \$1,673.67

KW RESORT UTILITIES CORP.
OPERATING ACCOUNT
 P.O. BOX 2125
 KEY WEST, FL 33045-2125
 PH. 305-295-3301

BRANCH BANKING AND TRUST COMPANY
 1-800-BANK BBT BBT COM

63-9138-2631

PAY TO THE
 ORDER OF

C&C Consultants

01/31/2018

\$

**167.37

DOLLARS

One hundred sixty-seven and 37/100*****

C&C Consultants
 PO BOX 701340
 St. Cloud, FL 34770-1340

MEMO



[Handwritten Signature]

EZShield™ PLUS Check Fraud Protection & ID Restoration

⑈00008287⑈ ⑆263191387⑆

KW RESORT UTILITIES CORP.

8287

Date	Type	Reference	Original Amount	Balance Due	Payment
01/11/2018	Bill	2126	167.37	167.37	167.37
		Check Amount			167.37

1310000 BB&T Opera

167.37

KW RESORT UTILITIES CORP.

Date	Type	Reference	Original Amount	Balance Due	Payment
01/11/2018	Bill	2126	167.37	167.37	167.37
		Check Amount			167.37

1310000 BB&T Opera

167.37



www.FourStarRentals.com

Four Star Rentals - KW
 305 294-7171 Fax 292-4808
 5216 US Highway 1
 Key West, FL 33040
 RENTED AND/OR SOLD TO

STOCK ISLAND, FL • (305) 294-7171 • FAX (305) 292-4808
 7:30 TO 5PM MON-FRI. • 8AM TO 4PM SAT

CLOSED SUNDAY

CONTRACT NUMBER

204190

DATE AND TIME IN

12/22/2017

DATE AND TIME OUT

12/20/2017

INVOICE NUMBER

332220

8.29 AM

DELIVERED TO

Closed Contract/Invoice

Account #: KWRUTIL
 KW Resort Utilities, Corp
 PO Box 2125
 Key West, FL 33045

(DELIVERY & PICK UP TIMES ARE ESTIMATED)

WRITTEN BY: ALMA
 CHECKED IN BY: 305-295-3301
 AGENT'S NAME: Rob Derryberry
 JOB LOCATION:
 ALMA NUMBER: ERIK
 LICENSE / ID NUMBER: Rob Derryberry
 JOB NO.:
 DATE AND TIME DUE IN: 12/22/2017 9.11 AM
 999999999999XXXXX ITEMS RENTED AND/OR SOLD

Item #	Description	Qty	Out / In	Rates	M	W	D	H	Date & Time In	Amount
CE-492-01	DEMO HAMMER, 16# ELECTRIC	0	1	24H 59.99			2		12/22/2017 8.29 AM	119.98
Quantity RtnD/AmtChgd: 1/ 119.98										

Thank you for choosing Four Star Rentals. We appreciate your business.
 INVOICES ARE DUE UPON RECEIPT

*vacuum station
 bio filter
 rehab
 hurricane*

* EQUIPMENT MUST BE RETURNED CLEAN AND FULL OF FUEL TO AVOID ADDITIONAL CHARGES * ALL WEEKEND RENTALS MUST BE RETURNED BY 9:00 AM MONDAY *

DAMAGE WAIVER CHARGE (DWC) 10.00 % OF RENTAL CHARGE. CUSTOMER MAY, BY INITIALS HEREON, DECLINE BENEFITS OF PARAGRAPH 24 DAMAGE WAIVER, ON REVERSE SIDE OF THIS CONTRACT.

DECLINES
 (INITIALS)

DWC IS NOT INSURANCE. CUSTOMER IS RESPONSIBLE FOR ALL TIRE AND HYDRAULIC HOSE DAMAGE.

WARNING TO ALL CUSTOMERS RENTING AERIAL LIFTS
 OSHA and ANSI require the use of Safety Harnesses/Lanyard during the operation of aerial lifts. Please note the following that pertains to you: * I own my own Safety Harness/Lanyard and will use this equipment when operating the aerial lift. * I am renting a Safety Harness/Lanyard from Four Star Rentals and will use this equipment when operating the aerial lift. * I am purchasing a Safety Harness/Lanyard and will use this equipment when operating the aerial lift. I have been fully instructed in the safety and operation of this aerial lift and have had all my questions about its operation answered to my satisfaction.

Total Rental	119.98
Environmental Fee	1.20
Subtotal	121.18
Sales Tax	9.00
Total	130.18
Less Deposit	0.00
Balance Due	130.18
Amount Posted To A/R	130.18

I have read and understand the terms and conditions on both sides of this agreement. I agree to pay FSR \$250.00 plus court costs or attorney fees and cost, which ever is greater, should collection of this invoice result in litigation. There are no oral or other representations not included herein. Unless declined, I also agree to the damage waiver charges. I have received a copy of this agreement.

Customer's Signature: _____
 Signature of person who will be operating the equipment.

Failure to return rental property or equipment upon expiration of the rental period, and failure to pay all amounts due (including costs for damage to the property or equipment) are prima facie evidence of intent to defraud, punishable in accordance with Section 812.155, Florida Statutes.

Written: 12/20/2017, Last Adj.: 12/22/2017, Time: 08:29

WE CHARGE FOR ALL TIME OUT

Any account that's past due (beyond 30 days) will result in all discounted rentals being invoiced at the full daily rate.

Credit & Debit Card Refunds are posted the same day the contract is closed. Availability of funds may take in excess of 10 business days, depending on your financial institution. Dealer is not liable for any overdraft or bank fees that may result.

Net 30 Day

FSR Please Remit to: 5216 US Hwy 1, Key West, FL 33040

KWRU 016175

8261

KW RESORT UTILITIES CORP.
OPERATING ACCOUNT
 P.O. BOX 2125
 KEY WEST, FL 33045-2125
 PH. 305-295-3301

BRANCH BANKING AND TRUST COMPANY
 1-800-BANK BBT BBT.COM

63-9138-2631

PAY TO THE
 ORDER OF

Four Star Rental

01/17/2018

\$
 **130.18

DOLLARS

One hundred thirty and 18/100*****

MEMO
 Four Star Rental
 5216 US Highway 1
 Key West, FL 33040



Handwritten signature: G. W. ...

EZShield PLUS Check Fraud Protection & ID Restoration

⑈00008261⑈ ⑆263191387⑆

KW RESORT UTILITIES CORP.

01/17/2018		Four Star Rental			8261
Date	Type	Reference	Original Amount	Balance Due	Payment
12/22/2017	Bill	332220	130.18	130.18	130.18
			Check Amount		130.18

1310000 BB&T Opera 130.18

KW RESORT UTILITIES CORP.

01/17/2018		Four Star Rental			8261
Date	Type	Reference	Original Amount	Balance Due	Payment
12/22/2017	Bill	332220	130.18	130.18	130.18
			Check Amount		130.18

1310000 BB&T Opera 130.18

12/20/200

FERGUSON
WATERWORKS

1950 NW 18TH STREET
 POMPANO BEACH, FL 33069-1394



Please contact with Questions: 954-973-8100

hurricane

INVOICE NUMBER	TOTAL DUE	CUSTOMER	PAGE
0813737	\$338.63	40362	1 of 1

**PLEASE REFER TO INVOICE NUMBER WHEN
 MAKING PAYMENT AND REMIT TO:**

FEI-POMPANO BEACH, FL WW #125
 PO BOX 100286
 ATLANTA, GA 30384-0286

1553 1 AB 0.403 E0038 10075 D3166781125 S2 P4941651 0002:0004



K W RESORT UTILITIES CORP
 PO BOX 2125
 KEY WEST FL 33045-2125

SHIP TO:

K W RESORT UTILITIES CORP
 6330 FRONT STREET
 KEY WEST, FL 33040

SHIP WHSE.	SELL WHSE.	TAX CODE	CUSTOMER ORDER NUMBER	SALESMAN	JOB NAME	INVOICE DATE	BATCH	
1216	1216	FL2MON	ROB	414	4"	12/22/17	IO 103422	
ORDERED	SHIPPED	ITEM NUMBER	DESCRIPTION		UNIT PRICE	UM	AMOUNT	
100	100	A04730100BS	4X100 SGL WAL PERF HDPE PIPE W/SOCK		1.250	FT	125.00	
3	3	A0432AA	4 COR HDPE SNAP END CAP		10.000	EA	30.00	
4	4	A0480WT	4 W/TITE WYE		40.000	EA	160.00	
INVOICE SUB-TOTAL								315.00
TAX						Monroe	23.63	
***** LEAD LAW WARNING: IT IS ILLEGAL TO INSTALL PRODUCTS THAT ARE NOT "LEAD FREE" IN ACCORDANCE WITH US FEDERAL OR OTHER APPLICABLE LAW IN POTABLE WATER SYSTEMS ANTICIPATED FOR HUMAN CONSUMPTION PRODUCTS WITH *NP IN THE DESCRIPTION ARE NOT LEAD FREE AND CAN ONLY BE INSTALLED IN NON-POTABLE APPLICATIONS. BUYER IS SOLELY RESPONSIBLE FOR PRODUCT SELECTION.								

Go Paperless - Upgrade to Email Delivery!

You'll receive one email per day with all your invoices attached as a PDF. Contact us with your email address today.



Call us at the number above to switch to email delivery today!

TERMS: NET 10TH PROX	ORIGINAL INVOICE	TOTAL DUE	\$338.63
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All past due amounts are subject to a service charge of 1.5% per month, or the maximum allowed by law, if lower. If Buyer fails to pay within terms, then in addition to other remedies, Buyer agrees to pay Seller all costs of collection, including reasonable attorney fees. Complete terms and conditions are available upon request or at http://wolseley.com/terms_conditionsSale.html and are incorporated by reference. Seller may convert checks to ACH.

Docket No. 20170141-SU
Composite Exhibit: Discovery
and Other References



FEI-MIAMI WATERWORKS #1216
10810 S.W. 184TH ST.
MIAMI, FL 33157-6737

PH: 786-573-7140 FAX: 305-969-0361

ORDER NO. 0813737 REQUIRED DATE 12/21/17 SHIP WHS. 1216 SELL WHS. 1216

STOCK SALES ORDER

ACCEPT B/O = Y
SHOWROOM = N
SOURCE = SOE
IB FRT = N 0.00
OB SHP = N 0.00
20 DEC 2017 10:45

WRITER SALESMA
DVP 414
TAG PO. NO.

KWRU 016178

CUSTOMER NO. 40362	CUSTOMER ALPHA KWRESORTU	CONTRACT NO.	BID NO.	ORDER DATE 12/20/17	ORDERED BY ROB	INSTRUCTIONS PLEASE SHIP THURSDAY	OML CONTACT Drew Petonick
S K W RESORT UTILITIES CORP PO BOX 2125 KEY WEST, FL 33040		S K W RESORT UTILITIES CORP 6330 FRONT STREET KEY WEST, FL 33040		SHIP VIA OT OUR TRUCK			VENDOR
CUST PH: 305-295-3301		ATTN:			SHIP WT.	SHIP DATE	DELIVERED BY
CUSTOMER PO. NO. ROB	JOB NAME 4"	PACKED BY			CHECKED BY		

LINE	ORDER QTY.	SHIP QTY.	ITEM CODE	DESCRIPTION	UNIT PRICE	U/M	TOTAL	PO. NO.	aisle LOC
1	100	100	AO4730100BS	4X100 SGL WAL PERF HDPE PIPE W/SOCK		FT		0.3 lb	RO1A01
2	3	3	AO432AA	4 COR HDPE SNAP- END CAP		EA		0.1 lb	RO7A01
3	4	4	AO480WT	4 W/TITE WYE		EA		0.9 lb	RO7A01

*Collections Vacuum System
Bio Filter Project*

LEAD LAW WARNING: It is illegal to install products that are not "lead free" in accordance with US Federal or other applicable law in potable water systems anticipated for human consumption. Products with *NP in the description are NOT lead free and can only be installed in non-potable applications. Buyer is solely responsible for product selection.

NO RETURNS ALLOWED WITHOUT PROPER AUTHORIZATION. RETURNED MATERIALS SUBJECT TO HANDLING CHARGES. SEE REVERSE SIDE FOR IMPORTANT TERMS AND CONDITIONS OF SALE AND LIMITATIONS OF WARRANTY.	SUBTOTAL	INBOUND FREIGHT	OUTBOUND SHIPPING	TAX	LESS DEPOSIT	TOTAL DUE
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------	-----------------	-------------------	-----	--------------	-----------

CUSTOMER'S SIGNATURE: _____ DATE: _____ TERMS: _____
CUSTOMER COPY

8260

KW RESORT UTILITIES CORP.
OPERATING ACCOUNT
 P.O. BOX 2125
 KEY WEST, FL 33045-2125
 PH. 305-295-3301

BRANCH BANKING AND TRUST COMPANY
 1-800-BANK BBT BBT.COM

63-9138-2631

PAY TO THE
 ORDER OF

Ferguson Enterprises, Inc

01/17/2018

\$
 **338.63

DOLLARS

Three hundred thirty-eight and 63/100*****

Ferguson Enterprises, Inc
 FEI-Pompano Beach, FL WW#125
 PO Box 100286
 Atlanta, GA 30384-0286

MEMO



[Handwritten Signature]

⑈00008260⑈ ⑆263191387

KW RESORT UTILITIES CORP.

01/17/2018

Ferguson Enterprises, Inc

8260

Date	Type	Reference	Original Amount	Balance Due	Payment
12/22/2017	Bill	0813737	338.63	338.63	338.63
			Check Amount		338.63

1310000 BB&T Opera

338.63

KW RESORT UTILITIES CORP.

01/17/2018

Ferguson Enterprises, Inc

8260

Date	Type	Reference	Original Amount	Balance Due	Payment
12/22/2017	Bill	0813737	338.63	338.63	338.63
			Check Amount		338.63

1310000 BB&T Opera

338.63

1308200

FERGUSON®
WATERWORKS

1950 NW 18TH STREET
 POMPANO BEACH, FL 33069-1394



Please contact with Questions: 954-973-8100

INVOICE NUMBER	TOTAL DUE	CUSTOMER	PAGE
0813818	\$32.25	40362	1 of 1

**PLEASE REFER TO INVOICE NUMBER WHEN
 MAKING PAYMENT AND REMIT TO:**

FEI-POMPANO BEACH, FL WW #125
 PO BOX 100286
 ATLANTA, GA 30384-0286

hur name

1553 1 AB 0.403 E0038 I0076 D3166795869 S2 P4941651 0003:0004



K W RESORT UTILITIES CORP
 PO BOX 2125
 KEY WEST FL 33045-2125

SHIP TO:

K W RESORT UTILITIES CORP
 6330 FRONT STREET
 KEY WEST, FL 33040

SHIP WHSE.	SELL WHSE.	TAX CODE	CUSTOMER ORDER NUMBER	SALESMAN	JOB NAME	INVOICE DATE	BATCH	
292	292	FL2MON	ROB	414	4" END CAP	12/21/17	IO 103416	
ORDERED	SHIPPED	ITEM NUMBER	DESCRIPTION		UNIT PRICE	UM	AMOUNT	
1	1	A0432AA	4 COR HDPE SNAP END CAP		10.000	EA	10.00	
							INVOICE SUB-TOTAL	10.00
							FREIGHT	20.00
							TAX	2.25
LEAD LAW WARNING: IT IS ILLEGAL TO INSTALL PRODUCTS THAT ARE NOT "LEAD FREE" IN ACCORDANCE WITH US FEDERAL OR OTHER APPLICABLE LAW IN POTABLE WATER SYSTEMS ANTICIPATED FOR HUMAN CONSUMPTION. PRODUCTS WITH *NP IN THE DESCRIPTION ARE NOT LEAD FREE AND CAN ONLY BE INSTALLED IN NON-POTABLE APPLICATIONS. BUYER IS SOLELY RESPONSIBLE FOR PRODUCT SELECTION.								

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Call us at the number above to switch to email delivery today!

TERMS: NET 10TH PROX	ORIGINAL INVOICE	TOTAL DUE	\$32.25
----------------------	------------------	-----------	---------

All past due amounts are subject to a service charge of 1.5% per month, or the maximum allowed by law, if lower. If Buyer fails to pay within terms, then in addition to other remedies, Buyer agrees to pay Seller all costs of collection, including reasonable attorney fees. Complete terms and conditions are available upon request or at http://wolseley.com/terms_conditionsSale.html and are incorporated by reference. Seller may convert checks to ACH.



FEI-MIAMI WATERWORKS #292
 1851 NW 62ND STREET
 CORAL, FL 33166-3538

PHONE: 305-716-2889 FAX: 305-969-0361
 ORDER NO. REQUIRED DATE SHIP WHS. SELL WHS.

STOCK SALES ORDER

ACCEPT B/O = Y
 SHOWROOM = N
 SOURCE = SOE
 IB FRT = Y 20.00
 DB SHP = N 0.00
 20 DEC 2017 13:59:37

WRITER SALESMAN
 DVP 414

TAG RO. NO.

OML CONTACT
 Drew Petenick

VENDOR

VENDOR RO. NO.

ROUTE NO. RUN NO. DEPART TIME

ROUTE DESC.

PACKED BY CHECKED BY

KWRU 016181

CUSTOMER NO. 0362	CUSTOMER ALPHA KWRESORTU	CONTRACT NO. 12/21/17	BID NO. 292	ORDER DATE 292	ORDERED BY
----------------------	-----------------------------	--------------------------	----------------	-------------------	------------

S W RESORT UTILITIES CORP
O BOX 2125
L EY WEST, FL 33040
D
T
O

S W RESORT UTILITIES CORP
H 6330 FRONT STREET
I P
P KEY WEST, FL 33040
T
O

CUSTOMER P.O. NO. 08	JOB NAME 6" END CAP	ATTN:
-------------------------	------------------------	-------

INSTRUCTIONS					
SHIP VIA UPS UPS GROUND SERVICE					
PCS	BAGS	BOXES	CRATES	LENGTHS	BUNDLES
SHIP WT. SHIP DATE DELIVERED BY					

LINE	ORDER QTY.	SHIP QTY.	ITEM CODE	DESCRIPTION	UNIT PRICE	U/M	TOTAL	P.O. NO.	aisle LOC
2	1	1	40432AA	4 COR HDPE SNAP END CAP		EA			X01A02
								U.I. ID	

*Vacuum station
 biofilter project*

AD LAW WARNING: It is illegal to install products that are not "lead free" in accordance with US Federal or other applicable law in potable water systems anticipated for human consumption. Products with *NF in the description are NO lead free and can only be installed in non-potable applications. Buyer is solely responsible for product selection.

NO RETURNS ALLOWED WITHOUT PROPER AUTHORIZATION. RETURNED MATERIALS SUBJECT TO HANDLING CHARGES. SEE REVERSE SIDE FOR IMPORTANT TERMS AND CONDITIONS OF SALE AND LIMITATIONS OF WARRANTY.	SUBTOTAL	INBOUND FREIGHT	OUTBOUND SHIPPING	TAX	LESS DEPOSIT	TOTAL DUE
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------	-----------------	-------------------	-----	--------------	-----------

CUSTOMER'S SIGNATURE: _____

DATE: _____

TERMS:

CUSTOMER COPY

Docket No. 20170141-SU
 Composite Exhibit: Discovery
 and Other References

Exhibit HWS-2
 Page 202 of 280

KW RESORT UTILITIES CORP.
OPERATING ACCOUNT
P.O. BOX 2125
KEY WEST, FL 33045-2125
PH. 305-295-3301

BRANCH BANKING AND TRUST COMPANY
1-800-BANK BBT BBT.COM

63-9138-2631

PAY TO THE
ORDER OF

Ferguson Enterprises, Inc

01/12/2018

\$

**32.25

DOLLARS **8238**

Thirty-two and 25/100*****

MEMO

Ferguson Enterprises, Inc
FEI-Pompano Beach, FL WW#125
PO Box 100286
Atlanta, GA 30384-0286



Handwritten signature in blue ink.

EMV® PLUS Check Fraud
Protection & ID Restoration



MP

⑈00008238⑈ ⑆263191387⑆

KW RESORT UTILITIES CORP.

8238

Date	Type	Reference	Original Amount	Balance Due	Payment
01/12/2018	Bill	0813818	32.25	32.25	32.25
			Check Amount		32.25

1310000 BB&T Opera

32.25

KW RESORT UTILITIES CORP.

Date	Type	Reference	Original Amount	Balance Due	Payment
01/12/2018	Bill	0813818	32.25	32.25	32.25
			Check Amount		32.25

8238

1310000 BB&T Opera

32.25

750200

FERGUSON®

WATERWORKS
 1950 NW 18TH STREET
 POMPANO BEACH, FL 33069-1394



Please contact with Questions: 954-973-8100

humane

INVOICE NUMBER	TOTAL DUE	CUSTOMER	PAGE
0814294	\$220.38	40362	1 of 1

**PLEASE REFER TO INVOICE NUMBER WHEN
 MAKING PAYMENT AND REMIT TO:**

FEI-POMPANO BEACH, FL WW #125
 PO BOX 100286
 ATLANTA, GA 30384-0286

1418 1 AB 0.403 E0031X I0061 D3179256853 S2 P4959225 0001:0001



K W RESORT UTILITIES CORP
 PO BOX 2125
 KEY WEST FL 33045-2125

SHIP TO:

K W RESORT UTILITIES CORP
 6330 FRONT STREET
 KEY WEST, FL 33040

SHIP WHSE.	SELL WHSE.	TAX CODE	CUSTOMER ORDER NUMBER	SALESMAN	JOB NAME	INVOICE DATE	BATCH
1216	1216	FL2MON	ROB	414	4"	12/28/17	IO 103461
ORDERED	SHIPPED	ITEM NUMBER	DESCRIPTION		UNIT PRICE	UM	AMOUNT
100	100	A04730100BS	4X100 SGL WAL PERF HDPE PIPE W/sock		1.250	FT	125.00
2	2	A0480WT	4 W/TITE WYE		40.000	EA	80.00
						INVOICE SUB-TOTAL	205.00
						TAX	15.38
***** LEAD LAW WARNING: IT IS ILLEGAL TO INSTALL PRODUCTS THAT ARE NOT "LEAD FREE" IN ACCORDANCE WITH US FEDERAL OR OTHER APPLICABLE LAW IN POTABLE WATER SYSTEMS ANTICIPATED FOR HUMAN CONSUMPTION. PRODUCTS WITH *NP IN THE DESCRIPTION ARE NOT LEAD FREE AND CAN ONLY BE INSTALLED IN NON-POTABLE APPLICATIONS. BUYER IS SOLELY RESPONSIBLE FOR PRODUCT SELECTION.							

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Call us at the number above to switch to email delivery today!

TERMS: NET 10TH PROX	ORIGINAL INVOICE	TOTAL DUE	\$220.38
----------------------	------------------	-----------	----------

All past due amounts are subject to a service charge of 1.5% per month, or the maximum allowed by law, if lower. If Buyer fails to pay within terms, then in addition to other remedies, Buyer agrees to pay Seller all costs of collection, including reasonable attorney fees. Complete terms and conditions are available upon request or at http://wolseley.com/terms_conditionsSale.html and are incorporated by reference. Seller may convert checks to ACH.

KWRU 016183

Docket No. 20170141-SU
Composite Exhibit: Discovery
and Other References



FEI-MIAMI WATERWORKS #1216
10810 S.W. 184TH ST.
MIAMI, FL 33157-6737

PH: 786-573-7140 FAX: 305-969-0361

ORDER NO. 0814294 REQUIRED DATE 12/28/17 SHIP WHS. 1216 SELL WHS. 1216

STOCK SALES ORDER

ACCEPT B/O = Y
SHOWROOM = N
SOURCE = SOE
IB FRT = N 0.00
OB SHP = N 0.00
26 DEC 2017 09:28

WRITER DVP SALESMAN 414

TAG PO. NO.

OML CONTACT
Drew Petonick

VENDOR

VENDOR P.O. NO.

ROUTE NO. RUN NO. DEPART TIME

ROUTE DESC.

PACKED BY CHECKED BY

CUSTOMER NO. 40362	CUSTOMER ALPHA KWRESORTU	CONTRACT NO.	BID NO.	ORDER DATE 12/26/17	ORDERED BY	INSTRUCTIONS
S K W RESORT UTILITIES CORP PO BOX 2125 KEY WEST, FL 33040 CUST PH: 305-295-3301			S K W RESORT UTILITIES CORP 6330 FRONT STREET KEY WEST, FL 33040			SHIP VIA OT OUR TRUCK

CUSTOMER P.O. NO. ROB	JOB NAME 4"	ATTN:	SHIP WT.	SHIP DATE 12/27/17	DELIVERED BY mgue
--------------------------	----------------	-------	----------	-----------------------	----------------------

LINE	ORDER QTY.	SHIP QTY.	ITEM CODE	DESCRIPTION	UNIT PRICE	U/M	TOTAL	PO. NO.	aisle LOC
1	100	100	A04730100BS	4X100 SGL WAL PERF HDPE PIPE W/SOCK		FT			RO1A01
2	2	2	A0480WT	4 W/TITE WYE		EA		0.3 lb	RO7A01
								0.9 lb	

*Collection system
vacuum biofilter
Project*

LEAD WARNING: It is illegal to install products that are not "Lead Free" in accordance with US Federal or other applicable law in potable water systems anticipated for human consumption. Products with *NP in the description are NOT lead free and can only be installed in non-potable applications. Buyer is solely responsible for product selection.

NO RETURNS ALLOWED WITHOUT PROPER AUTHORIZATION. RETURNED MATERIALS SUBJECT TO HANDLING CHARGES. SEE REVERSE SIDE FOR IMPORTANT TERMS AND CONDITIONS OF SALE AND LIMITATIONS OF WARRANTY.	SUBTOTAL	INBOUND FREIGHT	OUTBOUND SHIPPING	TAX	LESS DEPOSIT	TOTAL DUE
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------	-----------------	-------------------	-----	--------------	-----------

CUSTOMER'S SIGNATURE: *[Signature]* DATE: *12/28/17*

TERMS:

CUSTOMER COPY

KWRU 016184

8262

KW RESORT UTILITIES CORP.
OPERATING ACCOUNT
 P.O. BOX 2125
 KEY WEST, FL 33045-2125
 PH. 305-295-3301

BRANCH BANKING AND TRUST COMPANY
 1-800-BANK BBT BBT.COM

63-9138-2631

PAY TO THE
 ORDER OF

Ferguson Enterprises, Inc

01/17/2018

\$
 **220.38

DOLLARS

Two hundred twenty and 38/100*****

Ferguson Enterprises, Inc
 FEI-Pompano Beach, FL WW#125
 PO Box 100286
 Atlanta, GA 30384-0286

MEMO



[Handwritten Signature]

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 Protection & ID Verification

⑈00008262⑈ ⑆263191387⑈

KW RESORT UTILITIES CORP.

01/17/2018

Ferguson Enterprises, Inc

8262

Date	Type	Reference	Original Amount	Balance Due	Payment
12/28/2017	Bill	0814294	220.38	220.38	220.38
		Check Amount			220.38

1310000 BB&T Opera

220.38

KW RESORT UTILITIES CORP.

01/17/2018

Ferguson Enterprises, Inc

8262

Date	Type	Reference	Original Amount	Balance Due	Payment
12/28/2017	Bill	0814294	220.38	220.38	220.38
		Check Amount			220.38

1310000 BB&T Opera

220.38



Information Technology Solutions, LLC

INVOICE

ITS Key West
 PO Box 4193
 Key West, Florida 33041

Office Telephone: 305.897.6512
 Email: itskeywest@outlook.com
 Website: www.itskeywestfl.com

**burmark*

Doc Number: 17110003

Date: November 17th, 2017

Consultant: Herbert Ramirez

Company: KW Resort Utilities Corp
 Contact: Christopher Johnson
 Address: 6630 Front Street
 City: Key West
 Email: chris@kwru.com

Telephone: (305) 295-3301
 Mobile: (305) 522-0052
 Fax: (305) 295-0143

State: FL Zip: 33040
 Website: www.kwru.com

HARDWARE, SOFTWARE, AND MATERIALS				PROJECT LABOR ESTIMATE				
JOB DETAILS & ITEMS DESCRIPTIONS		TOTAL	QTY	TOTAL	HR RATE	HRS	TOTAL	PROJECT
1.	10/31/17, 12:00 pm - 1:00 pm - Evaluated temp trailer for telephone & computer hook up. Determined installation day would be Friday 11/3/17 at 9:00 am.				\$95.00	10	\$950.00	\$950.00
2.	11/03/17, 9:00am - 11:00 am & 12:00 pm - 05:00 pm - Arrived to begin computer and telephone installation only to discover that the network hub was non-existent. Pulled new cable for 8 separate locations for telephone and data; each location required two runs for a total of 16 cable runs. The new network hub was now created. Cable roll, patch cables, connectors, 1000 ft Cat5e network cable & 300' ft white coax cable.	\$126.86		\$126.86	\$95.00	7.0	\$665.00	\$791.86
3.	11/05/17, 10:00 am - 11:30 am - Terminated every location in old trailer. Connected each network location and tested both computer and telephone lines in temp trailer for all locations. Problem with one data line, as cable was cut. Repulled; tested as working properly. Next, the Scatter system was not working. Originally two lines (one main - blue and one spare - white) were going to this water line system. That original spare white line was bad; determined a new line needed to be pulled for the AT&T fiber. As a temporary fix, needed to use the line dedicated to the Chatter system on the Scatter system. Verified Scatter system was working; also verified Scatter Control monitoring computer was working properly. Chatter system will need to be addressed on Monday.				\$95.00	13.5	\$1282.50	\$1282.50
4.	11/06/17, 10:00 am - 3:00 pm - Computers were delivered; assisted with workstations installation. Installed cables. Set up copier & printer. Installed patch cables. Discussed Chatter Box issue; determined new cable needed to be run from the old trailer to the temp trailer. This run would be handled by in-house personnel. Patch cables (varying lengths), connectors, connector box & multiple length telephone cords.	\$79.05		\$79.05	\$95.00	5.0	\$475.00	\$554.05
5.	11/08/17, 12:00 pm - 02:00 pm - Was informed that AT&T had installed POTS line earlier in the day. This POTS line was to be an update to the Chatter Box system. However, when trying to connect the new POTS line to the cable run that was installed on Monday, a problem was discovered. Two lines were installed (305-296-4438 & 305-296-4454) in the old trailer; only 305-296-4438 was retained. 305-293-0611 was the original number that connected Chatter Box to the telephone pole. When Comcast was installed, they back-fed that line through the telephone pole back to the Chatter Box. When AT&T came to install the new POTS lines, they unknowingly disconnected the back-fed phone line; that left no connection to the Chatter Box building. To remedy this, AT&T has to remove the POTS line from the incorrect install location, and move to the Chatter Box location. Informed that the cable was ready. Unable to connect Chatter system to the POTS line until AT&T corrects the install location.				\$95.00	20	\$1900.00	\$1900.00

Notes, Summary, & Recommendations

Thank you for your business

Policy:

ITS Key West LLC Invoices are due upon receipt. Additional fees may apply if Payment has not been received within 5 working days, unless prior payment arrangements have been made. An ITS Key West LLC Proposal is a Project Estimate based on information gathered at the time it was created and is valid for 10 working days after it is received. The labor and equipment costs may vary during the physical installation. At any time during the project, ITS Key West Technicians may encounter extenuating circumstances which may alter the initial Project Totals. If these circumstances change the Project Totals by more than 20% the client will be notified immediately and a revised estimate will be issued for the client's approval. ITS Key West requires a deposit to begin work on any Project. Receipt of the Deposit indicates Project Proposal acceptance. Client is responsible for the Balance Due upon Project completion. Any equipment returns will be subject to ITS Key West 15% restocking fees. Not responsible for Data loss due to customer equipment failure and/or lack of current Operating Systems (OS) & Data backups. Regular Business hours for Services are from 8am to 6pm Monday - Saturday, unless arrangements are made in advance. Service Call response time is within 24 hours. Service Call Rate is \$95 per hour. Emergency Service Call response time is within 2 hours. Emergency Service Call Rate incurs an additional \$47.50 per hour. Emergency Services are any that preempt an already scheduled appointment during Regular Business hours or after 8pm Monday - Saturday, Sundays & Holidays.



Information Technology Solutions, LLC

ITS Key West
 PO Box 4193
 Key West, Florida 33041

Office Telephone: 305.897.6512
 Email: itskeywest@outlook.com
 Website: www.itskeywestfl.com

INVOICE

Doc Number: 17110003

Date: November 17th, 2017

Consultant: Herbert Ramirez

Company: KW Resort Utilities Corp
 Contact: Christopher Johnson
 Address: 6630 Front Street
 City: Key West
 Email: chris@kwru.com

Telephone: (305) 295-3301
 Mobile: (305) 522-0052
 Fax: (305) 295-0143

State: FL Zip: 33040
 Website: www.kwru.com

HARDWARE, SOFTWARE, AND MATERIALS			PROJECT LABOR ESTIMATE				
JOB DETAILS & ITEMS DESCRIPTIONS	TOTAL	QTY	TOTAL	HR RATE	HRS	TOTAL	PROJECT
<p>11/15/17, 12:00 pm-01:30 pm – I was informed by Chris that the AT&T circuit was up and ready. Chris believed it was working, because AT&T had told him that, when he connected his laptop, they could see his equipment connection. I arrived to install the AT&T fiber connection in order to alleviate the upload bandwidth issue with Comcast not being 100% in the area. I connected to the Sienna switch. There was no internet connection, therefore there was no DHCP connection. I assumed I just needed IP address information, which AT&T needed to provide. I called AT&T for the static IP address information. Upon calling AT&T, I was connected with a tech named Tyler. He verified he could see my equipment, but he also explained that there were two parts to the fiber installation. Part one had been completed, but part two has not. I forwarded this information to Chris awaiting instructions.</p>				\$95.00	15	\$1425.00	\$1425.00
<p>11/17/17, 01:30 pm -03:30 pm – Earlier in the day, AT&T installed the POTS line to the designated building that houses Chatter Box. I was called to install that connection. I toned the correct telephone line, connected it, and verified that the line was working. I was able to get the Chatter Box to pick up a call, but was unable to have it call out. After several attempts with Greg, and trouble shooting, it was determined the issue was with the Chatter Box call system itself.</p>				\$95.00	20	\$1900.00	\$1900.00
			\$205.91		32.0	\$3,040.00	\$3,245.91
						Tax:	\$15.44
						Shipping:	
						Total:	\$3,261.35

Policy:

ITS Key West LLC Invoices are due upon receipt. Additional fees may apply if Payment has not been received with 5 working days, unless prior payment arrangements have been made. An ITS Key West LLC Proposal is a Project Estimate based on information gathered at the time it was created and is valid for 10 working days after it is received. The labor and equipment costs may vary during the physical installation. At any time during the project, ITS Key West Technicians may encounter extenuating circumstances which may alter the initial Project Totals. If these circumstances change the Project Totals by more than 20% the client will be notified immediately and a revised estimate will be issued for the client's approval. ITS Key West requires a deposit to begin work on any Project. Receipt of the Deposit indicates Project Proposal acceptance. Client is responsible for the Balance Due upon Project completion. Any equipment returns will be subject to ITS Key West 15% restocking fees. Not responsible for Data loss due to customer equipment failure and or lack of current Operating Systems (OS) & Data backups. Regular Business hours for Services are from 8am to 6pm Monday - Saturday, unless arrangements are made in advance. Service Call response time is within 24 hours. Service Call Rate is \$95 per hour. Emergency Service Call response time is within 2 hours. Emergency Service Call Rate incurs an additional \$47.50 per hour. Emergency Services are any that preempt an already scheduled appointment during Regular Business hours or after 8pm Monday - Saturday, Sundays & Holidays.

KW RESORT UTILITIES CORP.
OPERATING ACCOUNT
P.O. BOX 2125
KEY WEST, FL 33045-2125
PH. 305-295-3301

BRANCH BANKING AND TRUST COMPANY
1-800-BANK BBT BBT.COM

8140
63-9138-2631

PAY TO THE
ORDER OF

11/30/2017

\$

Information Technology Solutions, LLC

**3,261.35

DOLLARS

Three thousand two hundred sixty-one and 35/100*****

Information Technology Solutions, LLC
PO Box 4193
Key West, FL 33041



ESSENTIAL PLUS Check Fraud
Protection & ID Protection

MEMO

⑈00008140⑈ ⑆263191387⑆

KW RESORT UTILITIES CORP.

8140

Date	Type	Reference	Original Amount	Balance Due	Payment
11/30/2017					
11/17/2017	Bill	17110003	3,261.35	3,261.35	3,261.35
			Check Amount		3,261.35

1310000 BB&T Opera

3,261.35

KW RESORT UTILITIES CORP.

Date	Type	Reference	Original Amount	Balance Due	Payment
11/30/2017					
11/17/2017	Bill	17110003	3,261.35	3,261.35	3,261.35
			Check Amount		3,261.35

1310000 BB&T Opera

3,261.35



INVOICE
 SEND ALL PAYMENTS TO:
 SUNBELT RENTALS, INC.
 PO BOX 409211
 ATLANTA, GA 30384-9211

hurricane

INVOICE NO.	72107622-0002
ACCOUNT NO.	569243
INVOICE DATE	10/19/17

PAGE 1 of 1

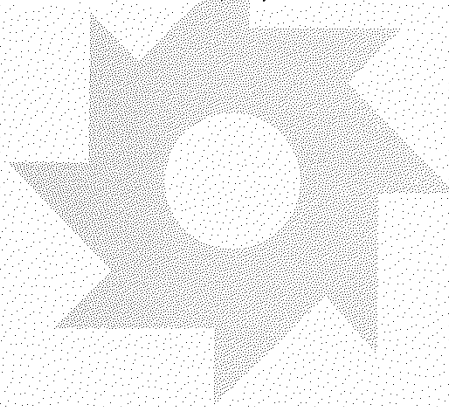
INVOICE TO

RECEIVED BY WRIGHT, GREG	CONTRACT NO. 72107622
PURCHASE ORDER NO. GREG WRIGHT	
JOB NO. 1 - CUSTOMER PICKUP	
BRANCH KEY WEST PC352 5565 SECOND AVE STOCK ISLAND, FL 33040-5945 305-296-2617	

1oz - 3455 - 4359
 KW RESORT UTILITIES CORP
 PO BOX 2125
 KEY WEST FL 33045-2125

JOB ADDRESS
 CUSTOMER PICKUP
 5565 2ND AVE
 KEY WEST, FL 33040 5945
 305-295-0309

QTY	EQUIPMENT #	Min	Day	Week	4 Week	Amount
1	36KW DIESEL GENERATOR 291746 Make: MQ POWER Model: DCA45SSIU4C Ser #: 7204991 HR OUT: 4735.400 HR IN:	250.00	250.00	575.00	1550.00	1550.00
TOTAL: 4735.400						
Rental Sub-total:						1550.00
SALES ITEMS:						
Qty	Item number	Unit	Price			
1	ENVIRONMENTAL ENVIRONMENTAL	EA	38.750	38.75		
1	RENTAL PROTECTION PLAN	EA		232.50		
BILLED FOR FOUR WEEKS 10/03/17 THRU 10/30/17.						



Equipment. Service. Guaranteed.

REMIT TO:

SUNBELT RENTALS, INC.
 PO BOX 409211
 ATLANTA, GA 30384-9211

NET DUE UPON RECEIPT

Invoices not paid within 30 days may be subject
 to a 1-1/2% per month charge.

SUBTOTAL	1,821.25
SALES TAX	119.16
INVOICE TOTAL	1,940.41

KWRU 016189

4 WEEK BILL

KW RESORT UTILITIES CORP.
 OPERATING ACCOUNT
 P.O. BOX 2125
 KEY WEST, FL 33045-2125
 PH. 305-295-3301

BRANCH BANKING AND TRUST COMPANY
 1-800-BANK BBT BBT.COM

8112
 63-9138-2631

PAY TO THE
 ORDER OF

Sunbelt Rentals

11/21/2017

\$
 **1,940.41

DOLLARS

One thousand nine hundred forty and 41/100*****

Sunbelt Rentals
 PO Box 409211
 Atlanta, GA 30384-9211

MEMO



[Handwritten Signature]

Check 21® Plus Check Fraud
 Protection & ID Protection

⑈00008112⑈ ⑆263191387⑆

KW RESORT UTILITIES CORP.

Date	Type	Reference	Original Amount	Balance Due	Payment
11/21/2017		Sunbelt Rentals			8112
10/19/2017	Bill	72107622-0002	1,940.41	1,940.41	1,940.41
		Check Amount			1,940.41

1310000 BB&T Opera

1,940.41

KW RESORT UTILITIES CORP.

Date	Type	Reference	Original Amount	Balance Due	Payment
11/21/2017		Sunbelt Rentals			8112
10/19/2017	Bill	72107622-0002	1,940.41	1,940.41	1,940.41
		Check Amount			1,940.41

1310000 BB&T Opera

1,940.41



INVOICE
SEND ALL PAYMENTS TO:

SUNBELT RENTALS, INC.
 PO BOX 409211
 ATLANTA, GA 30384-9211

INVOICE NO.	72107622-0003
ACCOUNT NO.	569243
INVOICE DATE	11/16/17
PAGE	1 of 1

INVOICE TO

hurricane

10z - 3423 - 4167
 KW RESORT UTILITIES CORP
 PO BOX 2125
 KEY WEST FL 33045-2125

JOB ADDRESS

CUSTOMER PICKUP
 5565 2ND AVE
 KEY WEST, FL 33040 5945
 305-295-0309

RECEIVED BY	CONTRACT NO.
WRIGHT, GREG	72107622
PURCHASE ORDER NO.	
GREG WRIGHT	
JOB NO.	
1 - CUSTOMER PICKUP	
BRANCH	
KEY WEST PC352 5565 SECOND AVE STOCK ISLAND, FL 33040-5945 305-296-2617	

QTY	EQUIPMENT #	Min	Day	week	4 Week	Amount
1	36KW DIESEL GENERATOR 291746 Make: MQ POWER Model: DCA45SSIU4C Ser #: 7204991 HR OUT: 4735.400 HR IN: TOTAL: 4735.400	250.00	250.00	575.00	1550.00	1550.00
Rental Sub-total:						1550.00
SALES ITEMS:						
Qty	Item number	Unit	Price			
1	ENVIRONMENTAL ENVIRONMENTAL	EA	38.750			
1	RENTAL PROTECTION PLAN	EA				
BILLED FOR FOUR WEEKS 10/31/17 THRU 11/27/17.						



Equipment. Service. Guaranteed.

REMIT TO:

SUNBELT RENTALS, INC.
 PO BOX 409211
 ATLANTA, GA 30384-9211

NET DUE UPON RECEIPT

Invoices not paid within 30 days may be subject
 to a 1-1/2% per month charge.

SUBTOTAL	1,821.25
SALES TAX	119.16
INVOICE TOTAL	1,940.41

KWRU 016191
 4 WEEK BILL

8150

KW RESORT UTILITIES CORP.
OPERATING ACCOUNT
 P.O. BOX 2125
 KEY WEST, FL 33045-2125
 PH. 305-295-3301

BRANCH BANKING AND TRUST COMPANY
 1-800-BANK BBT BBT.COM

63-9138-2631

PAY TO THE
 ORDER OF

12/05/2017

\$
 **1,940.41

DOLLARS

Sunbelt Rentals

One thousand nine hundred forty and 41/100*****

Sunbelt Rentals
 PO Box 409211
 Atlanta, GA 30384-9211

MEMO



G. H. [Signature]
[Signature]

EMV[®] PLUS Check Fraud
 Protection & ID Verification

⑈00008150⑈ ⑆263191387⑆

KW RESORT UTILITIES CORP.

8150

12/05/2017		Sunbelt Rentals	Original Amount	Balance Due	Payment
Date	Type	Reference			
11/16/2017	Bill	72107622-0003	1,940.41	1,940.41	1,940.41
		Check Amount			1,940.41

1310000 BB&T Opera

1,940.41

KW RESORT UTILITIES CORP.

12/05/2017		Sunbelt Rentals	Original Amount	Balance Due	Payment
Date	Type	Reference			
11/16/2017	Bill	72107622-0003	1,940.41	1,940.41	1,940.41
		Check Amount			1,940.41

8150

1310000 BB&T Opera

1,940.41



INVOICE
SEND ALL PAYMENTS TO:
 SUNBELT RENTALS, INC.
 PO BOX 409211
 ATLANTA, GA 30384-9211

Docket No. 20170141-SU
 Composite Exhibit: Discovery
 and Other References
 Exhibit HWS-2510
 Page 214 of 280

INVOICE NO.	72107622-0004
ACCOUNT NO.	569243
INVOICE DATE	12/14/17
PAGE 1 of 1	

INVOICE TO

1oz - 3286 - 4011
 KW RESORT UTILITIES CORP
 PO BOX 2125
 KEY WEST FL 33045-2125

JOB ADDRESS
 CUSTOMER PICKUP
 5565 2ND AVE
 KEY WEST, FL 33040 5945
 305-295-0309

RECEIVED BY WRIGHT, GREG	CONTRACT NO. 72107622
PURCHASE ORDER NO. GREG WRIGHT	
JOB NO. 1 - CUSTOMER PICKUP	
BRANCH KEY WEST PC352 5565 SECOND AVE STOCK ISLAND, FL 33040-5945 305-296-2617	

QTY	EQUIPMENT #	Min	Day	Week	4 Week	Amount
1	36KW DIESEL GENERATOR 291746 Make: MQ POWER Model: DCA45SSIU4C Ser #: 7204991 HR OUT: 4735.400 HR IN: TOTAL: 4735.400	250.00	250.00	575.00	1550.00	1550.00
Rental Sub-total:						1550.00
SALES ITEMS:						
Qty	Item number	Unit	Price			
1	ENVIRONMENTAL ENVIRONMENTAL	EA	38.750	38.75		
1	RENTAL PROTECTION PLAN	EA		232.50		
BILLED FOR FOUR WEEKS 11/28/17 THRU 12/25/17.						



Equipment. Service. Guaranteed.

REMIT TO:

SUNBELT RENTALS, INC.
 PO BOX 409211
 ATLANTA, GA 30384-9211

NET DUE UPON RECEIPT

Invoices not paid within 30 days may be subject to a 1-1/2% per month charge.

SUBTOTAL	1,821.25
SALES TAX	119.16
INVOICE TOTAL	1,940.41

4 WEEK BILL KWRU 016193

KW RESORT UTILITIES CORP.
OPERATING ACCOUNT
 P.O. BOX 2125
 KEY WEST, FL 33045-2125
 PH. 305-295-3301

BRANCH BANKING AND TRUST COMPANY
 1-800-BANK BBT BBT.COM

8214
 63-9138-2631

PAY TO THE
 ORDER OF

Sunbelt Rentals

01/03/2018

\$
 **1,940.41

DOLLARS

One thousand nine hundred forty and 41/100*****

Sunbelt Rentals
 PO Box 409211
 Atlanta, GA 30384-9211

MEMO



[Handwritten Signature]

⑈00008214⑈ ⑆263191387⑆

KW RESORT UTILITIES CORP.

Date	Type	Reference	Original Amount	Balance Due	Payment
01/03/2018	Bill	72107622-0004	1,940.41	1,940.41	1,940.41
			Check Amount		1,940.41

1310000 BB&T Opera

1,940.41

KW RESORT UTILITIES CORP.

Date	Type	Reference	Original Amount	Balance Due	Payment
01/03/2018	Bill	72107622-0004	1,940.41	1,940.41	1,940.41
			Check Amount		1,940.41

1310000 BB&T Opera

1,940.41



INVOICE
SEND ALL PAYMENTS TO:
 SUNBELT RENTALS, INC.
 PO BOX 409211
 ATLANTA, GA 30384-9211

Docket No. 20170141-SU
 Composite Exhibit: Discovery
 and Other References
 Exhibit W-52
 Page 216 of 280

INVOICE NO.	72107622-0005
ACCOUNT NO.	569243
INVOICE DATE	1/11/18

PAGE 1 of 1

INVOICE TO

hurricane

1oz - 2965 - 3565
 KW RESORT UTILITIES CORP
 PO BOX 2125
 KEY WEST FL 33045-2125



JOB ADDRESS
 CUSTOMER PICKUP
 5565 2ND AVE
 KEY WEST, FL 33040 5945
 305-295-0309

RECEIVED BY	CONTRACT NO.
WRIGHT, GREG	72107622
PURCHASE ORDER NO.	
GREG WRIGHT	
JOB NO.	
1 - CUSTOMER PICKUP	
BRANCH	
KEY WEST PC352 5565 SECOND AVE STOCK ISLAND, FL 33040-5945 305-296-2617	

QTY	EQUIPMENT #	Min	Day	Week	4 Week	Amount
1	36KW DIESEL GENERATOR 291746 Make: MQ POWER Model: DCA45SSIU4C Ser #: 7204991 HR OUT: 4735.400 HR IN:	250.00	250.00	575.00	1550.00	1550.00
TOTAL: 4735.400						
Rental Sub-total:						1550.00
SALES ITEMS:						
Qty	Item number	Unit	Price			
1	ENVIRONMENTAL ENVIRONMENTAL	EA	38.750	38.75		
1	RENTAL PROTECTION PLAN	EA		232.50		
BILLED FOR FOUR WEEKS 12/26/17 THRU 1/22/18.						



Equipment. Service. Guaranteed.

REMIT TO:

SUNBELT RENTALS, INC.
 PO BOX 409211
 ATLANTA, GA 30384-9211

NET DUE UPON RECEIPT

Invoices not paid within 30 days may be subject to a 1-1/2% per month charge.

SUBTOTAL	1,821.25
SALES TAX	119.16
INVOICE TOTAL	1,940.41

KWRU 016195
 4 WEEK BILL

KW RESORT UTILITIES CORP.
OPERATING ACCOUNT
P.O. BOX 2125
KEY WEST, FL 33045-2125
PH. 305-295-3301

BRANCH BANKING AND TRUST COMPANY
1-800-BANK BBT BBT COM

63-9138-2631

PAY TO THE
ORDER OF

02/05/2018

\$

Sunbelt Rentals

**1,940.41

DOLLARS {

One thousand nine hundred forty and 41/100*****

Sunbelt Rentals
PO Box 409211
Atlanta, GA 30384-9211



Handwritten signature
Handwritten initials

EZShield™ PLUS Check Fraud
Protection & ID Restoration

MEMO

⑈00008295⑈ ⑆263191387⑆

KW RESORT UTILITIES CORP.

Date	Type	Reference	Original Amount	Balance Due	Payment
02/05/2018	Bill	72107622-0005	1,940.41	1,940.41	1,940.41
		Check Amount			1,940.41

1310000 BB&T Opera

1,940.41

KW RESORT UTILITIES CORP.

Date	Type	Reference	Original Amount	Balance Due	Payment
02/05/2018	Bill	72107622-0005	1,940.41	1,940.41	1,940.41
		Check Amount			1,940.41

1310000 BB&T Opera

1,940.41



INVOICE
SEND ALL PAYMENTS TO:
 SUNBELT RENTALS, INC.
 PO BOX 409211
 ATLANTA, GA 30384-9211

Docket No. 20170141-SU
 Composite Exhibit: Discovery
 and Other References
 Exhibit HWS-2
 Page 218 of 280

INVOICE NO.	72107622-0006
ACCOUNT NO.	569243
INVOICE DATE	2/08/18

PAGE 1 of 1

INVOICE TO

RECEIVED BY	CONTRACT NO.
WRIGHT, GREG	72107622

1oz - 2819 - 3468
 KW RESORT UTILITIES CORP
 PO BOX 2125
 KEY WEST FL 33045-2125

PURCHASE ORDER NO.	GREG WRIGHT
---------------------------	-------------



JOB ADDRESS
 CUSTOMER PICKUP
 5565 2ND AVE
 KEY WEST, FL 33040 5945
 305-295-0309

JOB NO.	1 - CUSTOMER PICKUP
----------------	---------------------

BRANCH	KEY WEST PC352 5565 SECOND AVE STOCK ISLAND, FL 33040-5945 305-296-2617
---------------	----------------------------------------------------------------------------------

QTY	EQUIPMENT #	Min	Day	Week	4 Week	Amount
1	36KW DIESEL GENERATOR 291746 Make: MQ POWER Model: DCA45SSIU4C Ser #: 7204991 HR OUT: 4735.400 HR IN: TOTAL: 4735.400	250.00	250.00	575.00	1550.00	1550.00
SALES ITEMS:						Rental Sub-total: 1550.00
Qty	Item number	Unit	Price			
1	ENVIRONMENTAL	EA	38.750			38.75
1	ENVIRONMENTAL					
1	RENTAL PROTECTION PLAN	EA				232.50
BILLED FOR FOUR WEEKS 1/23/18 THRU 2/19/18.						



Equipment. Service. Guaranteed.

REMIT TO:

SUNBELT RENTALS, INC.
 PO BOX 409211
 ATLANTA, GA 30384-9211

NET DUE UPON RECEIPT

Invoices not paid within 30 days may be subject to a 1-1/2% per month charge.

SUBTOTAL	1,821.25
SALES TAX	119.16
INVOICE TOTAL	1,940.41

KWRU 016197
 4 WEEK BILL

KW RESORT UTILITIES CORP.

OPERATING ACCOUNT
P.O. BOX 2125
KEY WEST, FL 33045-2125
PH. 305-295-3301

BRANCH BANKING AND TRUST COMPANY

1-800-BANK BBT BBT.COM

63-9138-2631

PAY TO THE
ORDER OF

Sunbelt Rentals

02/21/2018

\$

**1,940.41

DOLLARS **€**

One thousand nine hundred forty and 41/100*****

Sunbelt Rentals
PO Box 409211
Atlanta, GA 30384-9211

MEMO



[Handwritten Signature]

EMV® PLUS Check Fraud Protection & Rewards

⑈00008337⑈ ⑆263191387

KW RESORT UTILITIES CORP.

Date	Type	Reference	Original Amount	Balance Due	Payment
02/08/2018	Bill	72107622-0006	1,940.41	1,940.41	1,940.41
		Check Amount			1,940.41

1310000 BB&T Opera

1,940.41

KW RESORT UTILITIES CORP.

Date	Type	Reference	Original Amount	Balance Due	Payment
02/08/2018	Bill	72107622-0006	1,940.41	1,940.41	1,940.41
		Check Amount			1,940.41

1310000 BB&T Opera

1,940.41



MODSPACE
 1200 SWEDESFORD RD.
 BERWYN, PA 19312

Return Service Requested

INVOICE

*temp office
 hurricane*

Remittance Section

Customer Number 1465890
 Invoice Number 502213188
 Invoice Date 10/27/2017
Due Date
Please Pay This Amount **Due Upon Receipt**
\$ 3,368.55

Amount Enclosed: \$ _____

Make Checks payable to Modular Space Corporation

4616000343 PRESORT 343 1 MB 0.420 P1C3

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

Modular Space Corporation
 12603 Collections Center Drive
 Chicago, IL 60693-0126

0000336855014658900005022131887

Please return this portion with your payment. Do not enclose correspondence.

Important Messages

IMPORTANT MESSAGE

Beginning August 1, 2017, ModSpace will assess late charges when an invoice remains unpaid after sixty (60) days. You can avoid late charges by paying all open invoices before July 31, 2017 and by promptly paying all future invoices.

Access your account, retrieve invoice copies and make a payment 24/7 at ModSpace.com/en/Accounts.



Customer Name:	Kw Resort Utilities Corp	Total Base Amount:	\$ 3,144.00
Customer Number:	1465890-0001	Total Taxes:	\$ 224.55
Invoice Number:	502213188	Total Due:	\$ 3,368.55
ModSpace Tax ID:	54-1375284		

DESCRIPTION	CONTRACT NUMBER	PO NUMBER	BILLING PERIOD	AMOUNT	TAX	TOTAL DUE
Project#: Project Name: Office Replacement Contact: Greg Wright Location:6630 Front St Key West FL 33040 Asset(s): 636365 Single 12 wide - 12 x 60 s/n DSI-14269	1671161	Hurricane Irma	10/26/2017 - 11/25/2017			
Rental 1				400.00	29.99	429.99
Asset(s): 636365						
Rental-Steps				90.00	6.75	96.75
Asset(s): 636365						
Rental-Personal Property Exp				24.00	1.80	25.80
Asset(s): 636365						
Delivery-Building				1,525.00	114.38	1,639.38
Asset(s): 636365						
Other-Engineered Drawings				150.00	0.00	150.00
Asset(s): 636365						
Installation-Block/Level/Anchr				955.00	71.63	1,026.63
Subtotal				3,144.00		
State Tax					179.63	

PLEASE PAY THIS AMOUNT \$ 3,368.55

KWRU 016199



DESCRIPTION	CONTRACT NUMBER	PO NUMBER	BILLING PERIOD	AMOUNT	TAX	TOTAL DUE
County Tax					44.92	
Total Tax					224.55	
Invoice Total						3,368.55



PLEASE PAY THIS AMOUNT \$ 3,368.55

KW RESORT UTILITIES CORP.
OPERATING ACCOUNT
P.O. BOX 2125
KEY WEST, FL 33045-2125
PH. 305-295-3301

BRANCH BANKING AND TRUST COMPANY
1-800-BANK BBT BBT.COM

8132

63-9138-2631

PAY TO THE
ORDER OF

11/27/2017

\$

Modular Space Corporation

**3,368.55 DOLLARS

Three thousand three hundred sixty-eight and 55/100*****

MEMO
Modular Space Corporation
12603 Collections Center Drive
Chicago, IL 60693-0126



[Handwritten Signature]

Security Features Institute

⑈00008132⑈ ⑆263191387⑆

KW RESORT UTILITIES CORP.

8132

Date	Type	Reference	Original Amount	Balance Due	Payment
11/27/2017	Bill	502213188	3,368.55	3,368.55	3,368.55
			Check Amount		3,368.55

1310000 BB&T Opera

3,368.55

KW RESORT UTILITIES CORP.

Date	Type	Reference	Original Amount	Balance Due	Payment
11/27/2017	Bill	502213188	3,368.55	3,368.55	3,368.55
			Check Amount		3,368.55

1310000 BB&T Opera

3,368.55



MODSPACE
 1200 SWEDES FORD RD.
 BERWYN, PA 19312

Return Service Requested

INVOICE

Remittance Section

Customer Number 1465890
 Invoice Number 502243608
 Invoice Date 11/22/2017
Due Date
Please Pay This Amount **Due Upon Receipt**
\$ 552.55

Amount Enclosed: \$ _____

Make Checks payable to Modular Space Corporation

hurricane

1578000520 PRESORT 520 1 MB 0.420 P1C3

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

Modular Space Corporation
 12603 Collections Center Drive
 Chicago, IL 60693-0126

0000055255014658900005022436088

Please return this portion with your payment. Do not enclose correspondence.

Important Messages

IMPORTANT MESSAGE

Beginning August 1, 2017, ModSpace will assess late charges when an invoice remains unpaid after sixty (60) days. You can avoid late charges by paying all open invoices before July 31, 2017 and by promptly paying all future invoices.

Access your account, retrieve invoice copies and make a payment 24/7 at ModSpace.com/en/Accounts.



Customer Name:	Kw Resort Utilities Corp	Total Base Amount:	\$ 514.00
Customer Number:	1465890-0001	Total Taxes:	\$ 38.55
Invoice Number:	502243608	Total Due:	\$ 552.55
ModSpace Tax ID:	54-1375284		

DESCRIPTION	CONTRACT NUMBER	PO NUMBER	BILLING PERIOD	AMOUNT	TAX	TOTAL DUE
Project#: Project Name: Office Replacement Contact: Greg Wright Location: 6630 Front St Key West FL 33040 Asset(s): 636365 Single 12 wide - 12 x 60 s/n DSI-14269	1671161	Hurricane Irma	11/27/2017 - 12/26/2017			
Rental 2				400.00	30.00	430.00
Asset(s): 636365						
Rental-Steps				90.00	6.75	96.75
Asset(s): 636365						
Rental-Personal Property Exp				24.00	1.80	25.80
Subtotal				514.00		
State Tax					30.84	
County Tax					7.71	
Total Tax					38.55	
Invoice Total						552.55

PLEASE PAY THIS AMOUNT \$ 552.55

KW RESORT UTILITIES CORP.
OPERATING ACCOUNT
P.O. BOX 2125
KEY WEST, FL 33045-2125
PH. 305-295-3301

BRANCH BANKING AND TRUST COMPANY
1-800-BANK BBT BBT COM

63-9138-2631

PAY TO THE
ORDER OF

Modular Space Corporation

12/05/2017

\$
**552.55

DOLLARS **8149**

Five hundred fifty-two and 55/100*****

MEMO
Modular Space Corporation
12603 Collections Center Drive
Chicago, IL 60693-0126



[Handwritten Signature]

ES/MP® PLUS Check Fraud
Protection & ID Restoration



MP

⑈00008 149⑈ ⑆263 19 138 7⑈

KW RESORT UTILITIES CORP.

12/05/2017 Modular Space Corporation

8149

Date	Type	Reference	Original Amount	Balance Due	Payment
11/22/2017	Bill	502243608	552.55	552.55	552.55
		Check Amount			552.55

1310000 BB&T Opera

552.55

KW RESORT UTILITIES CORP.

12/05/2017 Modular Space Corporation

8149

Date	Type	Reference	Original Amount	Balance Due	Payment
11/22/2017	Bill	502243608	552.55	552.55	552.55
		Check Amount			552.55

1310000 BB&T Opera

552.55

PHB
KWEIC 10-13-17

**Key West Golf Club
6450 E. Jr. College Rd.
Key west, Florida 33040**

hurricane

Invoice Date: October 13th, 2017

Bill to: KW Resort Utilities Corp.
6630 Front St
Key West, FL 33045

Re: Month to Month Office Lease

Amount due: \$1000 plus sales tax total due (\$1075 per month)

To include: private office, utilities included (except phone), security system alarm and cameras, separate men and women's bathrooms, storage, parking for employees and business associates conducting business in the office which is ADA compliant.

If you have any questions please give me a call,

Sincerely,

Doug Carter
Key West Golf Club

KW RU 016206

KW RESORT UTILITIES CORP.
OPERATING ACCOUNT
P.O. BOX 2125
KEY WEST, FL 33045-2125
PH. 305-295-3301

BRANCH BANKING AND TRUST COMPANY
1-800-BANK BBT BBT.COM

8106
63-9138-2631

PAY TO THE
ORDER OF

Key West Golf Club

11/21/2017

\$
**1,075.00

DOLLARS

One thousand seventy-five and 00/100*****

Key West Golf Club
6450 College Road
Key West, FL 33040

MEMO



[Handwritten Signature]

⑈00008106⑈ ⑆263191387⑆

KW RESORT UTILITIES CORP.

Date	Type	Reference	Original Amount	Balance Due	Payment
11/21/2017		Key West Golf Club			8106
10/13/2017	Bill	KWGC10-13-17	1,075.00	1,075.00	1,075.00
		Check Amount			1,075.00

1310000 BB&T Opera

1,075.00

KW RESORT UTILITIES CORP.

Date	Type	Reference	Original Amount	Balance Due	Payment
11/21/2017		Key West Golf Club			8106
10/13/2017	Bill	KWGC10-13-17	1,075.00	1,075.00	1,075.00
		Check Amount			1,075.00

1310000 BB&T Opera

1,075.00

*Mama's
Vacuum system Project
hurricane*

Mama's Garden Center

111 Overseas Hwy #108
Key West, FL 33040

MML-I-48356

08:54:40am 12/12/2017

Customer Rob Derryberry
6630 Front St
Stock Island, FL
US
Shipping 6630 Front St
Stock Island, FL
Contact (305) 522-3608 (main)
robert@kwru.com

7	Filter Rock - Med 3/4" Bulk - per yard (covers 100 s.f. @ 3" depth) (7 @ \$180.00)	\$1260.00
1	Delivery (Key West, north of Big Coppit up to Big Pine) CURBSIDE ONLY	\$65.00
	Subtotal	\$1325.00
	Tax	\$94.50
	Total	\$1419.50
	Payment	\$1419.50
	Balance	\$0.00

Mastercard 12/12/2017 \$1419.50
Ref: 926290999
Approved Auth: 61308J
Last 4 digits: 7986

Station: Workstation 4
Jessica Knoof

305-296-1617
www.mamasgardencenter.com

Notes AM Delivery Friday 12/15/17 JK

*Mama's
Plant Lotteries
Station 1 to Filter
Project
hurricane*

Mama's Garden Center

111 Overseas Hwy #108
Key West, FL 33040

MML-I-48622

10:09:18am 12/20/2017

Customer Rob Derryberry
6630 Front St
Stock Island, FL
US
Shipping 6630 Front St
Stock Island, FL
Contact (305) 522-3608 (main)
robert@kwru.com

8	River Rock - Med 3/4" Bulk - per yard (covers 100 s.f. @ 3" depth) (8 @ \$180.00)	\$1440.00
1	Delivery (Key West, north of Big Coppit up to Big Pine) CURBSIDE ONLY	\$65.00
	Subtotal	\$1505.00
	Tax	\$108.00
	Total	\$1613.00
	Payment	\$1613.00
	Balance	\$0.00

Mastercard 12/20/2017 \$1613.00
Ref: 936065189
Approved Auth: 62172J
Last 4 digits: 7986

Station: Workstation 4
Karen Sotelo

305-296-1617
www.mamasgardencenter.com

Notes Delivery 12/20 Pm



Manley deBoer Lumber - Key West
 Manley deBoer Lumber - KW
 1109 Eaton Street
 Key West, FL 33040
 305-294-5900
 Fax: 305-294-4577

CUSTOMER COPY



ORDER

1712-K06056

PAGE 1 OF 1

SOLD TO
CASH SALES

JOB ADDRESS
KWRU ROB 6630 front st stockisland 305-522-3608

ACCT NO.	JOB
CASH	0
ENTRY DATE	12/4/2017 10:18:13 AM
CUST PICKUP	
BRANCH	1000
CUSTOMER PO#	
STATION	BOW4
CASHIER	AURORA
SALESPERSON	
ORDER ENTRY	AURORA
MODIFIED BY	AURORA

Thank you for shopping at
 Manley deBoer Lumber Company

Item	Description	D	Ordered	Sold	Remain	UM	Price	Per	Amount
9259	MULCH EUCALYPTUS BLEND 2CF 60/PALLET		100		100	PC	3.3200	PC	332.00
9260	MULCH CYPRESS 2CF 75/PALLET		200		200	PC	2.6000	PC	520.00
9265	MINI PINE NUGGETS 2CF		50		50	BG	5.1600	BG	258.00
9274	PEBBLE POND 1"-2" 50# 63/PALLET		132		132	PC	4.7800	PC	630.96
DELKW	DELIVERY CURBSIDE KW/INV		1		1	PC	40.0000	PC	40.00

*Vacuum system exhaust mulch
 bed rehabilitation for odor
 control
 hummer*

Payment Method(s)

MasterCard 1,911.53 ##7986 76473Z

FL 7.50%	SubTotal	1,780.96
	Sales Tax	130.57
	Deposit	-1,911.53
Please pay this amount		0.00

Special orders may NOT be returned, exchanged, or canceled. Special orders require a 50% deposit at the time the order is placed, the balance will be due when Manley deBoer receives the material.
 I have received this material in good condition.

Signature

KWRU 016209

7360009
 7360610

*temp office
 trailer &
 hurricane*

Nearshore Electric, Inc.

Invoice

5680 1st Avenue #5
 Key West, FL 33040

Invoice Number:
 13919

Invoice Date:
 11/9/2017

To Our Customer:

KW Resort Utilities Corp.
 PO Box 2125
 Key West, FL 33045

Ship To:

--

P.O. No.	Terms	Due Date
	Due upon Receipt	11/9/2017

Project	
new temp office	

Quantity	Description	Rate	Amount
2	10-19-17 stubbed 2' pipe out back, checked #2 blower valve, tightened wires on 4-20 board	125.00	250.00
	Material and handling	8.00	8.00
13	10-30-17 set post, installed Disco, piped to office pwl pulled to new disco, pulled into existing in ground box, tapped existing wires energized both units, checked amps, drove rod for framed and disco, checked lights and plugs looked at blower #1 actuator	125.00	1,625.00
	Material and handling	1,016.00	1,016.00

State Certified Electrical Contractor #EC13001186

Thank You For Your Business!

Visit us on the web at:
www.NearshoreElectric.com

You may call our office to pay your bill with a credit card but you may incur a 2% surcharge

Total	Lump Sum	\$2,899.00
Payments		\$0.00
Balance Due		\$2,899.00

Phone: 305-294-3991 Fax: 305-294-3043 Email: diananearshore@bellsouth.net

KWRU 016210

KW RESORT UTILITIES CORP.
 OPERATING ACCOUNT
 P.O. BOX 2125
 KEY WEST, FL 33045-2125
 PH. 305-295-3301

BRANCH BANKING AND TRUST COMPANY
 1-800-BANK-BST BBT.COM

8130

83-9138-2631

PAY TO THE
 ORDER OF

11/27/2017

\$

Nearshore Electric, Inc

**3,211.50

DOLLARS

Three thousand two hundred eleven and 50/100*****

Nearshore Electric, Inc
 5680 1st Avenue #5
 Key West, FL 33040



Handwritten signature: G. L. ...

MEMO

⑈00008130⑈ ⑆263191387⑆

KW RESORT UTILITIES CORP.

11/27/2017			Nearshore Electric, Inc		8130	
Date	Type	Reference	Original Amount	Balance Due	Payment	
11/09/2017	Bill	13919	2,899.00	2,899.00	2,899.00	
11/21/2017	Bill	13953	312.50	312.50	312.50	
			Check Amount			3,211.50

1310000 BB&T Opera 3,211.50

KW RESORT UTILITIES CORP.

11/27/2017			Nearshore Electric, Inc		8130	
Date	Type	Reference	Original Amount	Balance Due	Payment	
11/09/2017	Bill	13919	2,899.00	2,899.00	2,899.00	
11/21/2017	Bill	13953	312.50	312.50	312.50	
			Check Amount			3,211.50

1310000 BB&T Opera 3,211.50



ONE SOURCE-ONE CALL-ONE SOLUTION™
 www.PantropicPower.com

FL Lauderdale 954-797-7972 FL Myers 239-337-4222 Miami 305-592-4944 Stuart 772-692-3442 West Palm Bch 561-840-0818

hurricane

Invoice

Invoice No.: R004702
 Invoice Date: 11/8/2017
 Customer No.: 4002452
 Payment Terms ..:
 Order No.: CREDIT CARD
 Invoice Due Date ..: 11/8/2017
 Invoice Amount: 12,612.68

Sold To: KW Resort Utilities Corp
 6630 Front St
 Key West FL 33040-6050

Ship To: KW Resort Utilities Corp
 6630 Front St
 Key West FL 33040-6050

Jobsite	Customer Contact Name	Customer Contact No.
	Chris Johnson	305-295-3301

Contact	Phone No.	Division
Clements, Kimmy D.		Rental
Contract No	From	To
RC02363	11/10/2017	12/7/2017

Make	Model	Serial No.	ID No.	Rate Type	Fee Type	Note	Amount
CAT	XQ800_NC	N1B00352	EQ014763	Standby	Rental fee		10,000.00
	4_Odd_50_Ft			Standby	Rental fee		1,440.00
	4_Odd_Female_Lugged			Standby	Rental fee		144.00
	4_Odd_Male_Bare			Standby	Rental fee		144.00
					Environmental fee		100.00

Invoice Notes : 2nd Month Rental Invoice Paid in Full with Credit Card on file.

****Thank You****
 Any Comments/Suggestions visit www.pantropic.com

Total 11,828.00
Sales tax 784.68

Remit Payment To: Attn: A/R
 8205 NW 58 St
 Miami FL 33166

Invoice amount 12,612.68

Pantropic Power Inc.
8205 NW 58 STREET
Miami Florida 33166
305-592-4944

Customer information

Street: 1212 Von Phisterst
Zip code: 33040

Cardholder Signature

Christopher Johnson

Transaction information

MOTO
Date: 11/10/2017 8:51 AM
Merchant ID: 12520318
Terminal ID: 00000001
Invoice No.: 4002452-R004702
Amount: \$12,612.68
Card Number: *****1422
Response Msg: Approved
Auth Code: 26171J
Auth Mode: Issuer
Processed as: MASTERCARD
Entry Method: Manual
Trace No.: 001468883134
Reference No.: 1468883134
Match AVS: Match Y
Match ZIP: Match Y
Match CVV: Match M
Client ID: 4002452
User ID: lanies

I Agree to Pay Above Total Amount According to Card Issuer Agreement (Merchant Agreement if Credit Voucher).

Merchant / Customer Copy



ONE SOURCE-ONE CALL-ONE SOLUTION™
 www.PantropicPower.com

Ft. Lauderdale Ft. Myers Miami Stuart West Palm Bch
 954-797-7972 239-337-4222 305-592-4944 772-692-3442 561-640-0818

*hurricane
 temp generator*

Invoice

Invoice No.: R004855
 Invoice Date: 10/13/2017
 Customer No.: 4002452
 Payment Terms:
 Order No: CREDIT CARD
 Invoice Due Date: 10/13/2017
 Invoice Amount: 13,907.68

Sold To: KW Resort Utilities Corp
 6630 Front St
 Key West FL 33040-6050

Ship To: KW Resort Utilities Corp
 6630 Front St
 Key West FL 33040-6050

Jobsite	Customer Contact Name	Customer Contact No.
	Chris Johnson	305-295-3301

Contact	Phone No.	Division
Clements, Kimmy D.		Rental
Contract No	From	To
RC02363	10/13/2017	11/9/2017

Make	Model	Serial No.	ID No.	Rate Type	Fee Type	Note	Amount
CAT	XQ800_NC	N1B00352	EQ014763	Standby	Rental fee		10,000.00
	4_Odd_50_Ft			Standby	Rental fee		1,440.00
	4_Odd_Female_Lugged			Standby	Rental fee		144.00
	4_Odd_Male_Bare			Standby	Rental fee		144.00
					Transport		1,295.00
					Environmental fee		100.00

Invoice Notes : 1st Month Rental Invoice Paid in Full with Credit Card on file.

****Thank You****
 Any Comments/Suggestions visit www.pantropic.com

Total 13,123.00
 Sales tax 784.68

Remit Payment To: Attn: A/R
 8205 NW 58 St
 Miami FL 33166

Invoice amount 13,907.68

Pantropic Power Inc.

8205 NW 58 STREET

Miami Florida 33166

305-592-4944

Customer information

Street: 1212 Von Phisterst

Zip code: 33040

Cardholder Signature

Christopher Johnson

Transaction information

MOTO

Date: 10/13/2017 10:00 AM

Merchant ID: 12520318

Terminal ID: 00000001

Invoice No.: 4002452-RC01234

Amount: \$13,950.96

Card Number: ***1422**

Response Msg: Approved

Auth Code: 60605J

Auth Mode: Issuer

Processed as: MASTERCARD

Entry Method: Manual

Trace No.: 001536521230

Reference No.: 1536521230

Match AVS: Match Y

Match ZIP: Match Y

Match CVV: Match M

Client ID: 4002452

User ID: Ianies

I Agree to Pay Above Total Amount According to Card Issuer Agreement (Merchant Agreement if Credit Voucher).

Merchant / Customer Copy

KWRU 016215

THANK YOU FOR SHOPPING AT
STRUNK ACE HARDWARE
1101 EATON ST
KEY WEST, FL 33040
(305) 296-9091

01/23/18 9:14AM MS 554 SALE

5124805	12	EA	\$7.99	EA
GUTTR RAINGO 4.5"X10'WHT				\$95.88
6438	100	EA	.125EA	Q
#10X1 TAPP PANSS				\$12.50
MH				
5125026	4	EA	\$8.49	EA
GUTTER CORNER WHITE				\$33.96
5126131	2	EA	\$5.69	EA
OUTLET DROP RNGO WHT				\$11.38
5125117	8	EA	\$4.29	EA
GUTTER SLIP JOINT WHT				\$34.32
5125778	1	EA	\$5.69	EA
LUBRICANT ALL PURPOSE2OZ				\$5.69
5125141	24	EA	\$3.19	EA
GUTTER BRACKET RAINGO WH				\$76.56

SUB-TOTAL:\$ 270.29 TAX: \$ 20.27
TOTAL: \$ 290.56
BC AMT: \$ 290.56

BK CARD#: XXXXXXXXXXXX7986
MID: 372055697885
AUTH: 73550J AMT: \$ 290.56
Host reference #:043543 Bat#

Authorizing Network: MASTERCARD

Chip Read
CARD TYPE:MASTERCARD EXPR: XXXX
AID : A0000000041010
TVR : 000008000
IAD : 01106070032200005170000000000000
TSI : E800
ARC : 00
MODE : Issuer
CVM :
Name :
ATC :0028
AC : 575ED5E438AF4616
TxnID/ValCode: 225452

*vacuum building
gutters for
bio filter
project*

Bank card USD\$ 290.56

Total Items: 151



==>> JRNL#X43543 <<==
CUST NO:#5

THANK YOU ROBERT DERRYBERRY
FOR YOUR PATRONAGE

I agree to pay above total amount
according to card issuer agreement
(merchant agreement if credit voucher)

KWBU 016216

~~Key~~ Cat 5 cable
THANK YOU FOR SHOPPING AT
STRUNK ACE HARDWARE
1101 EATON ST
KEY WEST, FL 33040
(305) 296-9091
New Trailers (add space)

11/07/17 10:30AM MD 554 SALE

3184488 1000 FT .11 FT Q
WIRE 4/24 CAT5E RISR 110.00
BG

SUB-TOTAL:\$ 110.00 TAX:\$ 8.25
TOTAL:\$ 118.25
BC AMT:\$ 118.25

BK CARD#: XXXXXXXXXXXX6491
MID: 372055697885
AUTH: 78019J AMT:\$ 118.25
Host reference #:013632 Bat#
Chip Read
CARD TYPE:MASTERCARD EXPR: XXXX
AID : A0000000041010
TVR : 000008000
IAD : 01106070032200007852000000000000
TSI : E800
ARC : 00
MODE : Issuer
CVM :
Name :
TxnID/ValCode: 197117

Bank card USD\$ 118.25

Total Items: 1000



==>> JRNL#X13632 <<==
CUST NO: 5

THANK YOU GREGORY WRIGHT
FOR YOUR PATRONAGE

I agree to pay above total amount
according to card issuer agreement
(merchant agreement if credit voucher)
Acct: CASH CUSTOMER

Customer Copy

KWU 016217

ATTACHMENT 35

**KWRU RESPONSE TO CITIZENS' REQUEST
FOR PRODUCTION OF DOCUMENTS NO. 72**

PENSION PLAN

~~8. Unless otherwise stated, each of these general objections applies to each of the numbered Requests set forth below and should be deemed related for each numbered Request. All responses are made subject to and without waiver of these general objections. Where specific objections are raised, those objections are raised in addition and not to the exclusion of these general objections.~~

REQUEST FOR CONFERRAL PRIOR TO MOTION PRACTICE

~~Undersigned counsel respectfully requests conferral prior to the filing of any motion directed to the following Response to Request for Production. It is possible that KWRU interpreted one or more Requests differently from its intent, or that certain detail requested was inadvertently not provided. KWRU intends to cooperate with the discovery process and to tender all information which it is legally required to tender.~~

RESPONSES TO OPC'S AMENDED FIFTH REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 72 - 78)

DOCUMENTS REQUESTED

72. Pension plan. Please refer to page 14, of Christopher A. Johnson's direct testimony, lines 5-6, which state "KW Resort Utilities can improve retention and reduce turnover by implementing a more traditional Pension Plan." Please provide the following documents:
- a. all supporting documentation the company considered in reaching that conclusion.
 - b. any studies the company considered which show whether similar plans are offered to other similar Florida companies.
 - c. any studies the company considered which show whether similar plans are offered to other Florida wastewater companies.

RESPONSE: As to portion (a) of the Request, KWRU reviewed pension plan data online for various comparable utilities in the Florida Keys. However, such documentation is not within KWRU's possession, custody, or control.

As to portion (b) of the Request, no formal studies were completed on behalf of KWRU and no formal studies were reviewed. KWRU does not compete with companies outside the Florida Keys for employees.

As to portion (b) of the Request, KWRU reviewed the data as set forth in section (a). KWRU's sole competitors for employees in Monroe County are the Florida Keys Aqueduct

Authority, the City of Key West, the City of Marathon, and the Key Largo Wastewater Treatment District.

- ~~73. Pension plan. Please refer to page 13, of Christopher A. Johnson's direct testimony, lines 21-23, which state "The Utility determined it is losing staff to other utilities and municipal wastewater districts because of higher wage/benefit packages and less required on-call duty." Please provide the following documents:~~
- ~~a. all supporting documentation considered by the Company in making that determination.~~
 - ~~b. any comparisons between wage/benefit packages offered by the Company to those offered by other utilities and municipal wastewater districts the Company considered in making this determination.~~

~~**RESPONSE:** As to portion "A" of the Request, responsive documents are provided within folder "73", produced herewith.~~

~~As to portion "B" of the Request, KWRU utilized the material produced pursuant to Request 73(a) in making comparisons, but there are no documents within KWRU's possession, custody, or control memorializing this process.~~

- ~~75. Sludge Removal Expense. Please provide an Account QuickReports (similar to that included in CAJ-4) for sludge removal expense showing the quantity, unit, unit cost, and total invoice for the sludge hauling expenses for each of the last five calendar years.~~

~~**RESPONSE:** KWRU objects on the basis that the Request is not relevant. Sludge hauling in prior years (before the addition of the third plant) does not approximate prospective sludge hauling costs with all three plants online. Notwithstanding and without waiver of the foregoing, documents responsive to this Request are provided within folder "75", produced herewith.~~

ATTACHMENT 36

**KWRU RESPONSE TO CITIZENS' REQUEST
FOR PRODUCTION OF DOCUMENTS NO. 73**

PENSION PLAN

~~Authority, the City of Key West, the City of Marathon, and the Key Largo Wastewater Treatment District.~~

73. Pension plan. Please refer to page 13, of Christopher A. Johnson’s direct testimony, lines 21-23, which state “The Utility determined it is losing staff to other utilities and municipal wastewater districts because of higher wage/benefit packages and less required on call duty.” Please provide the following documents:
- a. all supporting documentation considered by the Company in making that determination.
 - b. any comparisons between wage/benefit packages offered by the Company to those offered by other utilities and municipal wastewater districts the Company considered in making this determination.

RESPONSE: As to portion “A” of the Request, responsive documents are provided within folder “73”, produced herewith.

As to portion “B” of the Request, KWRU utilized the material produced pursuant to Request 73(a) in making comparisons, but there are no documents within KWRU’s possession, custody, or control memorializing this process.

- ~~75. Sludge Removal Expense. Please provide an Account QuickReports (similar to that included in CAJ-4) for sludge removal expense showing the quantity, unit, unit cost, and total invoice for the sludge hauling expenses for each of the last five calendar years.~~

~~**RESPONSE:** KWRU objects on the basis that the Request is not relevant. Sludge hauling in prior years (before the addition of the third plant) does not approximate prospective sludge hauling costs with all three plants online. Notwithstanding and without waiver of the foregoing, documents responsive to this Request are provided within folder “75”, produced herewith.~~

From: John.Bartelmo@ch2m.com [<mailto:John.Bartelmo@ch2m.com>]
Sent: Wednesday, January 13, 2016 4:43 PM
To: greg@kwru.com
Subject: Operator salary ranges

Greg here are the approximate salary ranges (rounded to nearest dime) for our operators. We usually start people down here at the middle of the range.

Operator Certification	Min \$ per hour	Max \$ per hour
Class C (operator)	17	25
Class B (operator I)	18.50	28
Class A (operator II)	20.50	31

We also have scales for lead operators and operator trainees if you need that information. Also FYI we pay all of our people a 500 per month area allowance so that basically adds almost another 3/hr to everyones pay.

I hope this helps.


John Bartelmo

Project Manager OMI
Direct: 305-292-5102
P.O. Box4998
Key West, FL 33040

From: Kaitlin Bianchi <kaitlin@kwru.com>
Sent: Tuesday, September 06, 2016 12:39 PM
To: 'palbury@fkaa.com' <palbury@fkaa.com>
Subject: FW: Info

Good afternoon Pam,

I was wondering if you wouldn't mind helping me out with a few questions.

Would you be able to tell me average salary ranges for FCAA employees in the billing department, accounting department and the administrative department?

If you could let me know if this is possible I would really appreciate it!

Thank you very much,

Kaitlin Bianchi
(305) 295-3301
kaitlin@kwru.com

KW Resort Utilities
6630 Front St.
Key West, FL 33040

From: Pam Albury [<mailto:palbury@fkaa.com>]
Sent: Friday, January 15, 2016 3:12 PM
To: Kaitlin Bianchi <kaitlin@kwru.com>
Subject: RE: Info

Happy Friday! ☺

From: Kaitlin Bianchi [<mailto:kaitlin@kwru.com>]
Sent: Friday, January 15, 2016 3:07 PM
To: Pam Albury
Subject: RE: Info

One last question and I can finally stop being a pain!

Are the employees required to contribute to their health benefits? Can it involve their spouse or family?

Thank you so much Pam!

From: Pam Albury [<mailto:palbury@fkaa.com>]
Sent: Friday, January 15, 2016 2:49 PM
To: Kaitlin Bianchi
Subject: RE: Info

Section 8. Standby.

Because of the nature of the Employer's operations, standby time is mandatory. Employees on standby are required to carry communication equipment provided for by the FCAA with them at all times and shall have adequate and appropriate clothing and be otherwise fit for duty (i.e., an employee cannot drink any alcoholic beverages while on standby) to immediately leave their location and go directly to the job area. It is the responsibility of the employee to ensure that the communication equipment is turned on and in working order. Employees assigned to standby are required to have a telephone. Standby pay will be paid at the rate of two (2) hours straight time per day for standby from 5:00 p.m. or normal quitting time until 8:00 a.m. or normal starting time the next morning from Monday at 5:00 p.m. until Saturday at 8:00 a.m. Three (3) hours straight time will be paid for standby from 8:00 a.m. or normal starting time on Saturday through 8:00 a.m. Sunday; three (3) hours straight time will be paid for standby from 8:00 a.m. Sunday until 8:00 a.m. or normal starting time Monday. Holiday standby shall be paid as follows: (1) if the holiday occurs on a mid-week day (Tuesday, Wednesday or Thursday), the employee on standby will be paid five (5) hours pay for the period beginning at 5:00 p.m. the day before the holiday and ending at 8:00 a.m. on the morning after the holiday; (2) if the holiday falls on a Friday, the employee on standby will be paid three (3) hours pay for the period beginning 5:00 p.m. Thursday through 5:00 p.m. Friday, after which weekend standby will be paid; (3) if the holiday falls on Monday, weekend standby will be paid until 8:00 a.m. Monday and three (3) hours standby will be paid for the period beginning 8:00 a.m. Monday through 8:00 a.m. Tuesday; (4) if the holiday is a combination Thursday, Friday holiday, three (3) hours of standby pay will be paid for Thursday, two (2) hours of standby pay will be paid for Friday and three (3) hours standby pay will be paid for Saturday and three (3) hour standby pay will be paid for Sunday. For any additional holidays not provided for above that are contiguous with standby time, an additional three (3) hours of standby time will be paid per holiday. Employees on standby who are called out will be paid for the actual time spent on the call out at time-and-one-half the regular straight time rate. Persons assigned standby will begin their standby time at the time they punch out or write their time on their time card at the end of their workday. Paid time on call outs will begin at the time the employee leaves his home and subsequently completes his work and returns or has time to return to his home.

From: Kaitlin Bianchi [<mailto:kaitlin@kwru.com>]
Sent: Friday, January 15, 2016 2:45 PM
To: Pam Albury
Subject: RE: Info

Thank you so much for the info Pam, this helps a lot!

Can you provide what employees receive for being "on-call" if anything? For instance, do they receive pay for being on-call plus any overtime hours that are worked?

From: Pam Albury [<mailto:palbury@fkaa.com>]
Sent: Friday, January 15, 2016 1:23 PM
To: Kaitlin Bianchi
Subject: RE: Info

Hi! No problem, I hope this helps ☺

I have attached the 2016 Schedule.

We accrue one 8 Hour Optional Holiday per year on 1-1 (new hires receive upon their hire date) if you do not use this day you will lose it on 12-31 although you will get a new one on 1-1. It has to be used in the entire 8 hour increment.

All fulltime employees accrue 8 hours of sick leave a month (it remains 8 does not increase with years)

All fulltime employees accrue annual leave (vacation) as follows:

Continuous Service Earned Time

1 month through 5 years 8 hours per month;
12 workdays per year

61 months through 10 years 10 hours per month;
15 workdays per year

121 months through 15 years 12 hours per month;
18 workdays per year

181 months and over 16 hours per month;
24 workdays per year

Thanks
Pam

From: Kaitlin Bianchi [<mailto:kaitlin@kwru.com>]
Sent: Friday, January 15, 2016 12:28 PM
To: Pam Albury
Subject: Info

Hello Pam,

Thank you so much for taking the time to get this information to me I really appreciate it.

If we may have the number of paid holidays FCAA employees receive, along with the number of personal days and vacation days they are given, that would be wonderful.

Thank you again,

Kaitlin Bianchi
KW Resort Utilities Corp.
6630 Front St.
Key West, FL 33040
305.295.3301 phone
305.295.0143 fax

From: Kaitlin Bianchi <kaitlin@kwru.com>
Sent: Wednesday, September 07, 2016 8:48 AM
To: 'Chris Johnson' <chris@kwru.com>
Subject: FW: Records Request

From: Juliette Torres [<mailto:jtorres@fkaa.com>]
Sent: Wednesday, September 07, 2016 8:41 AM
To: kaitlin@kwru.com
Cc: Pam Albury <palbury@fkaa.com>; Karen Rodriguez <krodriguez@fkaa.com>; Janet Coley <jcoley@fkaa.com>
Subject: Records Request

Good Morning Ms. Bianchi,

Per your records request of 09/06/16, please see the requested information listed below. This will close out your request.

66	BILLING COORDINATOR	52,033.00	65,666.00	81,122.88
102	BILLING SPECIALIST	40,944.00	50,631.00	61,706.34
95	C.S. FIELD REPRESENTATIVE	45,379.00	56,116.00	68,390.62
79	CS REPRESENTATIVE	38,726.00	47,889.00	58,363.17

203	FAC MAINT MECH A	49,816.00	62,868.00	55,406.15
202	FAC MAINT MECH B	47,598.00	58,860.00	71,734.81
201	FAC MAINT MECH C	45,379.00	56,116.00	68,390.62
52	FAC MAINT. MECH. D	43,161.00	53,373.00	65,047.46

Regards,

Juliette B Torres

Records Manager

RMLO

Florida Keys Aqueduct Authority

1100 Kennedy Dr.

Key West, Fl. 33040

jtorres@fkaa.com

305.295.2290

305.923.3100 (cell)

ATTACHMENT 37

ANNUAL REPORT EXCERPTS 2012-2016

KW RESORT UTILITIES CORP. (SU 336)

PAGES S-10 (A) AND (B) FOR 2012 - 2106

OFFICIAL COPY
Public Service Commission
Do Not Remove from this Office

CLASS "A" OR "B"
WATER and/or WASTEWATER UTILITIES
(Gross Revenue of More Than \$200,000 Each)

ANNUAL REPORT

OF

SU336-12-AR
KW Resort Utilities Corp

Exact Legal Name of Respondent

168-S

Certificate Numbers

Submitted To The

STATE OF FLORIDA



RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION
13 APR 30 AM 11:04
DIVISION OF
ACCOUNTING & FINANCE

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2012

UTILITY NAME: KW Resort Utilities Corp
 SYSTEM NAME / COUNTY: KW Resort Utilities / Monroe

YEAR OF REPORT
December 31, 2012

WASTEWATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 COLLECTION EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)	.3 PUMPING EXPENSES - OPERATIONS (f)	.4 PUMPING EXPENSES - MAINTENANCE (g)	.5 TREATMENT & DISPOSAL EXPENSES - OPERATIONS (h)	.6 TREATMENT & DISPOSAL EXPENSES - MAINTENANCE (i)
701	Salaries and Wages - Employees	\$ 392,632	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
703	Salaries and Wages - Officers, Directors and Majority Stockholders	135,800						
704	Employee Pensions and Benefits	73,449						
710	Purchased Sewage Treatment							
711	Sludge Removal Expense	28,183					28,183	
715	Purchased Power	147,971			17,089		130,882	
716	Fuel for Power Production							
718	Chemicals	41,787					41,787	
720	Materials and Supplies	48,099		4,577		820	291	32,664
731	Contractual Services - Engineering	22,523		8,186				
732	Contractual Services - Accounting	19,484						
733	Contractual Services - Legal	25,372						
734	Contractual Services - Mgt. Fees	60,000						
735	Contractual Services - Testing	18,890					18,890	
736	Contractual Services - Other	71,999		6,249		12,218	3,375	48,671
741	Rental of Building/Real Property	2,700						
742	Rental of Equipment	2,001						2,001
750	Transportation Expense	8,576					8,576	
756	Insurance - Vehicle							
757	Insurance - General Liability	27,105					27,105	
758	Insurance - Workmens Comp.	16,103						
759	Insurance - Other							
760	Advertising Expense	635						
766	Regulatory Commission Expenses - Amortization of Rate Case Expense							
767	Regulatory Commission Exp.-Other							
770	Bad Debt Expense							
775	Miscellaneous Expenses	49,309					453	
Total Wastewater Utility Expenses		\$ 1,192,618	\$ -	\$ 19,012	\$ 17,089	\$ 13,038	\$ 259,542	\$ 83,336

S-10(a)
 GROUP 1

UTILITY NAME: KW Resort Utilities Corp
 SYSTEM NAME / COUNTY: KW Resort Utilities / Monroe

YEAR OF REPORT
December 31, 2012

WASTEWATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)	.9 RECLAIMED WATER TREATMENT EXPENSES - OPERATIONS (l)	.10 RECLAIMED WATER TREATMENT EXPENSES - MAINTENANCE (m)	.11 RECLAIMED WATER DISTRIBUTION EXPENSES - OPERATIONS (n)	.12 RECLAIMED WATER DISTRIBUTION EXPENSES - MAINTENANCE (o)
701	Salaries and Wages - Employees	\$ -	\$ 392,632	\$ -		\$ -	\$ -
703	Salaries and Wages - Officers, Directors and Majority Stockholders		135,800				
704	Employee Pensions and Benefits		73,449				
710	Purchased Sewage Treatment						
711	Sludge Removal Expense						
715	Purchased Power						
716	Fuel for Power Production						
718	Chemicals						
720	Materials and Supplies		9,747				
731	Contractual Services - Engineering		14,337				
732	Contractual Services - Accounting		19,484				
733	Contractual Services - Legal		25,372				
734	Contractual Services - Mgt. Fees		60,000				
735	Contractual Services - Testing						
736	Contractual Services - Other				1,486		
741	Rental of Building/Real Property		2,700				
742	Rental of Equipment						
750	Transportation Expense						
756	Insurance - Vehicle						
757	Insurance - General Liability						
758	Insurance - Workmens Comp.		16,103				
759	Insurance - Other						
760	Advertising Expense		635				
766	Regulatory Commission Expenses - Amortization of Rate Case Expense						
767	Regulatory Commission Exp.-Other						
770	Bad Debt Expense						
775	Miscellaneous Expenses		48,856				
	Total Wastewater Utility Expenses	\$ -	\$ 799,115	\$ -	\$ 1,486	\$ -	\$ -

S-10(b)
GROUP 1

CLASS "A" OR "B"

WATER AND/OR WASTEWATER UTILITIES
(Gross Revenue of More Than \$200,000 Each)

ANNUAL REPORT

OF

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KW Resort Utilities Corp

Exact Legal Name of Respondent

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31-Dec-13

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UTILITY NAME: **KW Resort Utilities Corp**

YEAR OF REPORT
31-Dec-13

SYSTEM NAME / COUNTY : **KW Resort Utilities / Monroe**

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO.	ACCOUNT NAME	CURRENT YEAR	.1	.2	.3	.4	.5	.6
			COLLECTION EXPENSES- OPERATIONS (d)	COLLECTION EXPENSES- MAINTENANCE (e)	PUMPING EXPENSES - OPERATIONS (f)	PUMPING EXPENSES - MAINTENANCE (g)	TREATMENT & DISPOSAL EXPENSES - OPERATIONS (h)	TREATMENT & DISPOSAL EXPENSES - MAINTENANCE (i)
701	Salaries and Wages - Employees	\$ 421,904						
	Salaries and Wages - Officers, Directors and Majority Stockholders	141,792						
704	Employee Pensions and Benefits	95,361						
710	Purchased Sewage Treatment							
711	Sludge Removal Expense	30,176					30,176	
715	Purchased Power	138,420			15,943		122,477	
716	Fuel for Power Purchased							
718	Chemicals	38,516					38,516	
720	Materials and Supplies	46,076	29,958					
731	Contractual Services-Engineering	9,196						
732	Contractual Services - Accounting	19,381						
733	Contractual Services - Legal	18,789						
734	Contractual Services - Mgt. Fees	60,000						
735	Contractual Services - Testing	12,860					12,860	
736	Contractual Services - Other	106,351	9,524	53,864		5,653		37,310
741	Rental of Building/Real Property	100						
742	Rental of Equipment	750					750	
750	Transportation Expenses	21,863						
756	Insurance - Vehicle							
757	Insurance - General Liability	23,019						
758	Insurance - Workman's Comp.	19,190						
759	Insurance - Other							
760	Advertising Expense	1,426						
	Regulatory Commission Expenses							
766	- Amortization of Rate Case Expense							
767	Regulatory Commission Exp.-Other							
770	Bad Debt Expense							
775	Miscellaneous Expenses	40,969					810	
Total Wastewater Utility Expenses		\$ 1,246,137	\$ 39,481	\$ 53,864	\$ 15,943	\$ 5,653	\$ 205,589	\$ 37,310

S-10(a)
 GROUP 1

UTILITY NAME: **KW Resort Utilities Corp**

YEAR OF REPORT
31-Dec-13

SYSTEM NAME / COUNTY : **KW Resort Utilities / Monroe**

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO.	ACCOUNT NAME	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)	.9 RECLAIMED WATER TREATMENT EXPENSES- OPERATIONS (l)	.10 RECLAIMED WATER TREATMENT EXPENSES- MAINTENANCE (m)	.11 RECLAIMED WATER DISTRIBUTION EXPENSES- OPERATIONS (n)	.12 RECLAIMED WATER DISTRIBUTION EXPENSES- MAINTENANCE (o)
(a)	(b)						
701	Salaries and Wages - Employees	\$	421,904	\$			
703	Salaries and Wages - Officers, Directors and Majority Stockholders		141,792				
704	Employee Pensions and Benefits		95,361				
710	Purchased Sewage Treatment						
711	Sludge Removal Expense						
715	Purchased Power						
716	Fuel for Power Purchased						
718	Chemicals						
720	Materials and Supplies		16,118				
731	Contractual Services-Engineering		8,339				
732	Contractual Services - Accounting		18,379				
733	Contractual Services - Legal		18,789				
734	Contractual Services - Mgt. Fees		60,000				
735	Contractual Services - Testing						
736	Contractual Services - Other						
741	Rental of Building/Real Property		100				
742	Rental of Equipment						
750	Transportation Expenses		21,863				
756	Insurance - Vehicle						
757	Insurance - General Liability		29,333				
758	Insurance - Workman's Comp.		19,980				
759	Insurance - Other						
760	Advertising Expense		1,426				
766	Regulatory Commission Expenses - Amortization of Rate Case Expense						
767	Regulatory Commission Exp.-Other						
770	Bad Debt Expense						
775	Miscellaneous Expenses		40,158				
Total Wastewater Utility Expenses		\$	893,542	\$		\$	

S-10(b)
 GROUP 1

CLASS "A" OR "B"

WATER AND/OR WASTEWATER UTILITIES
(Gross Revenue of More Than \$200,000 Each)

ANNUAL REPORT

OF

SU336-14-AR

KW Resort Utilities Corp

Exact Legal Name of Respondent

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Resort Utilities Corp

KW Resort Utilities / Monroe

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

NAME	CURRENT YEAR (c)	.1	.2	.3	.4	.5	.6
		COLLECTION EXPENSES- OPERATIONS (d)	COLLECTION EXPENSES- MAINTENANCE (e)	PUMPING EXPENSES - OPERATIONS (f)	PUMPING EXPENSES - MAINTENANCE (g)	TREATMENT & DISPOSAL EXPENSES - OPERATIONS (h)	TREATMENT & DISPOSAL EXPENSES - MAINTENANCE (i)
Employees	\$ 449,108	\$					
Officers,							
Dividend Stockholders	141,792						
Dividend Benefits	92,825						
Depreciation							
Insurance	39,394					39,394	
Interest	146,711			17,559		129,152	
Legal	32,330					32,330	
Management	43,884	8,820				22,304	
Engineering	7,270						
Accounting	11,550						
Legal	2,328						
Mgt. Fees	60,000						
Testing	16,975					16,975	
Other	28,412						
Real Property	1,100						
Repairs	24,108						
Liability	35,948						
Administrative Comp.	20,729						
Other	2,764						
Contingency Expenses							
Case Expense							
Other Exp.-Other							
Reserves	42,444					1,913	
Total Expenses	\$ 1,199,672	\$ 8,820	\$ -	\$ 17,559	\$ -	\$ 242,068	\$ -

KW Resort Utilities Corp

KW Resort Utilities / Monroe

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

UNIT NAME (b)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)	.9 RECLAIMED WATER TREATMENT EXPENSES- OPERATIONS (l)	.10 RECLAIMED WATER TREATMENT EXPENSES- MAINTENANCE (m)	.11 RECLAIMED WATER DISTRIBUTION EXPENSES- OPERATIONS (n)	.12 RECLAIMED WATER DISTRIBUTION EXPENSES- MAINTENANCE (o)
Wages - Employees	\$	449,108	\$			
Wages - Officers, Majority Stockholders		141,792				
Pensions and Benefits		92,825				
Waste Treatment						
Travel Expense						
Travel						
Travel Purchased						
Supplies		12,760				
Services-Engineering		7,270				
Services - Accounting		11,550				
Services - Legal		2,328				
Services - Mgt. Fees		60,000				
Services - Testing						
Services - Other		28,412				
Leasing/Real Property		1,100				
Leasing						
Leasing Expenses		24,108				
Leasing						
General Liability		35,948				
Contractor's Comp.		20,729				
Contractor						
Contractor Expense		2,764				
Commission Expenses of Rate Case Expense						
Commission Exp.-Other						
Commission						
Commission Expenses		40,531				
Utility Expenses	\$ -	\$ 931,225	\$ -	\$ -	\$ -	\$ -

CLASS "A" OR "B"

WATER AND/OR WASTEWATER UTILITIES
(Gross Revenue of More Than \$200,000 Each)

ANNUAL REPORT

OF

SU336-15-AR

KW Resort Utilities Corp

Exact Legal Name of Respondent

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YEAR OF REPORT
31-Dec-15

UTILITY NAME: **KW Resort Utilities Corp**

SYSTEM NAME / COUNTY : **KW Resort Utilities / Monroe**

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO.	ACCOUNT NAME	CURRENT YEAR	.1 COLLECTION EXPENSES- OPERATIONS	.2 COLLECTION EXPENSES- MAINTENANCE	.3 PUMPING EXPENSES - OPERATIONS	.4 PUMPING EXPENSES - MAINTENANCE	.5 TREATMENT & DISPOSAL EXPENSES - OPERATIONS	.6 TREATMENT & DISPOSAL EXPENSES - MAINTENANCE
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
701	Salaries and Wages - Employees	\$ 427,879	\$					
	Salaries and Wages - Officers, Directors and Majority Stockholders	218,505						
704	Employee Pensions and Benefits	112,902						
710	Purchased Sewage Treatment							
711	Sludge Removal Expense	36,777					36,777	
715	Purchased Power	145,781			15,697		130,084	
716	Fuel for Power Purchased							
718	Chemicals	89,146					89,146	
720	Materials and Supplies	27,506	14,444					
731	Contractual Services-Engineering	2,896						
732	Contractual Services - Accounting	31,650						
733	Contractual Services - Legal	7,461						
734	Contractual Services - Mgt. Fees	60,000						
735	Contractual Services - Testing	22,615					22,615	
736	Contractual Services - Other	74,367						
741	Rental of Building/Real Property	100						
742	Rental of Equipment	528						
750	Transportation Expenses	25,972						
756	Insurance - Vehicle							
757	Insurance - General Liability	41,178						
758	Insurance - Workman's Comp.	22,355						
759	Insurance - Other							
760	Advertising Expense	631						
	Regulatory Commission Expenses							
766	- Amortization of Rate Case Expense							
767	Regulatory Commission Exp.-Other							
770	Bad Debt Expense							
775	Miscellaneous Expenses	54,189						
Total Wastewater Utility Expenses		\$ 1,402,438	\$ 14,444	\$ -	\$ 15,697	\$ -	\$ 278,622	\$ -

UTILITY NAME: **KW Resort Utilities Corp**

SYSTEM NAME / COUNTY : **KW Resort Utilities / Monroe**

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)	.9 RECLAIMED WATER TREATMENT EXPENSES- OPERATIONS (l)	.10 RECLAIMED WATER TREATMENT EXPENSES- MAINTENANCE (m)	.11 RECLAIMED WATER DISTRIBUTION EXPENSES- OPERATIONS (n)	.12 RECLAIMED WATER DISTRIBUTION EXPENSES- MAINTENANCE (o)
701	Salaries and Wages - Employees	\$	427,879	\$			
703	Salaries and Wages - Officers, Directors and Majority Stockholders		218,505				
704	Employee Pensions and Benefits		112,902				
710	Purchased Sewage Treatment						
711	Sludge Removal Expense						
715	Purchased Power						
716	Fuel for Power Purchased						
718	Chemicals						
720	Materials and Supplies		13,062				
731	Contractual Services-Engineering		2,896				
732	Contractual Services - Accounting		31,650				
733	Contractual Services - Legal		7,461				
734	Contractual Services - Mgt. Fees		60,000				
735	Contractual Services - Testing						
736	Contractual Services - Other		74,367				
741	Rental of Building/Real Property		100				
742	Rental of Equipment		528				
750	Transportation Expenses		25,972				
756	Insurance - Vehicle						
757	Insurance - General Liability		41,178				
758	Insurance - Workman's Comp.		22,355				
759	Insurance - Other						
760	Advertising Expense		631				
766	Regulatory Commission Expenses - Amortization of Rate Case Expense						
767	Regulatory Commission Exp.-Other						
770	Bad Debt Expense						
775	Miscellaneous Expenses		54,189				
Total Wastewater Utility Expenses		\$ -	\$ 1,093,675	\$ -	\$ -	\$ -	\$ -

CLASS "A" OR "B"

WATER AND/OR WASTEWATER UTILITIES
(Gross Revenue of More Than \$200,000 Each)

ANNUAL REPORT

OF

SU336-13-AR

KW Resort Utilities Corp

Exact Legal Name of Respondent

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31-Dec-16

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YEAR OF REPORT
31-Dec-16

UTILITY NAME: **KW Resort Utilities Corp**

SYSTEM NAME / COUNTY : **KW Resort Utilities / Monroe**

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO.	ACCOUNT NAME	CURRENT YEAR	.1 COLLECTION EXPENSES- OPERATIONS	.2 COLLECTION EXPENSES- MAINTENANCE	.3 PUMPING EXPENSES - OPERATIONS	.4 PUMPING EXPENSES - MAINTENANCE	.5 TREATMENT & DISPOSAL EXPENSES - OPERATIONS	.6 TREATMENT & DISPOSAL EXPENSES - MAINTENANCE
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
701	Salaries and Wages - Employees	\$ 513,668	\$					
703	Salaries and Wages - Officers, Directors and Majority Stockholders	246,790						
704	Employee Pensions and Benefits	153,039						
710	Purchased Sewage Treatment							
711	Sludge Removal Expense	51,444					51,444	
715	Purchased Power	138,610	13,852				124,758	
716	Fuel for Power Purchased							
718	Chemicals	160,829					160,829	
720	Materials and Supplies	22,267	12,354					
731	Contractual Services-Engineering	15,343						
732	Contractual Services - Accounting	24,800						
733	Contractual Services - Legal	5,224						
734	Contractual Services - Mgt. Fees	60,000						
735	Contractual Services - Testing	21,416					21,416	
736	Contractual Services - Other	48,129	10,282	12,047			9,456	15,144
741	Rental of Building/Real Property	100						
742	Rental of Equipment							
750	Transportation Expenses	26,246						
756	Insurance - Vehicle							
757	Insurance - General Liability	42,061						
758	Insurance - Workman's Comp.	25,974						
759	Insurance - Other							
760	Advertising Expense	1,376						
766	Regulatory Commission Expenses - Amortization of Rate Case Expense							
767	Regulatory Commission Exp.-Other							
770	Bad Debt Expense							
775	Miscellaneous Expenses	44,814						888
Total Wastewater Utility Expenses		\$ 1,602,130	\$ 36,488	\$ 12,047	\$ -	\$ -	\$ 367,904	\$ 16,033

YEAR OF REPORT
31-Dec-16

UTILITY NAME: **KW Resort Utilities Corp**

SYSTEM NAME / COUNTY : **KW Resort Utilities / Monroe**

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)	.9 RECLAIMED WATER TREATMENT EXPENSES- OPERATIONS (l)	.10 RECLAIMED WATER TREATMENT EXPENSES- MAINTENANCE (m)	.11 RECLAIMED WATER DISTRIBUTION EXPENSES- OPERATIONS (n)	.12 RECLAIMED WATER DISTRIBUTION EXPENSES- MAINTENANCE (o)
701	Salaries and Wages - Employees	\$	513,668	\$			
703	Salaries and Wages - Officers, Directors and Majority Stockholders		246,790				
704	Employee Pensions and Benefits		153,039				
710	Purchased Sewage Treatment						
711	Sludge Removal Expense						
715	Purchased Power						
716	Fuel for Power Purchased						
718	Chemicals						
720	Materials and Supplies		9,913				
731	Contractual Services-Engineering		15,343				
732	Contractual Services - Accounting		24,800				
733	Contractual Services - Legal		5,224				
734	Contractual Services - Mgt. Fees		60,000				
735	Contractual Services - Testing						
736	Contractual Services - Other		1,200				
741	Rental of Building/Real Property		100				
742	Rental of Equipment						
750	Transportation Expenses		26,246				
756	Insurance - Vehicle		-				
757	Insurance - General Liability		42,061				
758	Insurance - Workman's Comp.		25,974				
759	Insurance - Other						
760	Advertising Expense		1,376				
766	Regulatory Commission Expenses - Amortization of Rate Case Expense		107,707				
767	Regulatory Commission Exp.-Other						
770	Bad Debt Expense						
775	Miscellaneous Expenses		43,926				
Total Wastewater Utility Expenses		\$	1,277,367	\$	-	\$	-

ATTACHMENT 38

COMMISSION ORDER NO. PSC-2017-0091-FOF-SU

PAGES 1, 32

K W RESORT UTILITIES CORP. DOCKET NO. 20150071-SU:

EXCERPT ON CASH BALANCE

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Docket No. 20170141-SU
Composite Exhibit: Discovery
and Other References
Exhibit HWS-2
Page 266 of 280

In re: Application for increase in wastewater
rates in Monroe County by K W Resort
Utilities Corp.

DOCKET NO. 150071-SU
ORDER NO. PSC-17-0091-FOF-SU
ISSUED: March 13, 2017

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman
ART GRAHAM
JIMMY PATRONIS

APPEARANCES:

MARTIN S. FRIEDMAN, ESQUIRE, Friedman & Friedman, P.A., 766 North
Sun Drive, Suite 4030, Lake Mary, FL 32746; and
BARTON W. SMITH, ESQUIRE, Smith Oropeza Hawks, P.L., 138-142
Simonton Street, Key West, FL 33040
On behalf of KW Resort Utilities Corporation (KWRU)

J.R. KELLY, ERIK L. SAYLER; and STEPHANIE MORSE, ESQUIRES; Office of
Public Counsel, c/o The Florida Legislature, 111 West Madison Street, Room 812,
Tallahassee, Florida 32399-1400
On behalf of the Citizens of the State of Florida (OPC)

ROBERT SCHEFFEL WRIGHT, JOHN T. LaVIA III, ESQUIRES, Gardner,
Bist, Bowden, Bush, Dee LaVia & Wright, P.A., 1300 Thomaswood Drive,
Tallahassee, Florida 32308; and
CYNTHIA L. HALL, ESQUIRE Assistant County Attorney, Monroe County
Attorney's Office, 1111 – 12th Street, Suite 408, Key West, FL 33040
On behalf of Monroe County, Florida (Monroe County)

ANN M. AKTABOWSKI, QUALIFIED REPRESENTATIVE; Harbor Shores,
6800 Maloney Ave, Unit 100, Key West, FL 33040
On behalf of the Members of Harbor Shores Condominium Unit Owners
Association, Inc. (Harbor Shores)

KYESHA MAPP and JENNIFER CRAWFORD, ESQUIRES, Florida Public
Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-
0850
On behalf of the Florida Public Service Commission (Staff)

KEITH HETRICK, ESQUIRE, General Counsel, and MARY ANNE HELTON,
ESQUIRE, Deputy General Counsel, Florida Public Service Commission, 2540
Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
Advisor to the Florida Public Service Commission

ORDER NO. PSC-17-0091-FOF-SU
DOCKET NO. 150071-SU
PAGE 32

litigation should be removed. OPC stated that \$76,011 of the unamortized rate case expense should be allowed. OPC contended that KWRU's position that the high working capital balance is necessary for AWT operational expenses, the Last Stand litigation, and other regulatory concerns regarding the Florida Keys Area of Critical Concern are without merit. Therefore OPC argued, KWRU's assertions should be disregarded, as costs required to operate AWT are included as part of O&M and not working capital. Finally, OPC argued that the working capital balance for Phase II should remain at \$328,976.

County and Harbor Shores

In their briefs, the County and Harbor Shores agreed with OPC on Phases I and II.

Analysis

Rule 25-30.433(2), F.A.C., requires that Class A utilities use the balance sheet method to calculate the working capital allowance. In its updated filing, the Utility reflected a working capital allowance of \$1,458,270. KWRU's filing recognized Stipulation 8 to increase accounts receivable-other by \$40,067 and to decrease miscellaneous current and accrued assets by \$13,422. The Utility also recognized Commission staff Audit Finding 6 and increased miscellaneous deferred debits by \$24,217.

Cash

In its filing, KWRU's working capital allowance included cash of \$877,289. OPC witness Merchant testified that the requested test year cash balance was excessive and represented an anomaly for the Utility. She specifically cited comparisons to the cash balance approved in KWRU's last rate case, which was \$666,869 lower, and the cash balance reflected in its 2015 Annual Report, which was \$515,752 lower. Witness Merchant asserted that building a major plant expansion did not support the need for such a large balance of cash. The 13-month average cash balance based on available data from 2016 during the time frame of activity on the pro forma plant expansion is \$317,978. We believe this balance is more reflective of ongoing Utility operations and cash shall be decreased by \$559,311.

Deferred Rate Case Expense

In its revised MFRs, KWRU reflected deferred rate case expense of \$197,325 in its working capital calculation. As will be fully discussed in the rate case expense section, this Commission is approving a total rate case expense of \$430,828. It is this Commission's practice to include one-half of the approved amount of rate case expense in the instant docket in working capital under the balance sheet method. Consistent with our practice, the amount of deferred rate case expense to include in working capital is \$215,414. As such, working capital shall be increased by \$18,089.

ATTACHMENT 39

COMMISSION ORDER NO. PSC-2017-0091-FOF-SU

PAGES 1, 51-58

K W RESORT UTILITIES CORP. DOCKET NO. 20150071-SU:

EXCERPT ON RATE CASE EXPENSE

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in wastewater
rates in Monroe County by K W Resort
Utilities Corp.

DOCKET NO. 150071-SU
ORDER NO. PSC-17-0091-FOF-SU
ISSUED: March 13, 2017

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman
ART GRAHAM
JIMMY PATRONIS

APPEARANCES:

MARTIN S. FRIEDMAN, ESQUIRE, Friedman & Friedman, P.A., 766 North
Sun Drive, Suite 4030, Lake Mary, FL 32746; and
BARTON W. SMITH, ESQUIRE, Smith Oropeza Hawks, P.L., 138-142
Simonton Street, Key West, FL 33040
On behalf of KW Resort Utilities Corporation (KWRU)

J.R. KELLY, ERIK L. SAYLER; and STEPHANIE MORSE, ESQUIRES; Office of
Public Counsel, c/o The Florida Legislature, 111 West Madison Street, Room 812,
Tallahassee, Florida 32399-1400
On behalf of the Citizens of the State of Florida (OPC)

ROBERT SCHEFFEL WRIGHT, JOHN T. LaVIA III, ESQUIRES, Gardner,
Bist, Bowden, Bush, Dee LaVia & Wright, P.A., 1300 Thomaswood Drive,
Tallahassee, Florida 32308; and
CYNTHIA L. HALL, ESQUIRE Assistant County Attorney, Monroe County
Attorney's Office, 1111 – 12th Street, Suite 408, Key West, FL 33040
On behalf of Monroe County, Florida (Monroe County)

ANN M. AKTABOWSKI, QUALIFIED REPRESENTATIVE; Harbor Shores,
6800 Maloney Ave, Unit 100, Key West, FL 33040
On behalf of the Members of Harbor Shores Condominium Unit Owners
Association, Inc. (Harbor Shores)

KYESHA MAPP and JENNIFER CRAWFORD, ESQUIRES, Florida Public
Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-
0850
On behalf of the Florida Public Service Commission (Staff)

KEITH HETRICK, ESQUIRE, General Counsel, and MARY ANNE HELTON,
ESQUIRE, Deputy General Counsel, Florida Public Service Commission, 2540
Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
Advisor to the Florida Public Service Commission

ORDER NO. PSC-17-0091-FOF-SU
DOCKET NO. 150071-SU
PAGE 51

transactions is whether those transactions exceed the going market rate or are otherwise inherently unfair.²⁴

The Utility confirmed that the day-to-day operations were switched to full-time employees as opposed to solely contractual services. A breakdown of each position was also provided. In the listing of Mr. Johnson's responsibilities provided, it cited responsibilities including budgeting, capital planning, financial planning and reporting, review of bid packages, and financing. Mr. Johnson also provides operational and personnel management. KWRU stated that the president, Mr. Johnson, spends an "average 45 hours a week" handling day-to-day operations. Further, the Utility asserted that Mr. Johnson performs other matters for KWRU outside of regular business hours, such as PSC hearings, wastewater workshops, Board of County Commissioners Meetings, and required continuing education training (WWTP Operator License).

KWRU also provided responsibilities of Green Fairways in response to a discovery request. In addition to Mr. Smith providing personal guarantee for loans, the Utility stated that Green Fairways supervises Mr. Johnson, provides property and financial management, conducts financial reports, and provides accounting services related to financing and equity for KWRU.

We find that the majority of responsibilities attributed to Green Fairways are duplicative of in-house management duties. As such, contractual services-management expense shall be reduced by \$60,000.

Conclusion

Based on the above, contractual services-management expense shall be reduced by \$60,000 as it is duplicative in nature.

X. Rate Case Expense

Pursuant to Section 367.081(7), F.S., this Commission shall determine the reasonableness of rate case expense and shall disallow all rate case expense determined to be unreasonable.

Parties' Arguments

KWRU

In its brief, the Utility stated that actual rate case expense as of October 24, 2016, supported with documentation, was \$396,994. Based on the most recent actual and projected rate case expense submitted as evidence, the total rate case expense evidenced at trial would be \$461,126.

KWRU stated that although intervenors contend that certain legal expenses of Friedman & Friedman, P.A. and Smith Oropeza Hawks, P.L. are duplicative and not reasonable, the two firms have had a distinct separation of duties, and took measures to minimize legal expenses.

²⁴ GTE Florida Inc. v. Deason, 642 So. 2d 545 (Fla. 1994)

ORDER NO. PSC-17-0091-FOF-SU
DOCKET NO. 150071-SU
PAGE 52

The Utility detailed that Smith, Oropeza, Hawks, P.L., served as primary litigation counsel, with Friedman & Friedman providing input and advisement; as such, the two firms have not overlapped on work performed, other than brief communications to divide work between the two firms. The Utility also stated Mr. Smith and Mr. Friedman attended Commission conference calls and participated in the conferences to ensure that no miscommunications existed and that work is not duplicated. Smith Oropeza Hawks has handled the discovery load using its lowest cost attorney to coordinate efforts of witnesses and draft discovery documents.

OPC

In its calculation of Phase I and II rates, OPC included \$38,005 to reflect the amortization of the Commission approved rate case expense in the PAA Order. OPC witness Merchant testified that the final amount of rate case expense should be fully supported and reasonable, and should not be duplicative. OPC explained that adjustments should be made to remove duplicative and excessive legal fees, filing fees, and costs incurred to submit and address deficiencies in the MFRs, and to allow a reasonable estimate to complete the case.

OPC stated that it is not appropriate for KWRU to seek reimbursement from its ratepayers to have two attorneys reviewing the same work product and attending the same meetings. OPC asserted that it is the Utility's burden to demonstrate that the legal fees incurred are not duplicative and customers should not pay double (or any additional) rate case expense to have two attorneys review a data request, a discovery response, attend a conference call with Commission staff, attend the prehearing conference, or pay for hours associated with "researching" different Commission functions such as the PAA process. OPC explained that at the November 7-8 hearing, OPC and Monroe County each had one attorney actively litigating their clients' case; whereas, KWRU had two. OPC stated that when making adjustments to KWRU's "estimate to complete," this Commission should allow rate case expense for the participation of only one attorney, and disallow costs for the second as being unnecessary and unreasonable.

Witness Merchant testified that accounting fees should be reduced to remove duplicate filing costs to correct MFR deficiencies, to remove duplicative, unsupported, and other accounting invoices not related to rate case expense, and to reflect a reasonable level of estimated hours to complete the case. OPC asserted that this Commission should scrutinize the accounting rate case expense invoices to determine whether the Utility's inadequate record keeping has increased the amount of accounting work performed to prepare the MFRs, address audit findings and respond to discovery, and whether any claimed rate case expense related to bringing the Utility's books into compliance included in rate case expense should be disallowed. Witness Merchant also testified that adjustments are appropriate to reflect a reasonable cost for customer notices, printing and shipping, and rate case travel expenses.

County

The County stated the final amount of rate case expense should be fully supported by record evidence, not duplicative, and reasonable. The County contended it is unreasonable for two attorneys to duplicate work.

Harbor Shores

In its brief, Harbor Shores agreed with OPC's position.

Analysis

In its updated filing, the Utility requested \$394,648 for current rate case expense. Commission staff made two separate discovery requests for an update of the actual rate case expense incurred, with supporting documentation, as well as estimated amount to completion. On October 27, 2016, the Utility submitted its last revised update of actual and estimate rate case expense, through completion of the hearing process, which totaled \$532,146. A breakdown of the Utility's requested rate case expense is as follows:

**Table 5
 KWRU's Revised Rate Case Expense Request**

	Actual	Additional Estimated	Revised Total
Friedman & Friedman, PA	\$55,678	\$37,401	\$93,079
Smith, Oropeza, & Hawks, PL	169,508	44,100	213,608
Milian, Swain, & Associates	134,521	21,350	155,871
Jeffery Allen,	10,275	3,000	13,275
M&R Consultants	12,833	26,500	39,333
Weiler Engineering Corp.	5,804	0	5,804
Filing Fee	0	0	0
Customer Notices, Printing, and Shipping	4,707	293	5,000
Travel	2,465	2,804	5,269
BB&T Escrow Fee	<u>1,200</u>	<u>0</u>	<u>1,200</u>
Total	<u>\$396,991</u>	<u>\$135,448</u>	<u>\$532,439</u>

In order to determine the reasonableness of the Utility's requested rate case expense, we examined the requested actual expenses, supporting documentation, and estimated expenses as listed above for the current rate case.

Smith, Oropeza, Hawks PL (SOH)

KWRU witness Johnson provided documentation detailing rate case expense for the law firm Smith, Oropeza, Hawks, P.L. (SOH) totaling \$169,508. During the PAA process, the firm of Friedman and Friedman (F&F) was retained as the primary counsel for KWRU before this Commission. However, the Utility also retained the services of SOH to assist with the rate case during this time. We reviewed SOH's invoices and believe SOH's hours associated with data requests related to the Last Stand Litigation are reasonable since the firm has represented the

ORDER NO. PSC-17-0091-FOF-SU
DOCKET NO. 150071-SU
PAGE 54

Utility for over five years and has in-depth familiarity with the on-going operations and legal issues pertaining to the Last Stand litigation. In addition, we believe given the location of the Utility, it would have been more costly for F&F to coordinate with the County to address its concerns with the rate increase. As such, we find SOH's hours related to discussions and meetings with the County regarding the rate case reasonable.

Once the PAA Order was protested by OPC and the County, SOH assumed the role of primary counsel, with F&F assisting only on items related to unique PSC regulatory matters. OPC witness Merchant testified it is the Utility's burden to show that legal fees incurred are not duplicative, however, she also testified that the Utility deserves equal representation as OPC and the County. Given the complexity of the hearing process compared to the PAA process, and KWRU's effort to retain adequate representation, we find it reasonable for KWRU to retain two legal counsels.

We reviewed itemized invoices from both law firms in an effort to remove any duplicative legal fees. As such, we made adjustments for specific work performed by SOH that appear duplicative to F&F. Upon reviewing invoices between the two firms, we find that \$14,473 in fees and \$570 in costs for SOH are duplicative of F&F and shall be removed.

SOH's last estimate to complete the rate case was dated as of August 31, 2016. The estimate included fees for 126 hours at \$350/hr. totaling \$44,100. Subsequent to the last updated estimate, KWRU provided invoices detailing actual SOH legal fees incurred. Therefore, we reduced the estimate to complete by the amount of actual expense provided subsequent to the last updated estimate. This results in a reduction of \$35,000 (100 hrs. x \$350)

In summary, SOH rate case expense shall be reduced by \$50,043 (\$14,473+ \$570 + \$35,000).

Friedman & Friedman, P.A. (F&F)

KWRU witness Johnson provided documentation detailing rate case expense for the law firm Friedman & Friedman, P.A. (F&F). As mentioned above, F&F was retained as the primary counsel for KWRU before this Commission during the PAA process. However, during the hearing process, SOH assumed the role of primary counsel, with F&F assisting only on items related to unique PSC regulatory matters. Detailed invoices were provided through October 3, 2016. The actual fees and costs totaled \$47,988 with an estimated \$52,848 to complete the rate case, totaling \$100,836 (\$47,988 + \$52,848).

F&F's actual expenses included the \$4,500 filing fee. KWRU is responsible for the payment of the filing fee; therefore, we removed the \$4,500 from legal costs and included it under a filing fee line item.

According to invoices, the law firm of F&F identified and billed the Utility \$1,188 related to the correction of MFR deficiencies. This Commission has previously disallowed rate

ORDER NO. PSC-17-0091-FOF-SU
DOCKET NO. 150071-SU
PAGE 55

case expense associated with correcting MFR deficiencies because of duplicate filing costs.²⁵ Consequently, F&F's actual legal fees shall be reduced by \$1,188.

F&F's last estimate to complete the rate case was submitted as of October 22, 2016. The estimate included fees for 82 hours at \$360/hr. and additional costs for photocopies and attending the Agenda Conference, totaling \$3,957. Based on previously provided estimates for travel time to Tallahassee and Key West, we reduced hours for travel resulting in a reduction of \$9,900 (\$360 x 27.5 hrs.). Further, we decreased estimated travel costs \$2,134 for to remove hotel reservations paid for by KWRU and to reflect previously documented travel costs for similar trips. Accordingly, F&F legal fees shall be reduced by \$17,722 (\$4,500 + \$1,188 + \$9,900 + \$2,134).

Milian, Swain & Associates (MS&A)

The Utility provided documentation detailing rate case expense for accounting services performed by Milian, Swain, & Associates (MS&A). The actual fees and costs totaled \$134,521 with an estimated \$46,000 to complete the rate case, totaling \$180,521 (\$134,521 + \$46,000).

In regard to MS&A's actual expenses, we reviewed the supporting documentation and identified 49.25 hours related to correcting deficiencies. As stated previously, this Commission has previously disallowed rate case expense associated with correcting MFR deficiencies because of duplicate filing costs. As such, \$8,813 shall be removed from MS&A's accounting consultant fees.

MS&A's last estimate to complete the rate case was submitted as of September 30, 2016. The estimate included fees related to discovery and preparation for the hearing totaling \$20,850 and travel costs totaling \$500. We find MS&A's estimate to complete is reasonable and therefore no adjustment is necessary.

In summary, MS&A rate case expense shall be reduced by \$8,813.

Jeffery Allen, PA

KWRU witness Johnson provided documentation detailing rate case expense for accounting services performed by Jeffery Allen, P.A. The actual fees and costs for Mr. Allen's services totaled \$10,275 with an additional \$3,000 estimated to complete the rate case.

Descriptions of work performed on his invoices were vague in relation to the rate case, and Commission staff requested further clarification. According to the Utility's response, Mr. Allen's work performed in the months of February, March, and July was associated with the restatement of prior year's annual reports. As such, 15 hours at \$250 an hour, for a total of \$3,750 shall be removed as expense unrelated to the rate case.

²⁵ Order Nos. PSC-05-0624-PAA-WS, issued June 7, 2005, in Docket No. 040450-WS, In re: Application for rate increase in Martin County by Indiantown Company, Inc., and PSC-01-0326-FOF-SU, issued February 6, 2001, in Docket No. 991643-SU, In re: Application for increase in wastewater rates in Seven Springs System in Pasco County by Aloha Utilities, Inc.

ORDER NO. PSC-17-0091-FOF-SU
DOCKET NO. 150071-SU
PAGE 56

Jeffery Allen's last estimate to complete the rate case was submitted as of July 1, 2016. The estimate included \$3,000 to complete the rate case through the hearing. Subsequent to the last updated estimate, KWRU provided invoices detailing actual accounting fees for Jeffery Allen incurred. Therefore, we reduced the estimate to complete by the amount of actual expense provided subsequent to the last updated estimate. This results in a reduction of \$3,000 for estimate to complete.

In total, Jeffery Allen's rate case expense shall be reduced by \$6,750 (\$3,750 + \$3,000).

M&R Consultants

KWRU witness Johnson provided documentation detailing rate case expense for M&R Consultants through October 21, 2016. The invoices included consulting services for engineering-related schedules, responses to Commission staff's data requests, review Commission staff recommendations, responses to discovery, and prepare and assist testimony. The actual fees and costs totaled \$12,175. We reduced this expense by \$188 to remove fees associated with deficiencies.

M&R's last estimate to complete the rate case was submitted as of September 1, 2016. The estimate included fees for 166 hours at \$150/hr. Based on previously provided estimates for hearing preparation and travel time to Key West, we reduced hours for travel and preparation for the hearing by \$19,688. In total, M&R rate case expense shall be reduced by \$19,875 (\$188 + \$19,688).

Weiler Engineering Corp.

KWRU witness Johnson provided documentation detailing rate case expense for Weiler Engineering Corp. The actual fees and costs totaled \$5,096 for work associated with MFRs and the first data request. We reviewed the invoices provided and find this expense is reasonable. There was no estimate to complete provided in the record. Therefore, we made no adjustments.

Filing Fee

The Utility included \$4,500 in its MFR Schedule B-10 for the filing fee. As mentioned above, the filing fee was also included in F&F's legal costs. We removed the filing fee from F&F's legal costs and included the \$4,500 as part of filing fee expense.

Customer Notices, Printing, and Shipping

KWRU witness Johnson provided documentation detailing rate case expense for printing, shipping and customer notices, totaling \$4,707. We reviewed invoices from FedEx, Office Max, U.S. Postmaster, and PayPal and believe these costs are reasonable. However, we removed \$877 for a FedEx expense that was unsupported. We also increased this expense by \$20 to reflect incorrectly recorded invoice. In total, actual rate case expense was decreased by \$857 (-\$877 + \$20).

ORDER NO. PSC-17-0091-FOF-SU
DOCKET NO. 150071-SU
PAGE 57

Based on KWRU's original filing, the remaining estimate to complete would be \$293 for final notices, based on the actual documentation provided. However, the Utility provided the support documentation needed to verify the actual costs associated with two notices. According to the invoices, costs for the initial notice and customer meeting notice totaled \$1,476. Based on the total cost for the first two notices, we find a reasonable estimate for the final notice is \$738 ($\$1,476 / 2$). Therefore the Utility's estimate for final notices shall be increased by \$446. In total, customer notice, printing, and shipping expense shall be reduced by \$411 ($-\$857 + \446).

Travel

KWRU provided documentation detailing rate case expense for travel totaling \$2,465. The expenses supported were related to KWRU witness Johnson's attendance at the PAA Agenda Conference. In addition, KWRU provided estimated hotel costs for three consultants to attend the hearing totaling \$2,804. The documentation provided for the hotel reservations reflected an additional night for each consultant, two day prior to the technical hearing. We find that this additional expense falls outside the timeframe of the technical hearing and shall be removed from rate case expense. As such, travel expense shall be decreased by \$1,297.

BB&T Escrow Fee

KWRU provided documentation for a BB&T escrow fee, in the amount of \$1,200, that was incurred when the Utility chose to implement the rates set forth in the PAA Order, subject to refund. Pursuant to Rule 25-30.360, F.A.C., in no instance shall maintenance and administrative costs associated with any refund be borne by the customers. The costs are the responsibility of, and should be borne by the Utility. As such, the \$1,200 escrow fee shall be removed.

Conclusion

Based upon the adjustments discussed above, KWRU's revised rate case expense of \$532,146 shall be decreased by \$101,318 to reflect our adjustments, for a total of \$430,828. A breakdown of this Commission's approved rate case expense is as follows:

Table 6
Commission Approved Rate Case Expense

Description	Utility Revised Act. & Est.	Commission Adjustment	Commission Approved Total
Legal Fees	\$306,687	(\$67,765)	\$238,922
Accounting Consultant Fees	169,146	(15,563)	153,583
Engineering Consultant Fees	45,137	(19,875)	25,262
Filing Fee	0	4,500	4,500
Customer Notices, Printing, and Shipping	5,000	(411)	4,589
Travel	5,269	(1,297)	3,972
BB&T Escrow Fee	1,200	(1,200)	0
Total	<u>\$532,439</u>	<u>(\$101,610)</u>	<u>\$430,828</u>

The total rate case expense of \$430,828 shall be amortized over four years, pursuant to Section 367.0816, F.S.,²⁶ this represents an annual expense of \$107,707. As stated previously, in its updated filing, the Utility requested \$394,648 for current rate case expense, with an annual amortization amount of \$98,662. Based on the Utility's updated filing, the annual amortization of rate case expense shall be increased by \$9,045 (\$107,707 - \$98,662).

Y. Restatement of 2007 to 2012 Annual Reports

This section shall address the appropriate amount and accounting treatment of accounting fees incurred by the Utility to restate its 2007 to 2012 Annual Reports.

Parties' Arguments

KWRU

KWRU stated that the expenditures for restatement of the 2007 to 2012 Annual Reports were necessary and have long-term benefits for the Utility and its rate payers. The Utility asserted that amortization of the costs over a 5-year period are appropriate considering the amount of work that was put into preparing the books for Commission staff auditors and to have proper recording of all records.

OPC

OPC contended that KWRU failed to explain how this restatement provided any future benefit to ratepayers. OPC also stated the Utility failed to make Commission-ordered adjustments from the last rate case. OPC asserted that ratepayers should not have to pay for the Utility failure to correctly maintain its books.

²⁶ Section 367.0816, F.S., was repealed pursuant to Ch. 2016-226, Laws of Florida, effective July 1, 2016. However, the statute was in effect when KWRU's application was filed, and therefore shall remain applicable in this case.

ATTACHMENT 40

COMMISSION ORDER NO. 1996-0663-FOF-WS

PAGES 1, 11

ROTONDA WEST UTILITY CORPORATION

DOCKET NO. 19950336-WS; EXCERPT ON CASH BALANCE

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for rate) DOCKET NO. 950336-WS
increase in Charlotte County by) ORDER NO. PSC-96-0663-FOF-WS
Rotonda West Utility) ISSUED: May 13, 1996
Corporation.)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION ORDER
APPROVING INCREASED RATES AND CHARGES

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

BACKGROUND

Rotonda West Utility Corporation (Rotonda or utility) is a Class A utility located in Charlotte County. According to the Southwest Florida Water Management District (SWFWMD), Rotonda is in a water use caution area. According to the utility's minimum filing requirements (MFRs) as of December 31, 1994, the utility had an average of 2,828 water and 2,667 wastewater customers. Rotonda reported adjusted test year operating revenues of \$1,093,541 for water and \$943,409 for wastewater operations respectively for 1994.

The utility came under our jurisdiction on September 30, 1994, pursuant to Charlotte County's resolution declaring the privately-owned water and wastewater utilities in Charlotte County subject to the provisions of Chapter 367, Florida Statutes. By Order No. PSC-95-0780-FOF-WS, issued June 28, 1995, we issued grandfather certificates to Rotonda. The utility has never had a rate proceeding before this Commission, therefore, there is no previously established rate of return on equity.

DOCUMENT NUMBER-DATE

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ORDER NO. PSC-96-0663-FOF-WS
DOCKET NO. 950336-WS
PAGE 11

Conclusion

Based on the above, CIAC for contributed land shall be imputed in the amounts of \$377,362 and \$75,808 for water and wastewater, respectively. Water Plant Account 304 will be increased by \$1,696 for road construction costs, with corresponding increases of \$148 and \$42 to accumulated depreciation and depreciation expense, respectively. Water Plant Account 307 will be increased by \$2,002 for well-field permit costs, with corresponding increases of \$50 and \$100 to accumulated depreciation and depreciation expense, respectively. Land will be reduced by \$4,661 for water and \$500 for wastewater.

Working Capital

Pursuant to Rule 25-30.433, Florida Administrative Code, Class A Utilities must use the balance sheet method to compute working capital. Using this methodology, Rotonda requested \$485,724 as a working capital allowance. Of this amount, \$280,527 was allocated to its water plant and \$205,197 to its wastewater plant. We have reviewed the utility's balance sheet and its calculation of working capital, and find several adjustments to be necessary.

Cash

The utility included a 13-month average cash balance of \$362,282 in its working capital calculation. This is a large amount of cash to be included in a non-interest bearing account. The utility contended that the large bank balance is necessary in order to meet its loan obligations. We examined several large Class A water and wastewater utilities, and compared the cash balance for each utility to annual revenues. Those utilities kept cash balances from .57 percent to 2.15 percent of their annual revenues. Rotonda's average cash balance is 17.10 percent of its annual revenues.

The utility has not sufficiently demonstrated the need for the large cash balance in an account that is not earning interest. We therefore find it appropriate to disallow the large cash balance. We find that an amount equal to 4 percent of the Rotonda's total revenues is sufficient for the utility to meet its financial obligations. Therefore, the utility's cash balance shall be reduced by \$277,282, resulting in a \$85,000 cash balance for the working capital determination.

Other Miscellaneous Deferred Debits

This account includes the unamortized portion of the Rotonda's master plan. However, we have determined herein that the utility's