

FLORIDA KEYS AQUEDUCT AUTHORITY



2023

**2023 BUDGET AND
FINANCIAL PLAN**

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FLORIDA KEYS AQUEDUCT AUTHORITY

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BUDGET AND FINANCIAL PLAN 2023

305.296.2454
1100 Kennedy Drive
Key West, FL 33040



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INTRODUCTION AND OVERVIEW

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FLORIDA KEYS AQUEDUCT AUTHORITY

2023 BOARD OF DIRECTORS

J. ROBERT DEAN CHAIRMAN

District 3- Current term expires December 31, 2024
Owner and Director, Dean-Lopez Funeral Home

RICHARD J. TOPPINO VICE CHAIRMAN

District 2- Current term expires December 31, 2023
Treasurer, Charley Toppino & Sons, Inc.
Vice President, Monroe Concrete Products, Inc.

ANTOINETTE M. APPELL SECRETARY/ TREASURER

District 4- Current term expires December 31, 2024
Highly Qualified Paraprofessional with the
Monroe County School District, Retired

NICHOLAS W. MULICK BOARD MEMBER

District 5- Current term expires December 31, 2024
Owner, The Law Offices of Nicholas W. Mulick

CARA HIGGINS BOARD MEMBER

District 1- Current term expires December 31, 2023
Owner, Cara Higgins Law

Message from the Executive Director

Kerry Shelby



On behalf of the Board of Directors and staff of the Florida Keys Aqueduct Authority, we are pleased to present our annual budget for the fiscal year ending September 30, 2023, as adopted by the Board of Directors on August 23, 2022, and the related five-year financial plan and capital financing plan.

The document is organized into five main sections. First is an introductory overview of the organization followed by a summary of our financial structure, policies and budget process. The next three sections provide financial summaries, the capital budget and debt and a detailed discussion of the operating budgets for each of our departments. This budget will remain in effect through September 30, 2023 and may only be amended through specific action of the Board. In accordance with our

enabling legislation, actual expenditures for the fiscal year may not exceed the final budgeted expenditures as amended.

Operating revenue is budgeted to increase slightly over the current year due to a 10.6% inflation index effective October 1, 2022. Water sales volumes are projected to increase 1% based on recent trends. Operating expenses are budgeted slightly higher than the current year due mainly to inflation, additional personnel costs, increased operating costs and replacement of aging equipment and vehicles. Capital projects are focused on projects that are critical to sustaining continued reliable operations. These projects will be funded through rates and reserves, grants and the Series 2021B Water Revenue Bonds.

Specific budget priorities and economic factors affecting the budget can be found in the introduction and overview section. Further information about the Authority can be found at our website, fkaa.com, or may be obtained by calling our contact center at (305) 296-2454.

We take pride in providing reliable water and wastewater services to the residents of and visitors to the Florida Keys in the most cost-effective manner while providing quality workmanship and customer service. This budget was developed to support that mission.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'Kerry G. Shelby', written over a faint horizontal line.

Kerry G. Shelby
Executive Director

August 24, 2022

VISION, MISSION, VALUES AND GUIDING PRINCIPLES

For fiscal year 2023



VISION

The Florida Keys Aqueduct Authority will be recognized nationally as a leader in the provision of safe, reliable water and wastewater services by seamlessly integrating advanced technology to enhance the customer experience and maximize efficiencies while leading as well in environmental awareness and resource protection.

MISSION

The Florida Keys Aqueduct Authority is a nationally renowned and community oriented publicly owned utility that provides reliable, safe and efficient water and wastewater services in a fiscally and environmentally responsible manner with a highly trained, professional, and dedicated team of employees.

VALUES

To achieve our mission, the Authority is committed to the following values:

- Customer satisfaction
- Excellent water quality
- Community involvement
- Strong working relationships with municipal, county, state and federal government agencies
- Employee development, communication and career growth
- Well maintained, reliable and secure systems
- Cost effective services
- Protection of environmental resources
- Financial stability

VISION, MISSION, VALUES AND GUIDING PRINCIPLES

For fiscal year 2023

GUIDING PRINCIPLES

In providing the highest quality water services to our customers, we embrace the following ten attributes of effectively managed water sector utilities as our guiding principles.

FINANCIAL VIABILITY

We understand the full life-cycle costs of the utility and maintain an effective balance between long-term debt, asset values, operations and maintenance expenditures, and operating revenues. We establish predictable rates that are equitable and consistent with community expectations and acceptability, adequate to recover costs, provide for reserves, maintain support from bond rating agencies, and plan and invest for future needs.

- Cost effective services
- Protection of environmental resources
- Financial stability

OPERATIONAL RESILIENCY

We ensure our leadership and staff work together to anticipate and avoid problems. We proactively identify, assess, establish tolerance levels for, and effectively manage a full range of business risks including legal, regulatory, financial, environmental, safety, security, and natural disaster related.

PRODUCT QUALITY

We produce safe, high quality potable water and treated wastewater effluent in full compliance with regulatory and reliability requirements and consistent with customer, public health, and ecological needs.

INFRASTRUCTURE STABILITY

We maintain and enhance the condition of all assets over the long-term at the lowest possible life-cycle cost and acceptable risk consistent with customer, community, and regulator-supported service levels, and consistent with anticipated growth and system reliability goals.

WATER SUPPLY AVAILABILITY

We ensure water availability through long-term water supply and demand analysis, conservation, agency interaction, and public education.

CUSTOMER SATISFACTION

We provide reliable, responsive, and affordable services in line with our customer expectations. We value their opinions and suggestions.

OPERATIONAL OPTIMIZATION

We ensure ongoing, timely, cost-effective, reliable, and sustainable performance improvements in all facets of our operation.

EMPLOYEE AND LEADERSHIP DEVELOPMENT

We recruit and retain a workforce team that is skilled, motivated, adaptive, and safe working. We encourage a participatory, collaborative organization culture dedicated to continual learning and improvement. We emphasize opportunities for professional and leadership development and strive to maintain an integrated and well-coordinated senior leadership team.

COMMUNITY SUSTAINABILITY

Manage operations, infrastructure, and investments to protect, restore, and enhance the natural environment. We efficiently use water and energy resources; promote economic vitality; and engender overall community involvement and improvement.

STAKEHOLDER UNDERSTANDING AND SUPPORT

We actively involve stakeholders in the decisions that will affect them. We garner understanding and support from community interests for service levels, rate structures, operating budgets, capital improvement programs and risk management decisions.

VISION, MISSION, VALUES AND GUIDING PRINCIPLES

For fiscal year 2023

STRATEGIC GOALS, INITIATIVES, AND IMPLEMENTATION STRATEGIES

Our strategic goals define what we seek to accomplish to fulfill FCAA's vision. They reflect the unique challenges that FCAA faces as provider of water services for the Florida Keys. These goals simultaneously address infrastructure needs, opportunities to enhance customer services, and responsibilities for stewardship of our environmental resources:

1. Develop a sustainable utility and related infrastructure
2. Proactive public outreach and superior customer service
3. Enhance employee communication and development
4. Financial optimization
5. Maximize energy efficiency
6. Optimize utility operations and treatment

Our approach to accomplishing these goals is framed by the institutional and legal position as a Special District of the State of Florida.

Other Planning Processes And Their Impact On The Budget

For fiscal year 2023

	TYPE OF PLANNING PROCESS	DESCRIPTION OF PROCESS	BUDGET IMPACTS
STRATEGIC PLANNING	Long range (3 to 10 years) with objectives established for budget year	Strategic goals, initiatives and implementation strategies are reviewed with the Board as part of the budget process and updated accordingly	Provides direction for allocation of resources to meet predetermined strategic goals and objectives
FINANCIAL FORECASTING	Five-year operating plan to facilitate financial planning	Finance staff works with all departments to determine key forecast assumptions to project major revenue sources and expenditures	Provides for budget stability, planning and direction for future resource allocation decision making
CAPITAL IMPROVEMENT MASTER PLAN	Long-range plan to renew and replace water and wastewater infrastructure	Staff evaluates capital needs on an annual basis and programs the plan through a systematic prioritization process	Provides for predictable funding level from year to year to allow adequate planning for debt service requirements and operating costs of new facilities and infrastructure improvements
INFORMATION TECHNOLOGY MASTER PLAN	Multi-year plan to replace certain software applications and computer equipment	Initiatives and technology gaps identified in the plan have been prioritized by year, based on needs assessment with adjustments made as necessary	Allows for the funding of software and equipment replacements, maintenance, helpdesk support and network infrastructure replacement annually at established levels.

The Florida Keys

The Florida Keys are a chain-like cluster of about 1,700 islands in the southeast United States. They begin at the southeastern tip of the Florida peninsula, about 15 miles south of Miami, and extend in a gentle arc south to southwest to Key West, the southernmost city in the contiguous United States. The islands lie along the Florida Straits, dividing the Atlantic Ocean to the east from the Gulf of Mexico to the west, and defining one edge of Florida Bay. At the nearest point, the southern tip of Key West is just 89 miles from Cuba. The total land area is approximately 137 square miles and the county-wide population is about 75,000. Much of the population is concentrated in a few areas of much higher density, such as the city of Key West, which has 32% of the entire population of the Keys.

Early History

The Keys were originally inhabited by the Tequesta Native Americans and were later found and charted by Juan Ponce de Leon. “Key” is corrupted from the Spanish cayo, meaning small island. For many years, Key West was the largest town in Florida, and it grew prosperous from sponging, cigar making and salvaging ships that wrecked on the nearby reef. The isolated outpost was well located for trade with Cuba and the Bahamas, and was on the main trade route from New Orleans. Improved navigation led to new trade routes and fewer shipwrecks, and spongers and cigar-makers moved to other parts of Florida, leaving Key West in decline by the Great Depression. The economy rebounded with an expanded Navy presence and increased tourism in the years that followed.

Profile of The Florida Keys (continued)

For fiscal year 2023

Overseas Railway

The Keys were once accessible only by water. This changed with the completion of Henry Flagler's Overseas Railway in the early 1900s. Flagler, a major developer of Florida's Atlantic coast, extended his Florida East Coast Railway down to Key West with an ambitious series of over-sea railroad trestles. The Labor Day hurricane of 1935 ended the 23-year run of the Overseas Railway. The damaged tracks were never rebuilt, and the Overseas Highway replaced the railroad as the main transportation route from Miami to Key West.

Seven Mile Bridge

One of the longest bridges in the country when it was built, the Seven Mile Bridge connects Knight's Key (part of the city of Marathon in the Middle Keys) to Little Duck Key in the Lower Keys. The water transmission line is housed inside this bridge and crosses 42 other bridges before ending in Key West.

Natural Environment and Geology

The Keys are in the subtropics between 24- and 25-degrees north latitude. The climate and environment are closer to that of the Caribbean than the rest of Florida, though unlike the Caribbean's volcanic islands, the Keys were built by plants and animals.

The Upper Keys islands are remnants of large coral reefs, which became fossilized and exposed as sea levels declined. The Lower Keys are composed of sandy-type accumulations of limestone grains produced by plants and marine organisms.

The natural habitats of the Keys are upland forests, inland wetlands and shoreline zones. Soil ranges from sand to marl to rich, decomposed leaf litter. In some places, "cap-rock" (the eroded surface of coral formations) covers the ground. Rain falling through leaf debris becomes acidic and dissolves holes in the limestone, where soil accumulates and trees root.

The climate is classified as tropical, and the Keys are the only frost-free place in Florida. There are two main seasons, hot, wet, and humid from about June through October, and somewhat drier and cooler weather from November through May. Many plants grow slowly or go dormant in the dry season. Some native trees are deciduous, and drop their leaves in the winter or with spring winds.

The Keys have distinctive plant and animal species, some found nowhere else in America, as the Keys define the northern extent of their ranges. The native flora of the Keys is diverse, including both temperate families, such as maple, pine and oak, growing at the southern end of their ranges, and tropical families, including mahogany, gumbo limbo, stoppers, Jamaican dogwood, and many others which grow only as far north as 25- or 26-degrees north latitude.

Profile Of The Florida Keys (continued)

For fiscal year 2023

The Keys are also home to unique animal species, including the Key deer, protected by the National Key Deer Refuge, and the American crocodile. The waters surrounding the Keys are part of a protected area known as the Florida Keys National Marine Sanctuary.

Local Economy and Demand Trends

The primary industries in the Authority's service area are related to tourism. Other industries include military operations and commercial fishing. Although the permanent population of Monroe County is estimated at approximately 74,000 residents, the average functional population, defined as the sum of the permanent population and the peak seasonal population is estimated by the Monroe County Growth Management Division to be approximately 150,000. Due to this difference in population, the demands on the water and wastewater systems are highly seasonal.



Demographic and Economic Information

For fiscal year 2023

FLORIDA KEYS

ESTIMATED POPULATION

Resident Year Population

2021	73,699
2020	74,228
2019	75,027
2018	73,940
2017	79,077
2016	76,047
2015	74,205
2014	74,044
2013	73,560
2012	72,897
2011	72,670
2010	73,090
2000	79,589

PERCENTAGE OF POPULATION BY AGE

% Under 18 years
of age
15.2%

% 65 years of age
and over
23.7%

DEMOGRAPHICS

Average household size	2.23
Median household income	\$ 70,033
Per capita income	\$ 47,382
Persons below the poverty level	10.9%
Total housing units	54,423
Median single family home value	\$ 494,100
Median travel time to work (minute)	17.20

Demographic and Economic Information (continued)

For fiscal year 2023

LOCAL UNEMPLOYMENT

2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
2.2%	3.8%	1.8%	3.0%	3.2%	3.7%	3.6%	4.0%	5.4%	7.6%	7.9%

ANNUAL RAINFALL FOR THE LAST 10 FISCAL YEARS

Fiscal Year	Key West International Airport
2021	40.10
2020	48.00
2019	38.77
2018	39.80
2017	33.49
2016	40.80
2015	37.88
2014	33.94
2013	44.43
2012	60.58
2011	35.05

AVERAGE MONTHLY TEMPERATURES IN KEY WEST

	Average high	Average low
October	85	77
November	81	72
December	78	69
January	75	65
February	77	68
March	78	69
April	83	74
May	85	77
June	88	80
July	89	81
August	90	81
September	88	80

Demographic and Economic Information (continued)

For fiscal year 2023

Water Availability and Sales

The Authority is permitted by the South Florida Water Management District (SFWMD) to withdraw its supply of water from the Biscayne Aquifer at the Authority's wellfield in Florida City. The Authority's water use permit was approved for a twenty-year term in 2008, allowing the Authority to withdraw an annual daily average of 17.79 million gallons per day (mgd) from the Biscayne Aquifer. The permit also allows for the Authority to withdraw up to 8 mgd from the brackish Floridan Aquifer for treatment through reverse osmosis. This withdrawal should support an additional 6 mgd of treated water supply.

Due to severe drought conditions that occur in South Florida from time to time, mandatory water use restrictions are now being imposed by the SFWMD. With permanent restrictions in place, reduced consumption level remained consistent and is considered the "new normal" for budgeting purposes. As the economy improved in recent years and the reopening of the economy from the COVID-19 pandemic, water use is trending upward slightly. Volume growth in the 2023 budget is estimated at 1% over previous budgets based on recent trends.

The U.S. Navy remains the Authority's largest water customer. The Navy's presence in the lower keys and Key West remains strong due in part to the large amount of unrestricted air space available for pilot training. Hotels, resorts and government make up most of the Authority's other top ten customers. Economic conditions have improved over previous years. Tourism and tourism-related development is strong, with occupancy rates high and water using increasing.

Workforce Issues

The Authority's linear geography requires the Authority to maintain staff in all areas to respond to operational and customer needs. This makes staff levels and staffing costs higher than in a centrally located system. Service personnel and customer service offices are located in three areas of the Keys in addition to the Authority's administrative headquarters in Key West (southern end of the system) and its water treatment plant in Florida City (northern end of the system).

Demographic and Economic Information (continued)

For fiscal year 2023

Workforce Issues (continued)

The cost of living in Monroe County is the highest in the state of Florida, mainly due to the cost of housing. This makes recruiting and retaining staff a challenge. This high cost of living has forced some employees to relocate. Therefore, overall compensation must be carefully considered each year in order to assure a sufficient workforce.

10 largest customers-year ended September 30, 2021

2021	Total Gallons		
	Consumed (000)	Total Water Revenues	% of Water Revenue
1 United States Navy	238,858	\$ 1,096,302	1.8%
2 Keys Investment LLC	99,922	1,364,549	2.2%
3 City of Key West	53,981	629,637	1.0%
4 Monroe County School Board	47,570	555,251	0.9%
5 NWCL LLC	37,489	479,883	0.8%
6 Keys Hotel Operator Inc	37,483	465,523	0.8%
7 Ocean Reef Club Inc	32,457	362,868	0.6%
8 City of Marathon	24,073	290,683	0.5%
9 Knights Key Management LLC	23,770	288,428	0.5%
10 Monroe County Detention Center	21,761	287,028	0.5%

10 largest customers-year ended September 30, 2012

2012	Total Gallons		
	Consumed (000)	Total Water Revenues	% of Water Revenue
1 United States Navy	273,154	\$ 1,027,335	2.9%
2 Monroe County	49,371	487,934	1.4%
3 Heartland Hotel	27,798	264,601	0.8%
4 Ocean Reef Club Inc.	29,569	262,538	0.7%
5 NWCL LLC	23,475	234,997	0.7%
6 Board of Public Instruction	24,247	225,585	0.6%
7 NHC FL 13 LP	19,906	214,844	0.6%
8 Hawk's Cay	19,320	197,685	0.6%
9 Holiday Land LP	17,939	178,663	0.5%
10 CHL Partnership	12,361	172,744	0.5%

SYSTEM OVERVIEW

**24 MGD LIME SOFTENING WATER
TREATMENT PLANT**

10 BISCAYNE AQUIFER SUPPLY WELLS

5 FLORIDAN AQUIFER SUPPLY WELLS

**6 MGD BRACKISH WATER REVERSE OSMOSIS
PLANT**

**2 SEAWATER REVERSE OSMOSIS PLANTS
(3 MGD TOTAL CAPACITY)**

**181 MILES OF STEEL AND DUCTILE IRON
TRANSMISSION MAIN (18"-36") AT UP TO
250 PSI**

**6 TRANSMISSION BOOSTER AND BACK PUMP
STATIONS**

42 BRIDGE CROSSINGS

46 MG CAPACITY IN 33 STORAGE TANKS

**684 MILES OF POTABLE WATER
DISTRIBUTION MAIN AT UP TO 55 PSI**

17 DISTRIBUTION PUMPING STATIONS

6 WASTEWATER TREATMENT PLANTS

**195 MILES OF WASTEWATER COLLECTION
AND FORCE MAIN LINES**

**14 APPROXIMATE MILES OF RECLAIMED
DISTRIBUTION WATER LINES**



Profile of the Authority

For fiscal year 2023

History and Purpose

In 1937, the legislature of the state of Florida created the Florida Keys Aqueduct Commission, the predecessor to the Authority. The Commission purpose, working with the US Navy, the City of Key West and Monroe County was obtaining, supplying and distributing potable water to the Florida Keys. In 1970, the Authority was established by the state legislature to succeed the Commission as the sole provider of water. The Authority currently operates under Special Legislation 76-441, Laws of Florida, as amended.

The Authority is the sole provider of potable water for all the residents of the Florida Keys. The Authority also provides wastewater collection and treatment in certain areas of the Florida Keys. The Authority provides service to over 50,000 customers throughout the Florida Keys. The reporting entity consists of the operations of the water and wastewater utility.

The Authority is governed by a five-member board of directors appointed by the Governor of the State of Florida from districts identical to the county commission districts in Monroe County. Members serve four-year terms. The Board employs an executive director who is the chief executive officer of the Authority.

The Authority's Facilities

The Authority has made significant improvements to the infrastructure of the water system over the years to accommodate increased demand. The initial phase of the transmission pipeline replacement was completed in the early 1980s. The Authority then established a long-range capital improvement master plan to address anticipated future water demands. This master plan is updated based on a prioritization methodology designed to identify the criticality of all currently identified projects.

An overview of the Authority's facilities follows.

Wellfields

The Authority draws its primary raw water supply from the Biscayne Aquifer through ten wells with screened depths of 20 to 60 feet. The wellfield is adjacent to the outskirts of the Everglades National Park and is within an environmentally protected pine rockland. The location of the wellfield, along with restrictions enforced by state and local regulatory agencies, contribute to the unusually high quality of the raw water, which meets all federal and state finished drinking water standards prior to any treatment.

Water production and treatment facilities

The Authority's primary water production facilities are a lime softening plant that treats water withdrawn from the Biscayne Aquifer and a reverse osmosis plant that treats brackish water from the deeper Floridan Aquifer. Water treated at these facilities is then blended and disinfected before entering the transmission line. The lime softening plant has a design capacity of 24 mgd. The water treatment process consists primarily of lime softening, filtration, disinfection and fluoridation. The reverse osmosis plant treats brackish groundwater and has a design capacity of 6 mgd.

Profile of the Authority (continued)

For fiscal year 2023

Water production and treatment facilities, continued

The Authority also maintains seawater reverse osmosis facilities in Stock Island and Marathon capable of producing 2 mgd and 1 mgd, respectively. These facilities were constructed primarily for emergency operations in the event of a major transmission main break.

Water transmission and distribution systems

The Authority maintains approximately 181 miles of transmission main and approximately 684 miles of distribution lines. The transmission main ranges in size from 36 inches leaving the water treatment plant in Florida City to 18 inches at the end of the line in Key West and in areas with redundant lines. The Authority operates transmission pump stations at the water treatment plant in Florida City, Key Largo, Long Key, Marathon, Ramrod Key and Stock Island. These pump stations boost the water pressure to meet water demands throughout the service area and can also back pump in the event of a line break. The stations have pumps with electric variable speed drives as well as diesel engine drives for emergencies. The Authority also operates nineteen distribution pump stations located throughout the service area to maintain water pressure in the distribution system.

Wastewater treatment facilities

The Authority owns and operates a .054 mgd wastewater treatment facility in Bay Point, a .274 mgd facility in Duck Key and a .066 mgd facility in Layton. In October 2021 Monroe County transferred ownership of a .84 mgd facility in Cudjoe Key and a .323 mgd facility in Big Coppitt to the Authority. Prior to this transfer, the Authority and Monroe County were parties to a 99-year lease agreement that grants the Authority the right to operate and maintain county-owned wastewater systems, including setting rates sufficient to fund those operations.

Wastewater transmission and collection systems

The Authority's wastewater collection systems are comprised of gravity, low-pressure and vacuum systems. There are also transmission force mains that carry the effluent from the collection systems to the wastewater treatment facilities.

Reclaimed water distribution systems

The Authority provides reclaimed water in certain areas that supplies non-potable irrigation water to residents and resort facilities. This reclaimed water is priced at a reduced rate to encourage customers to use it for non-potable uses rather than using potable water.

Profile of the Authority (continued)

For fiscal year 2023

The Authority's Operations

The Authority serves over 50,000 water customers in a service area that includes all the Florida Keys. Due to the geography of the Florida Keys, operations crews and facilities must be located throughout the service area. In addition to operating the water system, these crews respond to line breaks and other service interruptions, perform scheduled preventive maintenance and leak surveys, and maintain facilities and structures.

The Authority's service area for wastewater services includes all areas in unincorporated Monroe County except Ocean Reef, the Key Largo Wastewater Treatment District (Tavernier, Key Largo and Cross Key), and the area of Stock Island served by Key West Resort Utilities. The Authority also serves the City of Layton. The Authority currently serves approximately 11,000 wastewater customers.

Water quality assurance

The water quality staff is responsible for water quality assurance for the Authority. In 1996, the Safe Drinking Water Act was approved in response to improvements to the regulatory process for the protection of public health based on sound science. This law regulates the drinking water quality standard setting process, operator certification, monitoring requirements, consumer confidence reports and source water protection. The Authority strives to ensure that the Florida Keys water supply meets the highest quality standards possible for safety, aesthetics and taste. The Authority employs staff that is certified in the treatment, testing, monitoring and distribution of the water supply. Water is tested regularly, both prior to and after treatment, to ensure that it complies with or surpasses all federal and state water quality requirements. An annual consumer confidence report is provided to Authority customers in July of each year.

Protection of the groundwater source from potential pollution is a very important water quality issue. The Authority has an ongoing agreement with the Dade County Department of Environmental Resource Management (DERM) to regulate and manage issues relating to the protection of the Authority's wellfield. DERM monitors ground and surface water to establish water quality trends, enforces laws against illegal discharges, protects important aquifer recharge areas, and regulates underground storage tanks, liquid waste haulers and other hazardous waste

The Authority monitors a network of wells and structures for saltwater intrusion monthly. This network includes thirteen Authority wells and three United States Geological Survey wells. These sixteen sites provide valuable information on the location, movement and velocity of the saline/fresh water interface.

The Authority uses chloramines as its primary disinfecting agent. Chloramines are more stable than free chlorine and do not produce potentially harmful by-products. The Authority performs bacteriological testing on samples taken from approximately 100 sample sites throughout the system to ensure that appropriate disinfection is taking place.

In the state of Florida, water utilities are required to establish an ongoing cross-connection control program to detect and prevent cross-connections that may create a potential health hazard. A cross-connection is any physical connection between the water supply and any private piping arrangement that contains a foreign liquid or substance. To prevent potential backflow from such an arrangement, the Authority must either discontinue water service until the cross-connection is eliminated or require installation of an approved backflow prevention device.

Profile of the Authority (continued)

For fiscal year 2023

Awards



Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Distinguished Budget Presentation Award for Excellence in Budget Presentation for the Authority's 2021 budget year. This was the 16th consecutive year that the Authority has achieved this prestigious award. The award represents a significant achievement by The Authority. It reflects the commitment of The Authority's staff to meet the highest principles of governmental budgeting. To receive the award The Authority had to satisfy nationally recognized guidelines for effective budget presentation. A Distinguished Budget Presentation Award is valid for a period of one year only. We believe that our current budget and financial plan for the fiscal year ending September 2022 continues to meet the Distinguished Budget Presentation Award's requirements and we have submitted it to the GFOA to determine its eligibility for another award.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2020. This was the 30th consecutive year that the Authority has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and it has been submitted to the GFOA to determine its eligibility for another certificate.



Profile of the Authority (continued)

For fiscal year 2023

Acknowledgements

The preparation of the budget and financial plan for the year ending September 30, 2023 was made possible by the dedicated service of the entire staff of the Florida Keys Aqueduct Authority. Each participant has our sincere appreciation for the contributions made in support of this effort.

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Profile of the Authority (continued)

For fiscal year 2023

Milestones

1937

State of Florida creates the Florida Keys Aqueduct Commission, the only water utility in Florida at the time that reported directly to the governor's office.

1941

First water supply system is completed by the U.S. Navy and the Commission. Shortly thereafter, a water treatment plant is built at Florida City having an original capacity of 2.4 mgd.

Mid 40s-60s

Water transmission and distribution systems are upgraded to meet rising demand, the Florida City WTP is expanded, booster pumping stations are strategically built along the Keys to boost water pressures, storage tanks are built. By 1962, water system capacity is 6.5 mgd.

1966

A flash desalination facility is constructed to supplement water supply and pressure in Key West due to increased water demands that exceeded the pipeline capacity.

1974

State of Florida amends enabling legislation changing Florida Keys Aqueduct Commission to Florida Keys Aqueduct Authority.

1976

U.S. Navy sells the water system to the Authority for \$2.1 million. The Authority board becomes elected rather than appointed by the governor.

1979

A 3 mgd reverse osmosis plant is built on Stock Island replacing the flash desalination facility to supplement water supply and pressure in Key West until the new, large-diameter pipeline from Florida City becomes operational.

1982

New, larger diameter pipeline from Florida City to Key West is completed, financed through a loan from the Farmers Home Administration.

1989

J. Robert Dean Water Treatment Facility replaces original Navy plant in Florida City, having a design capacity of 22 mgd.

1992

In August, Hurricane Andrew, one of the worst storms of the century, slams into the J. Robert Dean Water Treatment facility causing a considerable amount of damage. The rebuilding of the facility begins immediately after the hurricane passes. Despite the damage, the plant continues to provide disinfected potable water to the Florida Keys by operating on emergency back-up generation for 21 days.

1997

Reverse osmosis facility on Stock Island is renovated. The plant's capacity is split between Stock Island (2 mgd) and Marathon (1 mgd) to provide potable water during emergencies.

2001

The lime-softening water plant is upgraded and expanded to provide more treatment and storage capacity.

2005

The Keys are impacted by four named hurricanes, culminating in October with Hurricane Wilma which caused extensive flooding throughout the Keys. The damage to the Authority from Wilma were substantial, yet water service was not interrupted.

2008

The David C. Ritz Booster Pumping Station at Key Largo is placed into service to assure adequate water pressures are maintained in the transmission pipeline for the delivery of water to the Florida Keys.

2009

The Authority completed construction of a 6 mgd reverse osmosis plant adjacent to its lime softening plant in Florida City. The facility helps the Authority meet dry season permit limitations and reduced the strain placed on the Biscayne Aquifer. The Authority also placed in service the Big Coppitt Regional Wastewater system serving approximately 1,100 customers in the lower keys.

2011

South Florida experiences severe drought conditions, with one of the driest periods in 80 years. Water conservation efforts, along with the effects of an extended financial recession, resulted in a ten-year low in water demand.

2017

In September, Hurricane Irma causes severe damage throughout the Florida Keys. Uprooted trees cause multiple breaks in the distribution lines resulting in a loss of pressure in the main pipeline and a disruption in the availability of water for much of the service area for 11 consecutive days.

2019

The Authority has completed a \$200 million wastewater system to service the lower Keys. This system is the last major wastewater treatment throughout the Keys.

2020

The COVID-19 pandemic struck the entire planet, with south Florida becoming the global epicenter of the disease for a time. The significant disruption of the economy and society in general impacted the Authority's customers both financially and emotionally, with many businesses permanently closing and residents relocating to other parts of the country.

Budget Highlights, Issues and Priorities

For fiscal year 2023

Key Highlights

The 2023 budget reflects the impacts of several important initiatives and internal factors as well as certain external factors. Some of the important initiatives and internal factors include:

- Extensive capital improvement plan based on long-range capital needs analysis
- Receipt of \$17.5 million federal grant for transmission line replacement
- Continued pursuit of grant opportunities
- Contractual salary increases

Other budget impacts that are driven by external factors include the following:

- Substantial inflationary increases
- Continued repairs and increased system hardening
- Potential impacts of future hurricanes
- Impacts of high cost-of-living on recruitment and workforce retention

These impacts, as well as other budget drivers, are discussed in more detail below.

Operating Revenue

Utility operating revenue

With the continued travel restrictions related to COVID-19, increased tourism to the keys has resulted in increased water sales in 2022. Water volume sales are budgeted to increase by 1% over current year budget. The budget includes a 10.6% rate adjustment for inflation effective October 1, 2022, for all fees and charges.

Other revenue and capital contributions

System development fees and interest income both remain relatively insignificant, with each comprising less than 1% of total revenue.

Operating Expenses and Operating Capital Outlay

The total overall budgeted operating expenditures, including capital outlay for ongoing operations, are about 14.2% higher than those budgeted in the current year. Some of the significant budgeted expenditures are discussed below.

Personnel costs

Salaries and benefits are budgeted at \$35,235,100 or about 19.9% higher than the current budget. A cost-of-living salary adjustment of 4 to 6% is budgeted to go into effect for employees on October 1, 2023 along with an average estimated merit increase of about 1.1%. These amounts will vary based on actual percentages. Four new permanent positions are being added to the 2023 budget.

Budget Highlights, Issues and Priorities (continued)

For fiscal year 2023

Other operating expenses

Operating costs, such as fuel, transportation expense and chemicals are budgeted to increase, mainly due to inflationary cost increases required for the daily operation of water and wastewater services. Engineering costs are also budgeted to increase due to consent management programs. Bank charges are increasing as more customers are opting to pay electronically, which will also save customer service costs in the future.

Capital outlay

Capital outlay is budgeted at \$6,472,300, which is an increase of 37% from the current year budget. These costs are for replacement of aging vehicles and equipment, system upgrades at the water treatment plant.

Capital Improvement Projects

The capital improvement plan is centered around projects that are critical to sustaining continued reliable operations. The 2023 portion of the plan calls for \$65,215,000 in capital expenditures and includes costs for distribution and transmission line replacements in areas identified as vulnerable to breaks. The plan also includes funds to complete construction of a new reverse osmosis facility on Stock Island. See a detailed discussion of capital projects under the section entitled Capital and Debt.

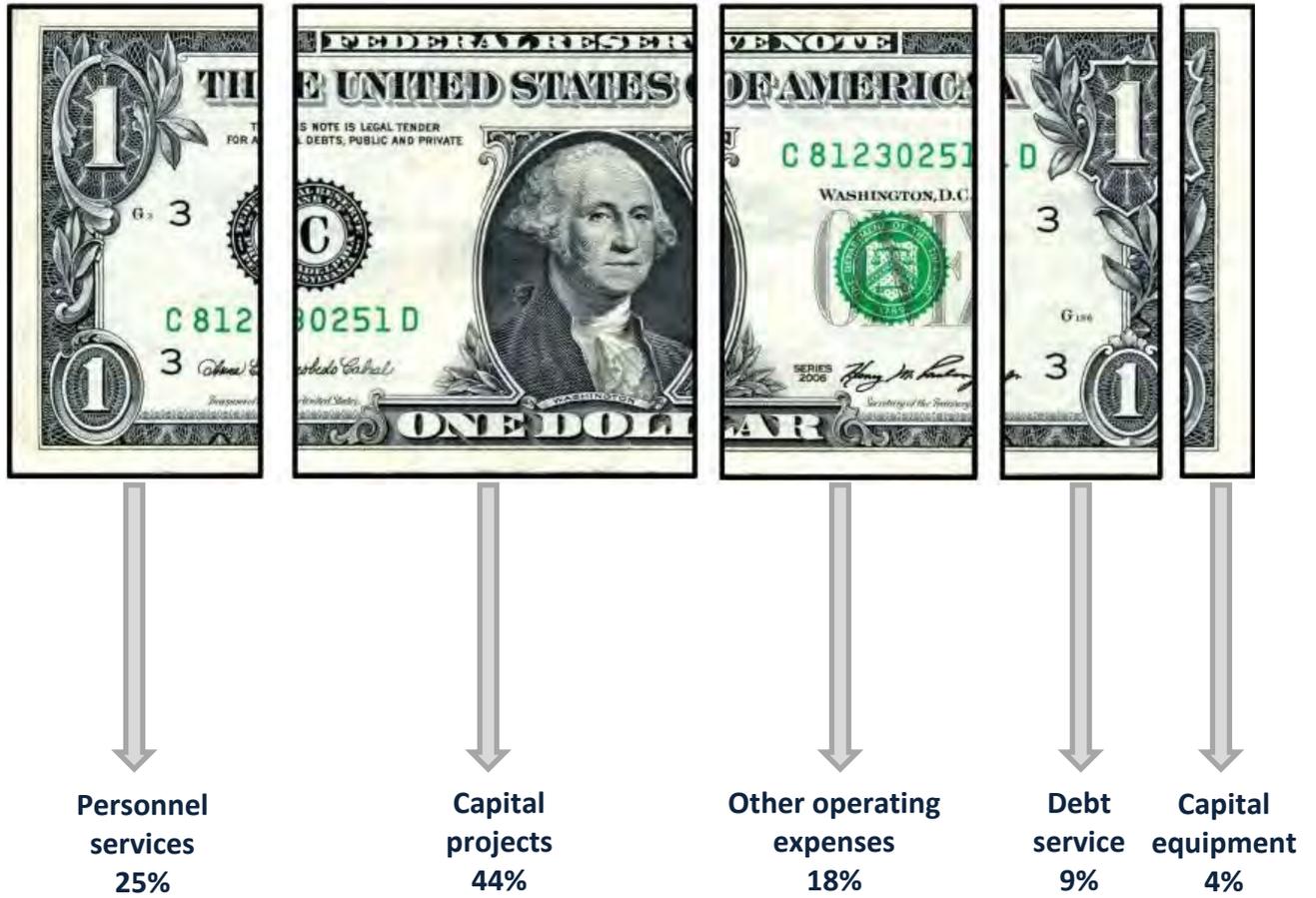
Capital Financing and Debt Service

The Authority may issue debt for constructing and maintaining the system's infrastructure or for refunding previously issued debt by pledging the revenue of the individual systems. No legal debt limit exists. However, revenue must be sufficient to fund operations, service the debt payments and provide a coverage factor as defined in the bond covenants.

Debt service is budgeted at approximately \$13.2 million. An interim loan, 2021B, of up to \$36 million for capital projects is included in the 2023 budget. This interim loan will be paid in full with a draw from a portion of the WIFIA low interest loan in 2025.

The finance team continually evaluates the cash requirements of the capital improvement plan and proposes financing alternatives to the Board for consideration throughout the budget year.

HOW EACH DOLLAR OF THE BUDGET WILL BE SPENT



FINANCIAL STRUCTURE, POLICY AND PROCESS

ORGANIZATION CHART

FINANCIAL POLICIES THAT IMPACT THE BUDGET

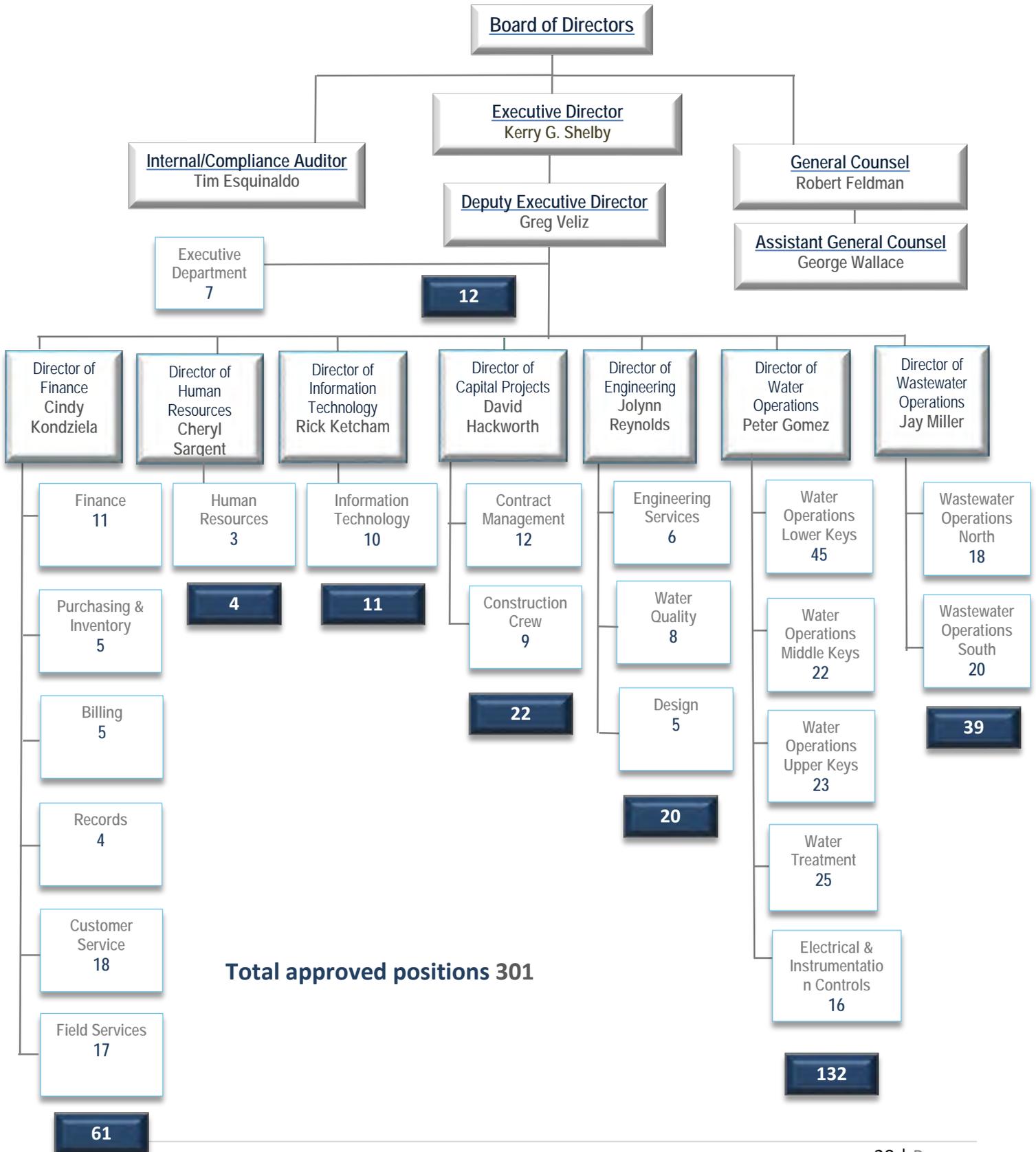
BUDGET PROCESS



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ORGANIZATION CHART

FOR FISCAL YEAR 2023



CONTACT INFORMATION

FOR FISCAL YEAR 2023

Executive and Director Contacts	
Kerry G. Shelby, Executive Director	kshelby@fkaa.com . 305-295-2230.
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Tim Esquinaldo, Internal Auditor	tesquinaldo@fkaa.com . 305-295-2206.
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Peter Gomez, Director of Water Operations	pgomez@fkaa.com . 305-295-6357.
David Hackworth, Director of Capital Projects	dhackworth@fkaa.com . 305-295-2152.
Jay Miller, Director of Wastewater Operations	jmiller@fkaa.com . 305-809-2623.
Jolynn Reynolds, Director of Engineering	joreynolds@fkaa.com . 305-295-2141.

Financial Policies That Impact The Budget

For fiscal year 2023

Performance Measurement Policies

The Authority will update its strategic plan that identifies the strategic initiatives each year as part of the budget process.

Annually, each department will develop departmental performance measures that support successful results in achieving its strategic initiatives. Goals should be related to core services of the department and should reflect customer needs. The measures should be a mix of different types, including effectiveness, efficiency, demand and workload.

Performance measures will be used as a basis for preparing the Authority's budget. All budgeted amounts should be directly or indirectly linked to accomplishing the department's and the Authority's strategic initiatives.

Planning

The Authority will prepare and maintain an ongoing five-year financial plan. The plan will include projections of existing revenue and expenses as well as operating costs and revenue of future capital improvements included in the capital budget.

Interim Financial Reporting

The Authority will prepare and distribute interim budget reports comparing actual versus budgeted revenue and expense activity. The Authority will establish and maintain accounting practices that can relate budget amounts to actual results.

Capital Improvement Policies

The Authority will develop and maintain a multi-year plan for capital improvements. The Authority will enact an annual capital budget based on the multi-year capital improvement plan.

The Authority will develop the capital improvement budget along with the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget forecasts.

The Authority will maintain all its assets at a level adequate to protect the Authority's capital investment and to minimize future maintenance and replacement costs.

The Authority will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted to the Authority board for approval.

The Authority will determine the most favorable financing method for all new projects.

Debt Management Policies

The Authority will continually review its outstanding debt to evaluate whether the financial marketplace will afford the Authority the opportunity to lessen its debt service costs.

The Authority will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues.

Financial Policies That Impact The Budget (continued)

For fiscal year 2023

When the Authority finances capital projects by issuing bonds, it will pay back the bonds within a period not to exceed the estimated useful life of the project. The Authority will strive to have the final maturity of revenue bonds at or below thirty years.

The Authority will not use long-term debt proceeds for current operations.

The Authority will maintain good communications with bond rating agencies regarding its financial condition.

The Authority will follow a policy of full disclosure on every financial report and borrowing prospectus.

Revenue Policies

The Authority will maintain a diversified and stable revenue system to shelter it from unforeseeable short-run fluctuations in any revenue source.

The Authority will estimate its annual revenue by an objective, analytical process, wherever practical. Each existing and potential revenue source will be re-examined annually.

Each year the Authority will evaluate the full costs of activities supported by user fees for rate recovery sufficiency.

The Authority will automatically revise user fees annually to adjust for the effects of inflation.

Investment Policies

The Authority will adhere to the investment policies adopted by its Board of Directors. These policies apply to the investment of short-term operating funds of the Authority available after meeting current expenditures. These policies do not apply to longer-term funds and proceeds from bond issues. Topics included in the investment policies include information on:

- Investment objectives
- Safety
- Liquidity
- Yield
- Prudence and ethical standards
- Authorized investments
- Risk and diversification
- Authorized investment institutions and dealers
- Internal controls
- Reporting

Working Capital

The Authority will strive to maintain operating reserves in an amount greater than or equal to three months of basic operating expenses.

The Authority will strive to maintain a reserve of at least \$12,000,000 for working capital in the event of a natural disaster or operating emergency.

Financial Policies That Impact The Budget (continued)

For fiscal year 2023

Surplus Policies

It is the intent of the Authority to use all surpluses generated to accomplish these goals:

- Meeting reserve policies
- Avoidance of future debt
- Capital replacement
- Retirement or refinancing of existing debt
- Cash payments for capital improvement program project

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Budget Process

For fiscal year 2023

Budget Preparation

The Authority begins the budgeting process in January of each year by updating its strategic initiatives and identifying specific goals to be accomplished during the upcoming budget year. Based on those initiatives, each department prepares a preliminary summary of significant budget items and changes from the previous year, including staffing changes, major capital purchases, technology needs, capital projects and changes in debt service requirements. These summaries are reviewed with the board's budget committee in a public workshop or board meeting to get preliminary feedback from the Board on the final development of the budget.

Acting on the input from the Board, staff prepares a detailed draft budget for each cost center within the Authority. This draft budget is reviewed by the budget committee and the entire board before a public hearing is held to provide an opportunity for input from the public. The budget committee may schedule additional meetings or hearings during this process as necessary. A draft budget must be advertised in newspapers of general circulation in the Florida Keys no later than August 1st to comply with the Authority's enabling legislation. At a public board meeting prior to September 1st, after all comments have been received from members of the public, the board must adopt a final budget.

Budget Monitoring

Compliance with the budget is monitored on a continuing basis. Monthly budget reports are prepared and distributed to the members of the board, the Authority's staff and others to ensure ongoing analysis. The total budget may not be changed during the fiscal year without specific action by the board to do so. Any line item transfers may be approved by the staff.

The Authority's budget is designed to fund operations, capital expenditures and debt service. A balanced budget is one that provides current year sources that, along with past years' reserves, are sufficient to fund the current year's expenditures.

Budget Presentation

The Authority's operations are accounted for in an enterprise fund. The fund is budgeted on the accrual basis of accounting. Rates for water and wastewater service are established by the Board. The revenue generated by these rates is used to fund the Authority's operations.

The budget summary is presented as budgeted sources and uses so that the reader can see all aspects of the budget in one place. Although the budget is prepared on the accrual basis, sources and uses are approximations of cash flows. The budget summary shows the budgeted excess or shortfall of sources over uses and the estimated ending reserve position. This reserve position differs from ending net position (which is presented in the five-year financial plan). Ending net position is essentially the Authority's net equity (assets less liabilities).

Budgeted expenditures are characterized as operating expenses, capital expenditures or debt service. Capital expenditures are those expenditures for assets costing over \$5,000 and having a useful life of at least three years. Routine capital expenditures are assets purchased as a part of ongoing operations. Non-routine capital expenditures are referred to as capital improvement projects and are defined in the 20-year capital improvement master plan. Debt service includes the payment of principal and interest on outstanding debt issues which, in the Authority's case, take the form of revenue bonds.

Budget Process (continued)

For fiscal year 2023

Budget Preparation Timeline

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Strategic Planning												
Board and customer input (informal)												
Staff input (informal)												
Update vision, mission and strategic goals												
Update policies, demographics and economics												
Develop goals and objectives												
Capital Improvement and Financing Plan												
Review projects and priorities												
Estimate five-year operational impact												
Review plan with budget team												
Develop proposed financing strategy												
Review draft with Executive Director												
Operating Budget												
Update budget formats												
Update revenue assumptions and proposed rate changes												
Estimate impacts of salary increases, retirements, etc.												
Develop detailed cost center expenditure budgets												
Prepare roll-forward of staff and fleet												
Review budgets with budget team												
Review draft with Executive Director												
Five-Year Financial Plan												
Review and update sales and expenditure projections												
Project necessary borrowings for next five years												
Prepare schedule of necessary rates for five years												
Project debt service coverage based on projections												
Board and Public Input												
Budget committee workshops												
Public hearings												
Budget advertised												
Budget adopton												

Budget Process (continued)

For fiscal year 2023

Budget Calendar

Dates for Preparation of the 2023 Budget

Jan-22							May-22							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	
						1							1	
2	3	4	5	6	7	8	2	3	4	5	6	7	8	
9	10	11	12	13	14	15	9	10	11	12	13	14	15	
16	17	18	19	20	21	22	16	17	18	19	20	21	22	
23	24	25	26	27	28	29	23	24	25	26	27	28	29	
30	31						30	31						
<p>Informal input from our Board of Directors, staff and customer's year around. Prepare budget sheets for distribution to Departments.</p>							<p>The first final draft of the budget is presented to the Executive Director</p>							
Feb-22							Jun-22							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	
	1	2	3	4	5	6				1	2	3	4	5
7	8	9	10	11	12	13	6	7	8	9	10	11	12	
14	15	16	17	18	19	20	13	14	15	16	17	18	19	
21	22	23	24	25	26	27	20	21	22	23	24	25	26	
28							27	28	29	30				
<p>In February, Departments are working on their budgets.</p>							<p>The first final draft of the budget is presented to the Board</p>							
Mar-22							Jul-22							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	
	1	2	3	4	5	6						1	2	3
7	8	9	10	11	12	13	4	5	6	7	8	9	10	
14	15	16	17	18	19	20	11	12	13	14	15	16	17	
21	22	23	24	25	26	27	18	19	20	21	22	23	24	
28	29	30	31				25	26	27	28	29	30	31	
<p>Week 3 budget meetings with Deputy Executive Director</p>							<p>The second draft is presented to the Board</p>							
<p>Week 4 budget meetings with Executive Director</p>														
Apr-22							Aug-22							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	
				1	2	3	1	2	3	4	5	6	7	
4	5	6	7	8	9	10	8	9	10	11	12	13	14	
11	12	13	14	15	16	17	15	16	17	18	19	20	21	
18	19	20	21	22	23	24	22	23	24	25	26	27	28	
25	26	27	28	29	30		29	30	31					
<p>CIP is discussed</p>							<p>The final budget public hearing. Budget adoption planned for regular board meeting agenda.</p>							

FINANCIAL SUMMARIES

SUMMARY OF BUDGET SOURCES AND USES

SUMMARY OF REVENUE SOURCES

RATE STRUCTURE

OPERATING BUDGET BY EXPENDITURE TYPE

FIVE-YEAR FINANCIAL PLAN



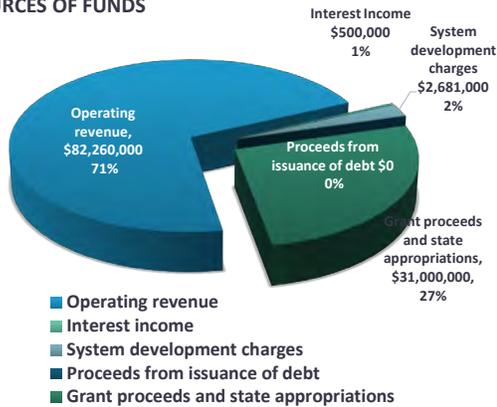
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Summary of Budgeted Sources and Uses

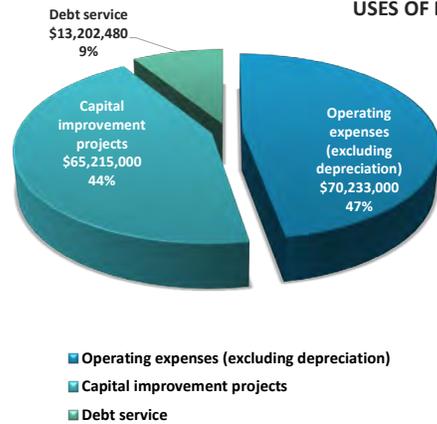
For fiscal year 2023

	2021			2022 Budget			2023 budget			% Change	
	Actual	Water	Wastewater	Total	Water	Wastewater	Total	Water	Wastewater		Total
Total budgeted sources of funds											
Utility operating revenue	\$ 76,806,996	\$ 62,559,000	\$ 11,498,000	\$ 74,057,000	\$ 69,416,000	\$ 12,844,000	\$ 82,260,000				11.1%
Interest income	180,190	500,000	-	500,000	200,000	-	200,000				-60.0%
System development fees and other income	19,395,421	1,555,000	500,000	2,055,000	2,181,000	500,000	2,681,000				30.5%
Grant proceeds and state appropriations	-	10,000,000	-	10,000,000	31,000,000	-	31,000,000				210.0%
Proceeds from issuance of debt, net of issue costs	30,257,594	35,000,000	-	35,000,000	-	-	-				-100.0%
Total budgeted sources of funds	126,640,201	109,614,000	11,998,000	121,612,000	102,797,000	13,344,000	116,141,000				-4.5%
Total budgeted uses of funds											
Operating expenditures (excluding depreciation)	49,508,316	49,035,000	10,647,000	59,682,000	57,871,000	12,362,000	70,233,000				17.7%
Capital improvement projects	36,209,659	59,525,000	5,650,000	65,175,000	60,165,000	5,050,000	65,215,000				0.1%
Debt service	2,172,346	12,231,872	851,000	13,082,872	12,778,786	423,694	13,202,480				0.9%
Total budgeted uses of funds	87,890,321	120,791,872	17,148,000	137,939,872	130,814,786	17,835,694	148,650,480				7.8%
Excess (deficit) sources over uses	38,749,880	(11,177,872)	(5,150,000)	(16,327,872)	(28,017,786)	(4,491,694)	(32,509,480)				
Adjustments to cash basis from accrual	(27,237,509)	-	-	-	-	-	-				
Change in cash and investments	11,512,371	(11,177,872)	(5,150,000)	(16,327,872)	(28,017,786)	(4,491,694)	(32,509,480)				
Beginning cash and investments	83,181,608	89,543,979	5,150,000	94,693,979	78,366,107	-	78,366,107				-17.2%
Ending cash and investments	94,693,979	78,366,107	-	78,366,107	50,348,321	(4,491,694)	45,856,627				-41.5%
Reserves and restricted cash and investments	(58,426,180)	(20,250,000)	(71,000)	(20,321,000)	(20,250,000)	(71,000)	(20,321,000)				0.0%
Estimated ending unrestricted cash and investmen	\$ 36,267,799	\$ 58,116,107	\$ (71,000)	\$ 58,045,107	\$ 30,098,321	\$ (4,562,694)	\$ 25,535,627				-56.0%

SOURCES OF FUNDS



USES OF FUNDS



Summary of Revenue Sources

For fiscal year 2023

	2021			2022 Budget			2023 budget			Increase / Decrease	% change from prior budget
	Actual	Water	Wastewater	Total	Water	Wastewater	Total	Water	Wastewater		
Number of locations											
Estimated locations billed	53,046	52,500	11,700				53,100	11,700			
Volume											
Estimated gallons (000s) billed at retail rates	5,138,206	5,406,000					5,460,000				
Estimated gallons (000s) billed to US Navy	261,684	254,000					254,000				
Total estimated gallons(000s) sold	5,399,890	5,660,000					5,714,000				
Operating revenue											
Fees for service											
Retail water rate revenue	\$ 59,708,419	\$ 57,232,000		\$ 57,232,000	\$ 63,932,000		\$ 63,932,000		\$ 6,700,000	11.7%	
US Navy water rate revenue	1,200,677	1,271,000		1,271,000	1,420,000		1,420,000		149,000	11.7%	
US Navy distribution system charge	2,443,631	2,487,000		2,487,000	2,487,000		2,487,000		-	0.0%	
Retail reclaimed water rate revenue	174,582	69,000		69,000	77,000		77,000		8,000	11.6%	
Retail wastewater rate revenue	9,025,085		9,664,000	9,664,000		\$ 10,795,000	10,795,000		1,131,000	11.7%	
US Navy wastewater revenue	1,628,774		1,834,000	1,834,000		2,049,000	2,049,000		215,000	11.7%	
Total fees for service	74,181,168	61,059,000	11,498,000	72,557,000	67,916,000	12,844,000	80,760,000		8,203,000	11.3%	
Other operating revenue	2,625,828	1,500,000	-	1,500,000	1,500,000	-	1,500,000		-	0.0%	
Total operating revenue	76,806,996	62,559,000	11,498,000	74,057,000	69,416,000	12,844,000	82,260,000		8,203,000	11.1%	
Non-operating revenue											
Interest income	180,190	500,000	-	500,000	200,000	-	200,000		(300,000)	-60.0%	
Grant proceeds	461,978	10,000,000	-	10,000,000	31,000,000		31,000,000		21,000,000	-	
Charges to other utilities for billing services	537,791	435,000	-	435,000	681,000	-	681,000		246,000	56.6%	
Other income	947,931	120,000	-	120,000	500,000	-	500,000		380,000	316.7%	
Total non-operating revenue	2,127,890	11,055,000	-	11,055,000	32,381,000	-	32,381,000		21,326,000	192.9%	
Total budgeted revenue	78,934,886	73,614,000	11,498,000	85,112,000	101,797,000	12,844,000	114,641,000		29,529,000	34.7%	
System development fees (including assessments)	4,100,359	1,000,000	500,000	1,500,000	1,000,000	500,000	1,500,000		-	0.0%	
State appropriations	-	-	-	-	-	-	-		-	0.0%	
Total revenue and system development fees	\$ 83,035,245	\$ 74,614,000	\$ 11,998,000	\$ 86,612,000	\$ 102,797,000	\$ 13,344,000	\$ 116,141,000		\$ 29,529,000	34.1%	

Budget assumptions:

Water volume sales increase	1.0%	1.0%
Rate inflation index	10.6%	10.6%
Additional water rate increase (decrease)	0.0%	
Additional wastewater rate increase (decrease)		0.0%
Average interest rate (applied to average cash balance)	0.3%	
System development fee growth factor	0.0%	0.0%

Rate Structure

For fiscal year 2023

The Authority's current water rate structure is an inverted block structure intended to encourage conservation. The rates for monthly water service includes a monthly base facility charge that varies by meter size bill and a consumption charge based on metered water usage.

The wastewater rate structure is similar to the one used for water, with monthly base facility charges and flow charges based on water flow. Single family residential customers are capped at 10,000 gallons of water flow for wastewater billing purposes.

User charges are indexed annually on October 1 of each year to adjust for inflationary impacts on the cost of operations based on the Consumer Price Index for Miami-Ft. Lauderdale published by the US Bureau of Labor Statistics.

SUMMARY OF WATER, RECLAIMED AND WASTEWATER RATES

The following table summarizes the Authority's existing rates for water and wastewater service and projected rates after annual indexing for inflation.

	Rates in effect on October 1, 2021		After October 1, 2022 index	
Potable Water Rates				
Base facilities charge				
¾-inch or ¾-inch	\$	17.04	\$	18.85
1-inch		42.64		47.16
1½-inch		85.24		94.28
2-inch		136.40		150.86
3-inch		255.73		282.84
4-inch		423.14		467.99
6-inch		854.05		944.58
8-inch		1,363.85		1,508.42
Consumption charge ^[1]				
Block 1	\$	7.16	\$	7.92
Block 2		10.46		11.57
Block 3		11.73		12.97
Block 4		13.08		14.47
Block 5		14.36		15.88
Reclaimed Water Rates				
Consumption charge ^[1]				
Block 1	\$	3.58	\$	3.96
Block 2		5.23		5.78
Block 3		5.87		6.49
Block 4		6.54		7.23
Block 5		7.18		7.94

Rate Structure (continued)

For fiscal year 2023

	Rates in effect on October 1, 2021	After October 1, 2022 index
<u>Wastewater Rates</u>		
Base facilities charge		
½-inch or ¾-inch	\$ 27.53	\$ 30.45
1-inch	103.25	114.19
1½-inch	206.50	228.39
2-inch	330.41	365.43
3-inch	619.50	685.17
4-inch	1,032.50	1,141.95
6-inch	2,066.00	2,285.00
8-inch	2,830.98	3,131.06
Flow collection charge		
Residential (up to 10,000 gallons)	\$ 10.42	\$ 11.52
Non-residential (all consumption)	10.42	11.52

Note: Block 1 for 5/8" meter customers, which includes the majority of FCAA customers, is 6,000 gallons. Consumption blocks for customers with larger meters increase based on meter equivalents.

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Operating Expenditure Budget By Expenditure Type

For fiscal year 2023

SCHEDULE OF BUDGETED EXPENDITURES FOR THE YEAR ENDING SEPTEMBER 30, 2023 Total Company

	BUDGETED 2023						
	2021 Actual	2022 Budget	Water	Wastewater	Total	Increase /Decrease	% change from prior budget
Operating capital expenditures							
Additions to utility plant	\$ 4,340,035	\$ 4,713,000	\$ 5,792,000	\$ 680,300	\$ 6,472,300	\$ 1,759,300	37%
Capitalized salaries	201,409	264,200	1,574,400	-	1,574,400	1,310,200	496%
Capitalized overtime	1,142	2,200	-	-	-	(2,200)	-100%
Total operating capital expenditures	4,542,586	4,979,400	7,366,400	680,300	8,046,700	3,067,300	61.6%
Operating expenses							
Personnel services							
Salaries	19,649,754	20,416,200	21,403,300	2,807,900	24,211,200	3,795,000	19%
Overtime	806,408	606,700	448,700	155,000	603,700	(3,000)	0%
Retirement	2,429,363	2,597,000	2,810,800	336,000	3,146,800	549,800	21%
Payroll taxes	1,517,411	1,627,200	1,792,100	226,700	2,018,800	391,600	24%
Employee health insurance	4,600,018	3,900,000	5,000,000	-	5,000,000	1,100,000	28%
Other benefits	219,755	232,600	226,700	27,900	254,600	22,000	9%
Total personnel services	29,222,709	29,379,700	31,681,600	3,553,500	35,235,100	5,855,400	19.9%
Other operating expenses							
Electricity	3,817,444	3,535,000	3,394,000	507,400	3,901,400	366,400	10%
Fuel for power production	146,184	137,300	246,000	10,000	256,000	118,700	86%
Chemicals	2,410,223	2,701,400	2,472,000	1,040,500	3,512,500	811,100	30%
Maintenance and materials	5,685,547	5,742,000	4,377,100	995,900	5,373,000	(369,000)	-6%
Engineering services	118,859	280,000	1,205,000	-	1,205,000	925,000	330%
Accounting and auditing services	87,500	115,000	117,000	-	117,000	2,000	2%
Legal services	1,502,575	380,000	380,000	-	380,000	-	0%
Outsourced operations	980,675	1,807,100	2,112,700	279,600	2,392,300	585,200	32%
Other consulting and support services	2,180,710	2,307,300	2,384,000	-	2,384,000	76,700	3%
Sludge removal	214,223	307,700	1,656,000	234,300	1,890,300	1,582,600	514%
Rental of building - real property	38,277	120,000	17,000	10,755	27,755	(92,245)	-77%
Rent expense - equipment	24,863	54,350	45,100	11,150	56,250	1,900	4%
Transportation expense	641,806	560,700	808,300	500	808,800	248,100	44%
Insurance - vehicles	128,920	113,000	113,000	-	113,000	-	0%
Insurance - general liabilities	144,543	140,000	140,000	-	140,000	-	0%
Insurance - workers' compensation	260,135	300,000	300,000	-	300,000	-	0%
Insurance - property and flood	1,210,932	1,430,000	1,550,000	-	1,550,000	120,000	8%
Advertising	48,198	69,000	76,000	-	76,000	7,000	10%
Bad debt expense	65,648	81,000	81,000	-	81,000	-	0%
Office supplies	83,940	142,600	117,800	7,100	124,900	(17,700)	-12%
Other utilities and technical services	737,443	992,000	738,500	-	738,500	(253,500)	-26%
Postage	22,197	49,400	39,600	1,000	40,600	(8,800)	-18%
Travel	41,063	164,700	179,100	5,400	184,500	19,800	12%
Training	102,186	269,600	193,650	15,300	208,950	(60,650)	-23%
Miscellaneous	147,229	220,400	230,200	4,800	235,000	14,600	7%
Bank charges	742,944	725,000	750,000	-	750,000	25,000	3%
Public information and outreach	41,562	109,000	95,000	-	95,000	(14,000)	-13%
Freight charges	8,886	10,000	10,000	-	10,000	-	0%
Total other operating expenses	21,634,712	22,863,550	23,828,050	3,123,705	26,951,755	4,088,205	17.9%
Total operating budget	\$ 50,857,421	\$ 52,243,250	\$ 55,509,650	\$ 6,677,205	\$ 62,186,855	\$ 9,943,605	19.0%
Allocation of administrative expenses			\$ (5,004,650)	\$ 5,004,650	\$ -		
Total operating expenses after allocation	50,857,421	52,243,250	50,505,000	11,681,855	62,186,855	9,943,605	19.0%
Total operating budget	\$ 55,400,007	\$ 57,222,650	\$ 57,871,400	\$ 12,362,155	\$ 70,233,555	\$ 13,010,905	22.7%
Amendments to current year budget		4,275,000					
Total operating budget as amended		\$ 61,497,650			\$ 70,233,555	\$ 8,735,905	14.2%

Five Year Financial Plan

For fiscal year 2023

PROJECTED CHANGES IN NET POSITION

	FOR FISCAL YEARS 2023 - 2026				
	2023	2023	2024	2025	2026
Projected operating results					
Operating revenue	\$ 82,260,000	\$ 86,858,000	\$ 91,715,000	\$ 94,022,000	\$ 96,387,000
Operating expenses (before depreciation)	(70,233,000)	(70,935,000)	(71,644,000)	(72,360,000)	(73,084,000)
Net operating income (before depreciation)	12,027,000	15,923,000	20,071,000	21,662,000	23,303,000
Interest income	200,000	500,000	500,000	500,000	500,000
Other income	1,181,000	811,000	821,000	832,000	843,000
Interest expense	(7,687,500)	(7,436,500)	(5,657,500)	(5,501,500)	(5,501,500)
Projected net income before depreciation	5,720,500	9,797,500	15,734,500	17,492,500	19,144,500
System development fees (including assessments)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Grant proceeds	31,000,000	20,000,000	-	-	-
Projected increase (decrease) in net position before depreciation	38,220,500	31,297,500	17,234,500	18,992,500	20,644,500
Projected beginning net position	399,203,664	422,994,164	439,861,664	442,666,164	447,228,664
Projected net position before depreciation	437,424,164	454,291,664	457,096,164	461,658,664	467,873,164
Estimated depreciation	(14,430,000)	(14,430,000)	(14,430,000)	(14,430,000)	(14,430,000)
Projected ending net position after depreciation	\$ 422,994,164	\$ 439,861,664	\$ 442,666,164	\$ 447,228,664	\$ 453,443,164

PROJECTED SOURCES AND USES OF FUNDS

	FOR FISCAL YEARS 2023-2026				
	2023	2023	2024	2025	2026
Total projected sources of funds					
Utility operating revenue	\$ 82,260,000	\$ 86,858,000	\$ 91,715,000	\$ 94,022,000	\$ 96,387,000
Interest income	200,000	500,000	500,000	500,000	500,000
System development fees and other income	2,681,000	2,311,000	2,321,000	2,332,000	2,343,000
Grant proceeds	31,000,000	20,000,000	-	-	-
Proceeds from issuance of debt, net of issue costs	-	-	-	-	-
Total projected sources of funds	116,141,000	109,669,000	94,536,000	96,854,000	99,230,000
Total projected uses of funds					
Operating expenditures (excluding depreciation)	70,233,000	70,935,000	71,644,000	72,360,000	73,084,000
Capital improvement projects	65,215,000	61,920,000	29,300,000	16,000,000	18,450,000
Debt service	13,202,480	13,631,500	12,122,500	11,971,500	11,971,500
Total projected uses of funds	148,650,480	146,486,500	113,066,500	100,331,500	103,505,500
Additions to (uses of) cash	\$ (32,509,480)	\$ (36,817,500)	\$ (18,530,500)	\$ (3,477,500)	\$ (4,275,500)

Five Year Financial Plan (continued)

For fiscal years 2023-2027

PROJECTED REVENUE AND CONTRIBUTIONS

	FOR FISCAL YEARS 2023 - 20				
	2023	2024	2025	2026	2027
Estimated gallons (000s) sold to customers at retail rates	5,460,000	5,515,000	5,570,000	5,626,000	5,682,000
Estimated gallons (000s) sold to US Navy	254,000	257,000	260,000	263,000	266,000
Total estimated sales gallons (000s)	5,714,000	5,772,000	5,830,000	5,889,000	5,948,000
Operating revenue					
Fees for service					
Retail water rate revenue	\$ 63,932,000	\$ 67,506,000	\$ 71,280,000	\$ 73,073,000	\$ 74,911,000
US Navy water rate revenue	1,420,000	1,499,000	1,583,000	1,623,000	1,664,000
US Navy distribution system charge	2,487,000	2,626,000	2,773,000	2,843,000	2,915,000
Retail reclaimed water rate revenue	77,000	81,000	86,000	88,000	90,000
Retail wastewater rate revenue	10,795,000	11,398,000	12,035,000	12,338,000	12,648,000
US Navy wastewater revenue	2,049,000	2,164,000	2,285,000	2,342,000	2,401,000
Total fees for service	80,760,000	85,274,000	90,042,000	92,307,000	94,629,000
Other operating revenue	1,500,000	1,584,000	1,673,000	1,715,000	1,758,000
Total operating revenue	82,260,000	86,858,000	91,715,000	94,022,000	96,387,000
Non-operating revenue					
Interest income	200,000	500,000	500,000	500,000	500,000
Grant proceeds	31,000,000	20,000,000	-	-	-
Charges to other utilities for billing services	681,000	691,000	701,000	712,000	723,000
Other income	500,000	120,000	120,000	120,000	120,000
Total non-operating revenue	32,381,000	21,311,000	1,321,000	1,332,000	1,343,000
Total budgeted revenue	114,641,000	108,169,000	93,036,000	95,354,000	97,730,000
System development fees (including assessments)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Total revenue and contributions	\$ 116,141,000	\$ 109,669,000	\$ 94,536,000	\$ 96,854,000	\$ 99,230,000

Budget assumptions					
Water volume growth sales increase	1.0%	1.0%	1.0%	1.0%	1.0%
Rate index increase	10.6%	1.5%	1.5%	1.5%	1.5%
Additional water rate increase (decrease)	0.0%	3.0%	3.0%	0.0%	0.0%
Additional wastewater rate increase (decrease)	0.0%	0.0%	0.0%	0.0%	0.0%
Average interest rate (applied to average cash balance)	0.3%	1.5%	1.5%	1.5%	1.4%
System development fee growth factor	0.0%	0.0%	0.0%	0.0%	0.0%

Five Year Financial Plan (continued)

For fiscal years 2023-2027

FIVE YEAR CAPITAL IMPROVEMENT AND CAPITAL FINANCING PLAN

Description	2023	2024	2025	2026	2027	Estimated five-year expenditures
Water Projects						
J. Robert Dean WTP K2 Building Rehabilitation	1,000,000	-				1,000,000
J. Robert Dean WTP Roof Replacements	500,000					500,000
Kermit H Lewin Reverse Osmosis Emergency Generator Facility	6,500,000	800,000				7,300,000
J. Robert Dean WTP Painting and Filter Gallery Upgrade	80,000	1,000,000				1,080,000
Ramrod Pump Station Diesel Storage	75,000	650,000				725,000
Rockland Yard Construction Crew Building	250,000					250,000
Kermit H Lewin Building Rehabilitation		275,000	2,000,000	1,000,000		3,275,000
Stock Island Garage Replacement			400,000	3,600,000	1,400,000	5,400,000
New Wellfield		4,000,000				4,000,000
J. Robert Dean WTP Accelerator No. 1	450,000	800,000				1,250,000
Kermit H Lewin Reverse Osmosis Facility	25,000,000	4,000,000				29,000,000
J. Robert Dean WTP Wastewater Forcemain	250,000					250,000
J. Robert Dean WTP Diesel Pump Upgrades	2,500,000	2,500,000				5,000,000
J. Robert Dean WTP Chemical Feed Improvements		100,000	1,200,000			1,300,000
J. Robert Dean WTP Electrical Improvements- (Phase 2)			400,000	6,400,000		6,800,000
J. Robert Dean WTP Storage Tank (5 MG)				250,000	7,000,000	7,250,000
Islamorada Transmission Line Replacement (MM79-84)	13,000,000	20,000,000				33,000,000
Pump Station Electrical Improvements	80,000	920,000				1,000,000
Transmission Terminus Replacement	300,000	3,750,000				4,050,000
Transmission Marathon (Knights Key)	200,000	3,000,000				3,200,000
Transmission Ocean Reef	300,000	4,000,000				4,300,000
Cathodic Protection System Repair and Improvements	200,000	2,000,000				2,200,000
Transmission Snake Creek Crossing (Directional Drill)	200,000	2,000,000				2,200,000
Transmission C111 Crossing (Directional Drill)	200,000	2,000,000				2,200,000
Transmission Ramrod System Connections		50,000	500,000			550,000
Transmission Indian Key Crossing		200,000	2,000,000			2,200,000
Transmission Lignumvitae Channel (Directional Drill)		125,000	1,250,000			1,375,000
Transmission Channel 2 Crossing		200,000	2,500,000			2,700,000
Transmission Channel 5 Crossing		400,000	5,000,000			5,400,000
Marathon Pump Station Tank		300,000	5,000,000			5,300,000
Transmission System Valve Replacement		100,000	1,000,000	1,000,000	1,000,000	3,100,000
Transmission Long Key Bridge (Box Girder)				300,000	6,000,000	6,300,000
Distribution Valve Replacement Program	150,000	150,000	150,000	150,000	150,000	750,000
Distribution Middle-Big Torch	1,200,000					1,200,000
Distribution Replacement South Street	600,000					600,000
Distribution and Storage Ocean Reef	500,000	4,000,000	4,000,000			8,500,000
Distribution Storage Tank Replacement Crawl Key	2,000,000	-	-			2,000,000
Distribution Duck Key Inner Island	1,900,000					1,900,000
Distribution Desal Storage Tank	30,000	400,000				430,000
Distribution Replacement Middle Keys			1,800,000	1,800,000	1,400,000	5,000,000
Meter Gateways	200,000	200,000	200,000			600,000
Stock Island Distribution Pump Station	1,000,000					1,000,000
NAS Key West Boca Chica Field - East Fire Pumping Station	1,500,000	500,000				2,000,000
NAS Connection A & B Distribution Boca Chica			1,500,000	1,500,000	1,500,000	4,500,000
Total water projects	\$ 60,165,000	\$ 58,420,000	\$ 28,900,000	\$ 16,000,000	\$ 18,450,000	\$ 181,935,000

Five Year Financial Plan (continued)

For fiscal years 2023-2027

FIVE YEAR CAPITAL IMPROVEMENT AND CAPITAL FINANCING PLAN (CONT.)

Description	2023	2024	2025	2026	2027	Estimated five-year expenditures
Wastewater projects						
Big Coppitt Wastewater force main	2,000,000	1,000,000				3,000,000
Big Coppitt and Cudjoe manholes	1,800,000					1,800,000
Big Coppitt WW treatment plant improvements	900,000	400,000				1,300,000
Cudjoe Dewatering building improvements	50,000	500,000				550,000
Summerland Wastewater Pump station	150,000	1,600,000	400,000			2,150,000
Duck Key collection system rehabilitation	150,000					150,000
Total wastewater projects	5,050,000	3,500,000	400,000	-	-	8,950,000
Total capital improvement projects	\$ 65,215,000	\$ 61,920,000	\$ 29,300,000	\$ 16,000,000	\$ 18,450,000	\$ 190,885,000
Funding sources						
Funds from retail rates and cash on hand	\$ 24,715,000	\$ 34,920,000	\$ 15,800,000	\$ 14,500,000	\$ 16,950,000	\$ 106,885,000
Navy water rates	1,500,000	500,000	1,500,000	1,500,000	1,500,000	6,500,000
Federal and state appropriations	31,000,000	18,500,000	4,000,000	-	-	53,500,000
Bond proceeds	8,000,000	8,000,000	8,000,000			24,000,000
Total	\$ 65,215,000	\$ 61,920,000	\$ 29,300,000	\$ 16,000,000	\$ 18,450,000	\$ 190,885,000

Five Year Financial Plan (continued)

For fiscal years 2023-2027

PROJECTED NEW DEBT ISSUES AND DEBT SERVICE

	2023	2024	2025	2026	2027
Bond issuance assumptions:					
Projected principal amount of new bonds issued	\$ -	\$ -	\$ -	\$ -	\$ -
Available for construction fund	\$ -	\$ -	\$ -	\$ -	\$ -
Estimated issue costs					
Projected interest rate					
Amortization period (years)					
Projected Debt Service					
Principal					
Series 2008 water refunding and revenue bonds	2,905,000	3,045,000	3,170,000	3,170,000	3,170,000
Series 2012 wastewater revenue bonds	370,000	370,000	365,000	365,000	365,000
Series 2013A water refunding bonds	-	-	-	-	-
Series 2013B water revenue bonds	375,000	385,000	400,000	400,000	400,000
Series 2014A water revenue bonds	120,000	125,000	130,000	135,000	135,000
Series 2015A water refunding bonds	1,890,000	1,980,000	-	-	-
Series 2015B water refunding bonds	-	-	2,090,000	2,090,000	2,090,000
Series 2016 wastewater bonds	275,000	290,000	310,000	310,000	310,000
Series 2019A water revenue bonds	-	-	-	-	-
Series 2022B water revenue bonds	-	-	-	-	-
Total principal	5,935,000	6,195,000	6,465,000	6,470,000	6,470,000
Interest					
Series 2008 water refunding and revenue bonds [1]	1,892,000	1,770,000	1,660,000	1,500,000	1,500,000
Series 2012 wastewater revenue bonds	60,000	49,000	39,000	71,000	71,000
Series 2013A water refunding bonds	-	-	-	-	-
Series 2013B water revenue bonds	172,000	159,000	146,000	140,000	140,000
Series 2014A water revenue bonds	60,000	56,000	51,000	50,000	50,000
Series 2015A water refunding bonds	1,231,000	1,136,000	1,037,000	1,020,000	1,020,000
Series 2015B water refunding bonds	335,000	335,000	335,000	335,000	335,000
Series 2016 wastewater bonds	149,000	143,000	139,000	135,000	135,000
Series 2019A water revenue bonds	2,250,500	2,250,500	2,250,500	2,250,500	2,250,500
Series 2022B water revenue bonds	1,538,000	1,538,000	-	-	-
Total interest	7,687,500	7,436,500	5,657,500	5,501,500	5,501,500
Total projected debt service	\$ 13,622,500	\$ 13,631,500	\$ 12,122,500	\$ 11,971,500	\$ 11,971,500

[1] Includes ancillary costs of remarketing and letter of credit fees

Five Year Financial Plan (continued)

For fiscal years 2023-2027

ESTIMATED RATE ADJUSTMENTS AND AVERAGE MONTHLY BILL

Potable water			
	Estimated percentage increase	Average monthly bill (for 4,500 gallons)	
Current bill		\$	49.26
2023	11.6%	\$	54.97
2024	4.5%	\$	57.45
2025	4.5%	\$	60.03
2026	1.5%	\$	60.93
2027	1.5%	\$	61.85

Reclaimed water			
	Estimated percentage increase	Average monthly bill (for 1,100 gallons)	
Current bill		\$	3.94
2023	11.6%	\$	4.39
2024	4.5%	\$	4.59
2025	4.5%	\$	4.80
2026	1.5%	\$	4.87
2027	1.5%	\$	4.94

Wastewater			
	Estimated percentage increase	Average monthly bill (for 4,500 gallons)	
Current bill		\$	74.42
2023	10.6%	\$	82.31
2024	1.5%	\$	83.54
2025	1.5%	\$	84.80
2026	1.5%	\$	86.07
2027	1.5%	\$	87.36

CAPITAL AND DEBT

CAPITAL IMPROVEMENT BUDGET

PROJECT SUMMARIES

CAPITAL OUTLAY BUDGET DETAIL

CAPITAL FINANCING PLAN SUMMARY

DEBT SERVICE REQUIREMENTS

DEBT SERVICE COVERAGE ANALYSIS



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Capital Improvement Budget

For fiscal years 2023-2027

Description	2023	2024	2025	2026	2027	Estimated five-year expenditures
Water Projects						
J. Robert Dean WTP K2 Building Rehabilitation	1,000,000	-				1,000,000
J. Robert Dean WTP Roof Replacements	500,000					500,000
Kermit H Lewin Reverse Osmosis Emergency Generator Facility	6,500,000	800,000				7,300,000
J. Robert Dean WTP Painting and Filter Gallery Upgrade	80,000	1,000,000				1,080,000
Ramrod Pump Station Diesel Storage	75,000	650,000				725,000
Rockland Yard Construction Crew Building	250,000					250,000
Kermit H Lewin Building Rehabilitation		275,000	2,000,000	1,000,000		3,275,000
Stock Island Garage Replacement			400,000	3,600,000	1,400,000	5,400,000
New Wellfield		4,000,000				4,000,000
J. Robert Dean WTP Accelerator No. 1	450,000	800,000				1,250,000
Kermit H Lewin Reverse Osmosis Facility	25,000,000	4,000,000				29,000,000
J. Robert Dean WTP Wastewater Forcemain	250,000					250,000
J. Robert Dean WTP Diesel Pump Upgrades	2,500,000	2,500,000				5,000,000
J. Robert Dean WTP Chemical Feed Improvements		100,000	1,200,000			1,300,000
J. Robert Dean WTP Electrical Improvements- (Phase 2)			400,000	6,400,000		6,800,000
J. Robert Dean WTP Storage Tank (5 MG)				250,000	7,000,000	7,250,000
Islamorada Transmission Line Replacement (MM79-84)	13,000,000	20,000,000				33,000,000
Pump Station Electrical Improvements	80,000	920,000				1,000,000
Transmission Terminus Replacement	300,000	3,750,000				4,050,000
Transmission Marathon (Knights Key)	200,000	3,000,000				3,200,000
Transmission Ocean Reef	300,000	4,000,000				4,300,000
Cathodic Protection System Repair and Improvements	200,000	2,000,000				2,200,000
Transmission Snake Creek Crossing (Directional Drill)	200,000	2,000,000				2,200,000
Transmission C111 Crossing (Directional Drill)	200,000	2,000,000				2,200,000
Transmission Ramrod System Connections		50,000	500,000			550,000
Transmission Indian Key Crossing		200,000	2,000,000			2,200,000
Transmission Lignumvitae Channel (Directional Drill)		125,000	1,250,000			1,375,000
Transmission Channel 2 Crossing		200,000	2,500,000			2,700,000
Transmission Channel 5 Crossing		400,000	5,000,000			5,400,000
Marathon Pump Station Tank		300,000	5,000,000			5,300,000
Transmission System Valve Replacement		100,000	1,000,000	1,000,000	1,000,000	3,100,000
Transmission Long Key Bridge (Box Girder)				300,000	6,000,000	6,300,000
Distribution Valve Replacement Program	150,000	150,000	150,000	150,000	150,000	750,000
Distribution Middle-Big Torch	1,200,000					1,200,000
Distribution Replacement South Street	600,000					600,000
Distribution and Storage Ocean Reef	500,000	4,000,000	4,000,000			8,500,000
Distribution Storage Tank Replacement Crawl Key	2,000,000	-	-			2,000,000
Distribution Duck Key Inner Island	1,900,000					1,900,000
Distribution Desal Storage Tank	30,000	400,000				430,000
Distribution Replacement Middle Keys			1,800,000	1,800,000	1,400,000	5,000,000
Meter Gateways	200,000	200,000	200,000			600,000
Stock Island Distribution Pump Station	1,000,000					1,000,000
NAS Key West Boca Chica Field - East Fire Pumping Station	1,500,000	500,000				2,000,000
NAS Connection A & B Distribution Boca Chica			1,500,000	1,500,000	1,500,000	4,500,000
Total water projects	\$ 60,165,000	\$ 58,420,000	\$ 28,900,000	\$ 16,000,000	\$ 18,450,000	\$ 181,935,000

Capital Improvement Budget (cont.)

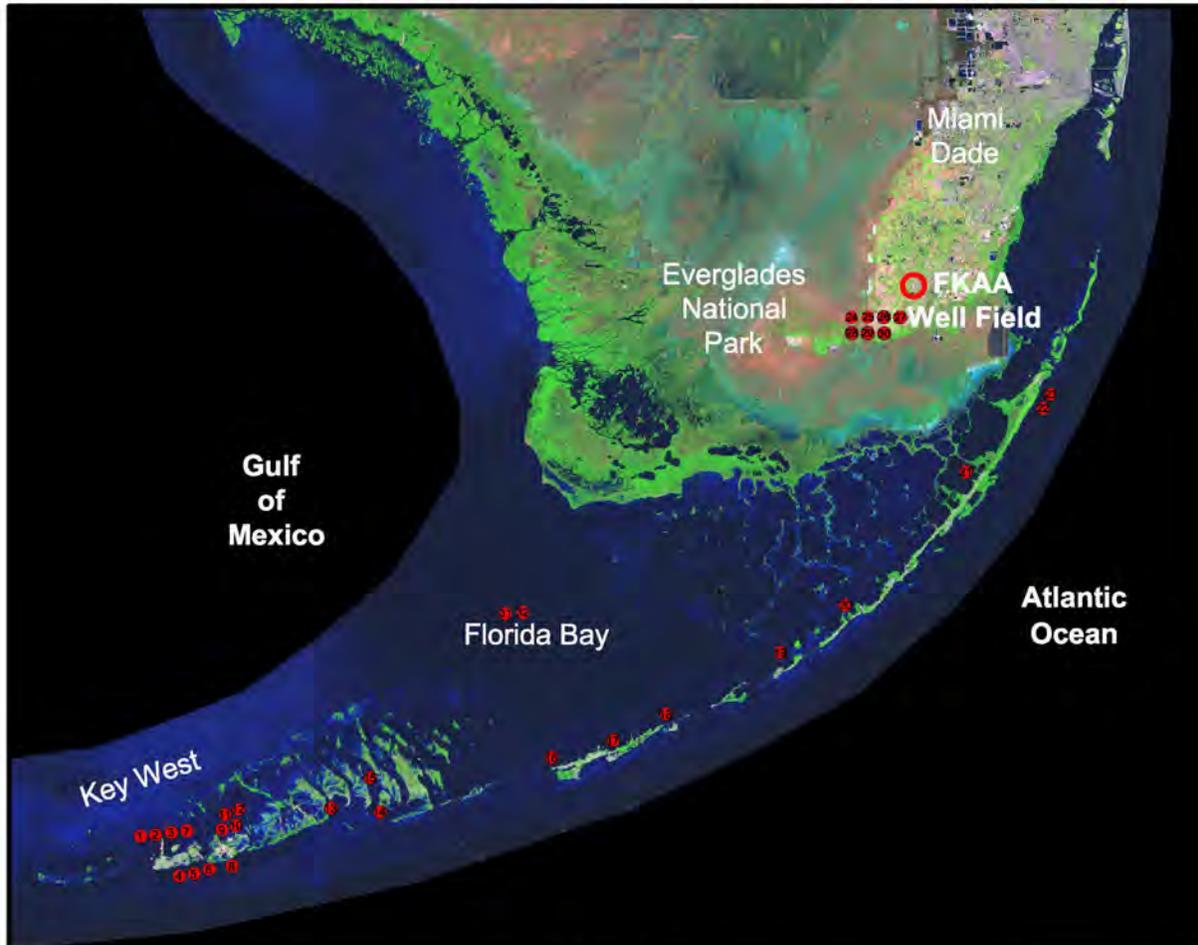
For fiscal years 2023-2027

Description	2023	2024	2025	2026	2027	Estimated five-year expenditures
Wastewater projects						
Big Coppitt Wastewater force main	2,000,000	1,000,000				3,000,000
Big Coppitt and Cudjoe manholes	1,800,000					1,800,000
Big Coppitt WW treatment plant improvements	900,000	400,000				1,300,000
Cudjoe Dewatering building improvements	50,000	500,000				550,000
Summerland Wastewater Pump station	150,000	1,600,000	400,000			2,150,000
Duck Key collection system rehabilitation	150,000					150,000
Total wastewater projects	5,050,000	3,500,000	400,000	-	-	8,950,000
Total capital improvement projects	\$ 65,215,000	\$ 61,920,000	\$ 29,300,000	\$ 16,000,000	\$ 18,450,000	\$ 190,885,000
Funding sources						
Funds from retail rates and cash on hand	\$ 24,715,000	\$ 34,920,000	\$ 15,800,000	\$ 14,500,000	\$ 16,950,000	\$ 106,885,000
Navy water rates	1,500,000	500,000	1,500,000	1,500,000	1,500,000	6,500,000
Federal and state appropriations	31,000,000	18,500,000	4,000,000	-	-	53,500,000
Bond proceeds	8,000,000	8,000,000	8,000,000			24,000,000
Total	\$ 65,215,000	\$ 61,920,000	\$ 29,300,000	\$ 16,000,000	\$ 18,450,000	\$ 190,885,000

Project Summaries

For fiscal years 2023-2027

Florida Keys Aqueduct Authority Projects



Project Legend

1 Transmission Terminus Replacement(Key West)	17 Distribution Storage Tank Replacement(Crawl Key)
2 Distribution Replacement-South Street(Key West)	18 Duck Key Collection System Rehabilitation
3 Distribution Valve Replacement(Key West)	19 Islamorada Transmission Line Replacement
4 Kermit H. Lewin RO Emergency Generator Facility	20 Transmission Snake Creek Crossing
5 Kermit H. Lewin Reverse Osmosis Facility	21 Transmission C111 Crossing
6 Distribution Desal Storage Tank	22 Distribution and Storage(Ocean Reef)
7 Stock Island Distribution Pump Station	23 Transmission Ocean Reef
8 NAS Boca Chica Field-East Fire Pumping Station	24 J. Robert Dean WTP K2 Building Rehabilitation
9 Rockland Yard Construction Crew Building	25 J. Robert Dean WTP Roof Replacements
10 Big Coppitt Wastewater Forcemain	26 J. Robert Dean WTP Painting & Filter Gallery Upgrade
11 Big Coppitt WWTP Improvements	27 J. Robert Dean WTP Electrical Upgrades
12 Big Coppitt and Cudjoe Manholes	28 J. Robert Dean WTP Acclerator No. 1
13 Cudjoe Dewatering Building Improvements	29 J. Robert Dean WTP Wastewater Forcemain
14 Ramrod Pump Station Diesel Storage	30 J. Robert Dean WTP Diesel Pump Upgrades
15 Distribution Middle-Big Torch	31 Pump Station Electrical Improvements
16 Transmission Marathon(Knights Key)	32 Meter Gateways

Project Summaries (continued)

For fiscal years 2023-2027

J. Robert Dean WTP K2 Building Rehabilitation

Facility

Project Information

Location	J. Robert Dean Water Treatment Plant
Project Type	Water
Category	Renewal and Replacement
Project Number	3236-20
Design Engineer	Black and Veatch
Project Manager	Emmy Koenig
Contractor	To be determined
Start Date	2021
Completion Date	2023
Bond Funded	No



Description/Justification:

The K2 Building was originally design and built in 1943 by the U.S. Navy as a water treatment structure. The building was repurposed as an administration/maintenance building between 1943 and 1997 and renovated in 1997. Currently, the building houses critical components of FCAA's Supervisory Control and Data Aquisition (SCADA) system. In 2020, a structural assessment was performed on the building and deficiencies were noted that have a high priority for repair.

Status/Recent Developments:

FCAA is currently in design phase for the project. The design phase should be complete by July 2022 and construction is scheduled to occur in FY2023 after the 2022 Hurricane season.

Financial Information:

Capital Funding:

	Five Year Plan					Total Cost
	2023	2024	2025	2026	2027	
Capital Engineering & Construction Costs	\$ 1,200,000	-	-	-	-	\$ 1,200,000
Total Costs	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -	\$ 1,200,000

Operating Impact:

	Annual Operating Cost (Savings)					Total
	2023	2024	2025	2026	2027	
New Personnel (FTEs)	-	-	-	-	-	-
Personal Services Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Costs	-	-	-	-	-	-
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Project Summaries (continued)

For fiscal years 2023-2027

J. Robert Dean WTP Roof Replacements

Facility

Project Information

Location	J. Robert Dean Water Treatment Plant
Project Type	Water
Category	Renewal and Replacement
Project Number	To be determined
Design Engineer	Jolynn Reynolds
Project Manager	Emmy Koenig
Contractor	To be determined
Start Date	2022
Completion Date	2023
Bond Funded	No



Description/Justification:

The roofs for three buildings (K4, K5, and K12) at the J Robert Dean Water Treatment Plant are in need of replacement. All other roofs at the WTP have been recently replaced, with the exception of the K2 building which will also be replaced in 2023.

Status/Recent Developments:

FKAA's Engineering Department will prepare the bid documents for the roof replacements.

Financial Information:

Capital Funding:

	Five Year Plan					Total Cost
	2023	2024	2025	2026	2027	
Capital Engineering & Construction Costs	\$ 500,000	-	-	-	\$ -	\$ 500,000
Total Costs	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000

Operating Impact:

	Annual Operating Cost (Savings)					Total
	2023	2024	2025	2026	2027	
New Personnel (FTEs)	-	-	-	-	-	-
Personal Services Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Costs	-	-	-	-	-	-
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Project Summaries (continued)

For fiscal years 2023-2027

J. Robert Dean WTP Painting and Filter Gallery Upgrade

Facility

Project Information

Location	J. Robert Dean Water Treatment Plant
Project Type	Water
Category	Renewal and Replacement
Project Number	To be determined
Design Engineer	To be determined
Project Manager	David Hackworth
Contractor	To be determined
Start Date	2023
Completion Date	2024
Bond Funded	No



Description/Justification:

This project includes various large scale maintenance projects that require the use of a contractor. This project will include painting the three water storage tanks (5 MG, 5 MG, 1 MG), K3 Building (interior and exterior), replace the windows in the filter gallery, and repair the weeping walls in the filter gallery.

Status/Recent Developments:

FKAA is currently in the planning phase of this project.

Financial Information:

Capital Funding:

	Five Year Plan					Total Cost
	2023	2024	2025	2026	2027	
Capital Engineering & Construction Costs	\$ 80,000	\$ 1,000,000			\$ -	\$ 1,080,000
Total Costs	\$ 80,000	\$ 1,000,000	\$ -	\$ 0	\$ -	\$ 1,080,000

Operating Impact:

	Annual Operating Cost (Savings)					Total
	2023	2024	2025	2026	2027	
New Personnel (FTEs)						
Personal Services Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Costs	-	-	-	-	-	-
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Project Summaries (continued)

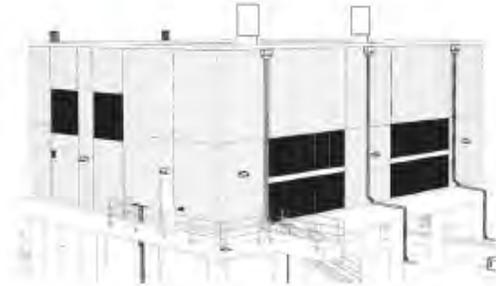
For fiscal years 2023-2027

Kermit H Lewin Reverse Osmosis Emergency Generator Facility

Facility

Project Information

Location	Kermit H. Lewin Seawater Desalination Facility, Stock Island
Project Type	Water
Category	Resiliency
Project Number	3237-20
Design Engineer	Black and Veatch
Project Manager	Brian Stark
Contractor	Reynolds Construction
Start Date	2021
Completion Date	2024
Bond Funded	No



Description/Justification:

The generator facility will provide standby power to the new Kermit H Lewin Reverse Osmosis Facility, the Stock Island Desal Pump Station and the existing Stock Island RO Building. FCAA received a \$7.2 million grant from the Florida Department of Emergency Management to construct the new generator facility at Stock Island.

Status/Recent Developments:

Reynolds Construction was issued a Notice to Proceed on May 2, 2022. The project is scheduled to be completed by October 14, 2023.

Financial Information:

Capital Funding:

	Five Year Plan					Total Cost
	2023	2024	2025	2026	2027	
Capital Engineering & Construction Costs	\$ 6,500,000	\$ 800,000	-	-	\$ -	\$ 7,300,000
Total Costs	\$ 6,500,000	\$ 800,000	\$ -	\$ 0	\$ -	\$ 7,300,000

Operating Impact:

	Annual Operating Cost (Savings)					Total
	2023	2024	2025	2026	2027	
New Personnel (FTEs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personal Services Costs	-	100,000.00	100,000.00	100,000.00	100,000.00	400,000
Other Operating Costs	-	-	-	-	-	-
Total Operating Costs	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 400,000

Project Summaries (continued)

For fiscal years 2023-2027

Ramrod Pump Station Diesel Storage

Facility

Project Information

Location	Ramrod Pump Station
Project Type	Water
Category	Renewal and Replacement
Project Number	3231-19
Design Engineer	To be determined
Project Manager	Emmy Koenig
Contractor	To be determined
Start Date	2023
Completion Date	2024
Bond Funded	No



Description/Justification:

The existing diesel tanks have reached the end of their useful lives and are in need of replacement. FCAA has purchased and installed a replacement tank, but has not connected the new tank to the fuel system.

Status/Recent Developments:

The project is currently in the planning phase for the fuel system piping improvements

Financial Information:

Capital Funding:

	Five Year Plan					Total Cost
	2023	2024	2025	2026	2027	
Capital Engineering & Construction Costs	\$ 75,000	\$ 650,000			\$ -	\$ 725,000
Total Costs	\$ 75,000	\$ 650,000	\$ -	\$ -	\$ -	\$ 725,000

Operating Impact:

	Annual Operating Cost (Savings)					Total
	2023	2024	2025	2026	2027	
New Personnel (FTEs)						
Personal Services Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Costs						
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Project Summaries (continued)

For fiscal years 2023-2027

Rockland Yard Construction Crew Building

Facility

Project Information

Location	Rockland Key
Project Type	Facilities
Category	Renewal and Replacement
Project Number	7049-18AC
Design Engineer	K2M
Project Manager	David Hackworth
Contractor	To be determined
Start Date	2020
Completion Date	2023
Bond Funded	No



Description/Justification:

The storage building for the Construction Crew equipment was recently replaced. The construction crew offices were also damaged during Hurricane Irma and the crew has since been using a temporary trailer. This project would construct new offices inside the storage facility.

Status/Recent Developments:

FKAA is starting the design of the interior office space

Financial Information:

Capital Funding:

	Five Year Plan					Total Cost
	2023	2024	2025	2026	2027	
Capital Engineering & Construction Costs	\$ 250,000				\$ -	\$ 250,000
	-	-	-	-	-	
Total Costs	\$ 250,000	\$ -	\$ -	\$0	\$ -	\$ 250,000

Operating Impact:

	Annual Operating Cost (Savings)					Total
	2023	2024	2025	2026	2027	
New Personnel (FTEs)						
Personal Services Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Costs	-	-	-	-	-	-
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Project Summaries (continued)

For fiscal years 2023-2027

J. Robert Dean WTP Electrical Upgrades

Facility

Project Information

Location	J. Robert Dean Water Treatment Plant
Project Type	Water
Category	Resiliency
Project Number	1170-19
Design Engineer	Black and Veatch
Project Manager	David Hackworth
Contractor	Florida Design Contractors, Inc.
Start Date	2021
Completion Date	2023
Bond Funded	No



Description/Justification:

This project replaces the electrical equipment at the J. Robert Dean Water Treatment Plant that has the highest priority for repair.

Status/Recent Developments:

This project is currently under construction with an anticipated completion date of December 2022.

Financial Information:

Capital Funding:

	Five Year Plan					Total Cost
	2023	2024	2025	2026	2027	
Capital Engineering & Construction Costs	\$ 1,300,000	-	-	-	\$ -	\$ 1,300,000
Total Costs	\$ 1,300,000	\$ -	\$ -	\$ 0	\$ -	\$ 1,300,000

Operating Impact:

	Annual Operating Cost (Savings)					Total
	2023	2024	2025	2026	2027	
New Personnel (FTEs)	-	-	-	-	-	-
Personal Services Costs	-	-	-	-	-	-
Other Operating Costs	-	-	-	-	-	-
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Project Summaries (continued)

For fiscal years 2023-2027

J. Robert Dean WTP Accelerator No. 1

Water Treatment

Project Information

Location	J. Robert Dean Water Treatment Plant
Project Type	Water Supply and Treatment
Category	Renewal and Replacement
Project Number	To be determined
Design Engineer	Carollo Engineers, Inc.
Project Manager	David Hackworth
Contractor	Moss Kelly, Inc
Start Date	2023
Completion Date	2024
Bond Funded	No



Description/Justification:

The Accelerator Clarifier (Accelerator) is used to soften the groundwater at the J Robert Dean Water Treatment Plant. The existing Accelerator No. 1 was installed in 1988 has a maximum capacity of 16.3 MGD. The condition of the Accelerator has deteriorated due to corrosion of its internal components.

Status/Recent Developments:

FKAA is currently rehabilitating Accelerator No. 2. This project will commence once Accelerator No. 2 is completed.

Financial Information:

Capital Funding:

	Five Year Plan					Total Cost
	2023	2024	2025	2026	2027	
Capital Engineering & Construction Costs	\$ 400,000	\$ 800,000			\$ -	\$ 1,200,000
Total Costs	\$ 400,000	\$ 800,000	\$ -	\$ 0	\$ -	\$ 1,200,000

Operating Impact:

	Annual Operating Cost (Savings)					Total
	2023	2024	2025	2026	2027	
New Personnel (FTEs)						
Personal Services Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Costs	-	-	-	-	-	-
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Project Summaries (continued)

For fiscal years 2023-2027

Kermit H Lewin Reverse Osmosis Facility

Water Supply and Treatment

Project Information

Location	Kermit H. Lewin Seawater Desalination Facility, Stock Island
Project Type	Water Supply and Treatment
Category	Resiliency
Project Number	1150-17A
Design Engineer	Carollo Engineers
Project Manager	David Hackworth
Contractor	TLC Diversified
Start Date	2018
Completion Date	2024
Bond Funded	Yes



Description/Justification:

The existing 2 Million Gallon per Day (MGD) Stock Island Reverse Osmosis (SIRO) is maintenance intensive, lacks reliability, and fails to meet production goals. To promote public health and safety, the goal of this project is develop a 4 MGD water production facility on Stock Island that will provide sufficient capacity during emergency conditions, provide system reliability, new equipment, and membrane technology.

Status/Recent Developments:

This project is currently under construction with a final completion date of May 2024. This project will partially be funded by a \$30.6 million dollar grant from Department of Economic Opportunity and a low interest federal loan administered by the Water Infrastructure Finance and Innovation Act (WIFIA).

Financial Information:

Capital Funding:

	Five Year Plan					Total Cost
	2023	2024	2025	2026	2027	
Capital Engineering & Construction Costs	\$ 25,000,000	\$ 4,000,000	-	-	-	\$ 29,000,000
Total Costs	\$ 25,000,000	\$ 4,000,000	\$ -	\$ 0	\$ -	\$ 29,000,000

Operating Impact:

	Annual Operating Cost (Savings)					Total
	2023	2024	2025	2026	2027	
New Personnel (FTEs)	-	-	-	-	-	-
Personal Services Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Costs	-	-	-	-	-	-
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Project Summaries (continued)

For fiscal years 2023-2027

J. Robert Dean WTP Wastewater Forcemain

Project Information

Location	J. Robert Dean Water Treatment Plant
Project Type	Water
Category	Renewal and Replacement
Project Number	4076-18
Design Engineer	Jolynn Reynolds
Project Manager	Emmy Koenig
Contractor	To be determined
Start Date	2019
Completion Date	2023
Bond Funded	No



Description/Justification:

This project includes the installation of a new main sewer connection to Miami-Dade sewer from the Water Treatment Plant (WTP). The sewer force main is approximately 1,500 feet of 4" Ductile Iron Pipe, with a metering station.

Status/Recent Developments:

The project is currently being designed by FKA staff and should bid in 2022.

Financial Information:

Capital Funding:

	Five Year Plan					Total Cost
	2023	2024	2025	2026	2027	
Capital Engineering & Construction Costs	\$ 700,000		\$ -	\$ -	\$ -	\$ 700,000
Total Costs	\$ 700,000	\$ -	\$ -	\$ -	\$ -	\$ 700,000

Operating Impact:

	Annual Operating Cost (Savings)					Total
	2023	2024	2025	2026	2027	
New Personnel (FTEs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personal Services Costs	8,000	10,000	10,000	10,000	10,000	48,000
Other Operating Costs						
Total Operating Costs	\$ 8,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 48,000

Project Summaries (continued)

For fiscal years 2023-2027

J. Robert Dean WTP Diesel Pump Upgrades

Water Transmission

Project Information

Location	J. Robert Dean Water Treatment Plant
Project Type	Water
Category	Renewal and Replacement
Project Number	1003-21
Design Engineer	To be determined
Project Manager	Emmy Koenig
Contractor	To be determined
Start Date	2022
Completion Date	2024
Bond Funded	No



Description/Justification:

The J. Robert Dean Water Treatment Plant is equipped with diesel pumps that are used to maintain transmission system flow during electric power outages. The pumps have reached the end of their useful life and need to be replaced. Additionally, the pumps have a maximum capacity of 18 mgd and cannot meet peak demand. Therefore, this project will also include a standby generator to power one of the electric pumps to supplement the pumping capacity and provide necessary redundancy during construction.

Status/Recent Developments:

FKAA is currently in the planning phase of this project.

Financial Information:

Capital Funding:

	Five Year Plan					Total Cost
	2023	2024	2025	2026	2027	
Capital Engineering & Construction Costs	\$ 2,500,000	\$ 2,500,000	-	-	-	\$ 5,000,000
Total Costs	\$ 2,500,000	\$ 2,500,000	\$ -	\$0	\$ -	\$ 5,000,000

Operating Impact:

	Annual Operating Cost (Savings)					Total
	2023	2024	2025	2026	2027	
New Personnel (FTEs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personal Services Costs	-	-	-	-	-	-
Other Operating Costs	-	-	-	-	-	-
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Project Summaries (continued)

For fiscal years 2023-2027

Islamorada Transmission Line Replacement (MM79-84)

Water Transmission

Project Information

Location	Islamorada
Project Type	Water
Category	Renewal and Replacement
Project Number	1163-18
Design Engineer	Wade Trim
Project Manager	Emmy Koenig
Contractor	To Be Determined
Start Date	2020
Completion Date	2024
Bond Funded	No



Description/Justification:

As transmission pipe condition assessments are performed, sections of transmission main that pose the highest risk of failure are identified for future replacement. A portion of transmission main in Islamorada has been determined as one of these high risk areas.

Status/Recent Developments:

FKAA is currently in the the design phase for this project. The subaqueous portion of the project will be bid in June/July 2022 and the remaining portion will be bid in Sept/Oct 2022.

Financial Information:

Capital Funding:

	Five Year Plan					Total Cost
	2023	2024	2025	2026	2027	
Capital Engineering & Construction Costs	13,000,000	20,000,000				\$33,000,000
Total Costs	\$ 13,000,000	\$ 20,000,000	\$ -	\$ -	\$ -	\$33,000,000

Operating Impact:

	Annual Operating Cost (Savings)					Total Cost
	2023	2024	2025	2026	2027	
New Personnel (FTEs)						
Personal Services Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Costs	30,000	30,000	(30,000)	(30,000)	(30,000)	
Total Operating Costs	\$ 30,000	\$ 30,000	\$ (30,000)	\$ (30,000)	\$ (30,000)	\$ (30,000)

Project Summaries (continued)

For fiscal years 2023-2027

Pump Station Electrical Improvements

Water Transmission

Project Information

Location	Long Key/Marathon/Ramrod
Project Type	Water
Category	Renewal and Replacement
Project Number	To Be Determined
Design Engineer	To Be Determined
Project Manager	Emmy Koenig
Contractor	To Be Determined
Start Date	2023
Completion Date	2024
Bond Funded	No



Description/Justification:

Long Key Pump Station historically has had numerous power issues. During the winter months the power dips within milliseconds, which is enough to disrupt the pump motor drives and causes the pump station to shutdown. Additionally, the drives at Marathon and Ramrod are discontinued and are over 10 years old. This project would include drive upgrades and capacitor banks that would allow VFD's to operate during these electrical disruptions.

Status/Recent Developments:

FKAA is currently in the planning phase for this project

Financial Information:

Capital Funding:

	Five Year Plan					Total Cost
	2023	2024	2025	2026	2027	
Capital Engineering & Construction Costs	80,000	920,000				\$1,000,000
Total Costs	\$ 80,000	\$ 920,000	-	\$ -	\$ -	\$1,000,000

Operating Impact:

	Annual Operating Cost (Savings)					Total Cost
	2023	2024	2025	2026	2027	
New Personnel (FTEs)						
Personal Services Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Costs						
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Project Summaries (continued)

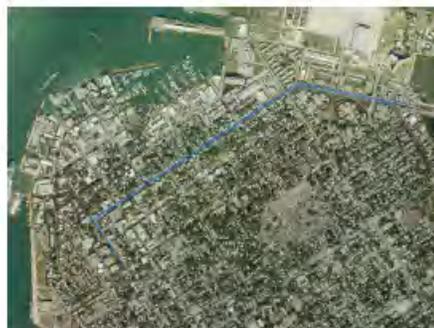
For fiscal years 2023-2027

Transmission Terminus Replacement

Water Transmission

Project Information

Location	Key West
Project Type	Water
Category	Renewal and Replacement
Project Number	1153-17
Design Engineer	To Be Determined
Project Manager	Emmy Koenig
Contractor	To Be Determined
Start Date	2021
Completion Date	2023
Bond Funded	No



Description/Justification:

This project includes the final section of the transmission main in Key West that needs to be replaced. This section is the remaining original 18" pipeline that was installed in the 1940's which has pressure limitations and poses a high risk of failure. This project is included in FCAA's low interest loan through the Water Infrastructure Finance and Innovation Act (WIFIA)

Status/Recent Developments:

FCAA is currently in the planning phase for this project

Financial Information:

Capital Funding:

	Five Year Plan					Total Cost
	2023	2024	2025	2026	2027	
Capital Engineering & Construction Costs	\$ 300,000	\$ 3,750,000	-	-	-	\$ 4,050,000
Total Costs	\$ 300,000	\$ 3,750,000	\$ -	\$ -	\$ -	\$ 4,050,000

Operating Impact:

	Annual Operating Cost (Savings)					Total Cost
	2023	2024	2025	2026	2027	
New Personnel (FTEs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personal Services Costs	50,000	50,000	(50,000)	(50,000)	(50,000)	-
Other Operating Costs	-	-	-	-	-	-
Total Operating Costs	\$ 50,000	\$ 50,000	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)

Project Summaries (continued)

For fiscal years 2023-2027

Transmission Marathon (Knights Key)

Water Transmission

Project Information

Location	Marathon
Project Type	Water
Category	Renewal and Replacement
Project Number	To Be Determined
Design Engineer	To Be Determined
Project Manager	Emmy Koenig
Contractor	To Be Determined
Start Date	2023
Completion Date	2024
Bond Funded	No



Description/Justification:

Florida Department of Transportation constructed a retaining wall very close to FKAA's transmission main in Marathon approximately seven years ago. If the transmission main fails in this location, it would be very difficult and time consuming for FKAA's operations department to repair. This project will replace approximately 2600 LF of the transmission main to a location further from the embankment

Status/Recent Developments:

FKAA is currently in the planning phase for this project

Financial Information:

Capital Funding:

	Five Year Plan					Total Cost
	2023	2024	2025	2026	2027	
Capital Engineering & Construction Costs	\$ 200,000	\$ 3,000,000	-	-	-	\$ 3,200,000
Total Costs	\$ 200,000	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 3,200,000

Operating Impact:

	Annual Operating Cost (Savings)					Total Cost
	2023	2024	2025	2026	2027	
New Personnel (FTEs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personal Services Costs	50,000	50,000	(50,000)	(50,000)	(50,000)	-
Other Operating Costs	50,000	50,000	(50,000)	(50,000)	(50,000)	-
Total Operating Costs	\$ 50,000	\$ 50,000	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)

Project Summaries (continued)

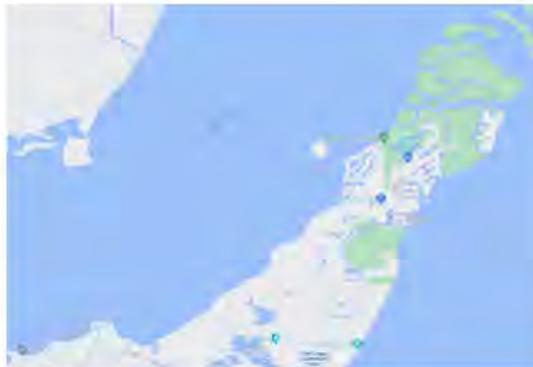
For fiscal years 2023-2027

Transmission Ocean Reef

Water Transmission

Project Information

Location	Ocean Reef
Project Type	Water
Category	Renewal and Replacement
Project Number	To Be Determined
Design Engineer	To Be Determined
Project Manager	Emmy Koenig
Contractor	To Be Determined
Start Date	2023
Completion Date	2024
Bond Funded	No



Description/Justification:

The Ocean Reef distribution pump station and storage tanks are in need of rehabilitation and capacity upgrades to meet the current demands. Due to site constraints, FCAA is unable to maintain the required level of service during the system upgrades. This project will rehabilitate the old 12-inch transmission that is no longer in use to provide supplemental capacity needed during the upgrade. This project will also provide a tap between the transmission main and Ocean Reef distribution system to increase system capacity and provide additional redundancy.

Status/Recent Developments:

FCAA is currently in the planning phase for this project

Financial Information:

Capital Funding:

	Five Year Plan					Total Cost
	2023	2024	2025	2026	2027	
Capital Engineering & Construction Costs	\$ 300,000	\$ 4,000,000	-	-	-	\$ 4,300,000
Total Costs	\$ 300,000	\$ 4,000,000	\$ -	\$ -	\$ -	\$ 4,300,000

Operating Impact:

	Annual Operating Cost (Savings)					Total Cost
	2023	2024	2025	2026	2027	
New Personnel (FTEs)	-	-	-	-	-	-
Personal Services Costs	-	-	-	-	-	-
Other Operating Costs	-	-	-	-	-	-
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Project Summaries (continued)

For fiscal years 2023-2027

Transmission Snake Creek Crossing (Directional Drill)

Water Transmission

Project Information

Location	Snake Creek
Project Type	Water
Category	Resiliency
Project Number	1155-17
Design Engineer	To Be Determined
Project Manager	Emmy Koenig
Contractor	To Be Determined
Start Date	2023
Completion Date	2024
Bond Funded	No



Description/Justification:

The 30" water transmission main is an extremely critical part of FCAA's infrastructure. It crosses under the Snake Creek canal as a submerged pipeline section under the draw bridge; one of only two remaining under deep waterways on the entire transmission system. To increase reliability and reduce system vulnerability, a parallel pipe is planned to be constructed via horizontal directional drilling below the US1 draw bridge which crosses the channel at this location.

Status/Recent Developments:

FCAA is currently in the planning phase for this project

Financial Information:

Capital Funding:

	Five Year Plan					Total Cost
	2023	2024	2025	2026	2027	
Capital Engineering & Construction Costs	\$ 200,000	\$ 2,000,000	-	-	-	\$ 2,200,000
Total Costs	\$ 200,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 2,200,000

Operating Impact:

	Annual Operating Cost (Savings)					Total
	2023	2024	2025	2026	2027	
New Personnel (FTEs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personal Services Costs	-	-	-	-	-	-
Other Operating Costs	-	-	-	-	-	-
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Project Summaries (continued)

For fiscal years 2023-2027

Transmission C111 Crossing (Directional Drill)

Water Transmission

Project Information

Location	18-mile stretch
Project Type	Water
Category	Resiliency
Project Number	1137-15
Design Engineer	To be determined
Project Manager	Emmy Koenig
Contractor	To be determined
Start Date	2023
Completion Date	2024
Bond Funded	No



Description/Justification:

The 36" water transmission main is an extremely critical part of FKAA's infrastructure. It crosses under the C-111 canal (lower peninsula) as a submerged pipeline section; one of only two remaining under deep waterways on the entire transmission system. To increase reliability and reduce system vulnerability, a parallel pipe is planned to be installed beneath the canal via Horizontal Directional Drilling method.

Status/Recent Developments:

FKAA is currently in the planning phase for this project

Financial Information:

Capital Funding:

	Five Year Plan					Total Cost
	2023	2024	2025	2026	2027	
Capital Engineering & Construction Costs	\$ 200,000	\$ 2,000,000		\$ -	\$ -	\$ 2,200,000
Total Costs	\$ 200,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 2,200,000

Operating Impact:

	Annual Operating Cost (Savings)					Total Cost
	2023	2024	2025	2026	2027	
New Personnel (FTEs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personal Services Costs						
Other Operating Costs						
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Project Summaries (continued)

For fiscal years 2023-2027

Distribution Middle-Big Torch

Water Distribution

Project Information

Location	Middle and Big Torch Keys
Project Type	Water
Category	New Distribution
Project Number	2331-17
Design Engineer	Jolynn Reynolds
Project Manager	David Hackworth
Contractor	FKAA
Start Date	2018
Completion Date	2023
Bond Funded	No



Description/Justification:

Residents of Middle Torch and Big Torch Keys are not currently served by FKAA with potable water. Residents in these areas are reliant upon cisterns and non-potable water deliveries for water and have expressed interest in connecting to the FKAA distribution system to improve their water quality. This purpose of this project is to install the approximately 37,000 linear feet of distribution mains to serve Middle Torch and Big Torch Keys and connect the system to the FKAA Transmission Main.

Status/Recent Developments:

FKAA has designed this project. Construction is scheduled to start August 2022.

Financial Information:

Capital Funding:

	Five Year Plan					Total Cost
	2023	2024	2025	2026	2027	
Capital Engineering & Construction Costs	\$ 1,000,000	\$ -	-	-	-	\$ 1,000,000
Total Costs	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000

Operating Impact:

	Annual Operating Costs (Savings)					Total Cost
	2023	2024	2025	2026	2027	
New Personnel (FTEs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personal Services Costs	-	-	-	-	-	-
Other Operating Costs	-	-	-	-	-	-
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Project Summaries (continued)

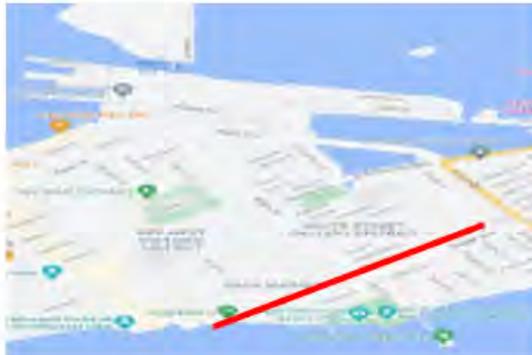
For fiscal years 2023-2027

Distribution Replacement South Street

Water Distribution

Project Information

Location	Key West
Project Type	Water
Category	Renewal and Replacement
Project Number	2218-06
Design Engineer	To be determined
Project Manager	Emmy Koenig
Contractor	To be determined
Start Date	2021
Completion Date	2023
Bond Funded	No



Description/Justification:

This project will replace approximately 3,000 LF of 8-inch and 12-inch water mains along South Street between Elizabeth and George. The existing main has reached the end of its useful life and is in need of replacement. Additionally, the City of Key West plans to pave South Street, thus significantly reducing FCAA's restoration costs.

Status/Recent Developments:

FCAA has completed the 60% design

Financial Information:

Capital Funding:

	Five Year Plan					Total Cost
	2023	2024	2025	2026	2027	
Capital Engineering & Construction Costs	\$ 600,000	\$ -	-	-	-	\$ 600,000
Total Costs	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ 600,000

Operating Impact:

	Annual Operating Costs (Savings)					Total Cost
	2023	2024	2025	2026	2027	
New Personnel (FTEs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personal Services Costs	-	-	-	-	-	-
Other Operating Costs	-	-	-	-	-	-
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Project Summaries (continued)

For fiscal years 2023-2027

Distribution and Storage Ocean Reef

Water Distribution

Project Information

Location	Ocean Reef
Project Type	Water
Category	Renewal and Replacement
Project Number	2352-18
Design Engineer	To be determined
Project Manager	Emmy Koenig
Contractor	To be determined
Start Date	2023
Completion Date	2025
Bond Funded	No



Description/Justification:

The distribution pumps and tanks serving Ocean Reef Club are approaching their end-of-life. Additionally, the current system does not meet FCAA's level of service requirements. This project will replace the aging equipment and increase the capacity of the pump station.

Status/Recent Developments:

FCAA is currently in the planning phase of this project

Financial Information:

Capital Funding:

	Five Year Plan					Total Cost
	2023	2024	2025	2026	2027	
Capital Engineering & Construction Costs	\$ 500,000	\$ 4,000,000	\$ 4,000,000			\$ 8,500,000
Total Costs	\$ 500,000	\$ 4,000,000	\$ 4,000,000	\$ -	\$ -	\$ 8,500,000

Operating Impact:

	Annual Operating Cost (Savings)					Total
	2023	2024	2025	2026	2027	
New Personnel (FTEs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personal Services Costs	-	-	-	-	-	-
Other Operating Costs	-	-	-	-	-	-
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Project Summaries (continued)

For fiscal years 2023-2027

Distribution Storage Tank Replacement Crawl Key

Water Distribution

Project Information

Location	Crawl Key
Project Type	Water
Category	Renewal and Replacement
Project Number	2352-18
Design Engineer	CPH
Project Manager	Emmy Koenig
Contractor	To be determined
Start Date	2022
Completion Date	2023
Bond Funded	No



Description/Justification:

The Crawl Key Water Storage tank is approaching the end of its design life and has structural deficiencies that were identified in the recent inspection report. This project will replace the tank and upgrade the influent piping to improve the level of redundancy.

Status/Recent Developments:

FCAA is currently in the design phase of this project

Financial Information:

Capital Funding:

	Five Year Plan					Total Cost
	2023	2024	2025	2026	2027	
Capital Engineering & Construction Costs	\$ 2,000,000	-	-	-	-	\$ 2,000,000
Total Costs	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000

Operating Impact:

	Annual Operating Cost (Savings)					Total
	2023	2024	2025	2026	2027	
New Personnel (FTEs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personal Services Costs	-	-	-	-	-	-
Other Operating Costs	-	-	-	-	-	-
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Project Summaries (continued)

For fiscal years 2023-2027

Distribution Desal Storage Tank

Water Distribution

Project Information

Location	Stock Island
Project Type	Water
Category	Renewal and Replacement
Project Number	To be determined
Design Engineer	To be determined
Project Manager	Emmy Koenig
Contractor	To be determined
Start Date	2023
Completion Date	2024
Bond Funded	No



Description/Justification:

This project will repair and paint the existing 5 million gallon storage tank located at the Stock Island Desalination Facility.

Status/Recent Developments:

FKAA is currently in the design phase of this project

Financial Information:

Capital Funding:

	Five Year Plan					Total Cost
	2023	2024	2025	2026	2027	
Capital Engineering & Construction Costs	\$ 30,000	\$ 400,000	-	-	-	\$ 430,000
Total Costs	\$ 30,000	\$ 400,000	\$ -	\$ -	\$ -	\$ 430,000

Operating Impact:

	Annual Operating Cost (Savings)					Total
	2023	2024	2025	2026	2027	
New Personnel (FTEs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personal Services Costs	-	-	-	-	-	-
Other Operating Costs	-	-	-	-	-	-
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Project Summaries (continued)

For fiscal years 2023-2027

Meter Gateways

Water Distribution

Project Information

Location	System-wide
Project Type	Water
Category	System Upgrade
Project Number	2337-17
Design Engineer	Justin Dacey
Project Manager	Justin Dacey
Contractor	To be determined
Start Date	2017
Completion Date	2025
Bond Funded	No



Description/Justification:

The installation of the meter reading data collectors will provide real-time meter reading to enhance water loss recovery, improve response time for stuck meter, high consumption, etc., allow customers to "View My Meter" to identify leaks on the customer side, and enhance water conservation efforts.

Status/Recent Developments:

This is a multi-year project. FCAA installed six meter reading data collectors in FY2022.

Financial Information:

Capital Funding:

	Five Year Plan					Total Cost
	2023	2024	2025	2026	2027	
Capital Engineering & Construction Costs	\$ 200,000	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ 600,000
Total Costs	\$ 200,000	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ 600,000

Operating Impact:

	Annual Operating Cost (Savings)					Total
	2023	2024	2025	2026	2027	
New Personnel (FTEs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personal Services Costs	-	-	-	-	-	-
Other Operating Costs	-	-	-	-	-	-
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Capital Outlay Budget Detail

For fiscal year 2023

Additions to Utility Plant 2023 Budget Detail

			Amount	Water cost centers	Wastewater cost centers	Total
Executive Division						
<u>Executive</u>						
1011	Executive Office	None	\$ -	\$ -		
1012	Public Information	None	-	-		\$ -
Administration Division						
<u>Customer Service</u>						
3030	Customer Service Administration	None	-	-		
3031	Central Payment Processing	None	-	-		
3032	Customer Service-Key West	None	-	-		
3034	Customer Service-Marathon	None	-	-		
3035	Customer Service-Tavernier	None	-	-		
3037	Field Services-Key West	None	-	-		
3038	Field Services-Marathon	None	-	-		
3039	Field Services-Tavernier	None	-	-		
<u>Finance</u>						
6010	Finance	None	-	-		
6020	Billing	None	-	-		
6030	Purchasing and Inventory	New Forklift for LKWH	40,000			
		Backflow meter change out program	175,000			
		Replacement MIUs	900,000			
		Meters (new service)	100,000			
		Small meter replacement	35,000			
		Large meter replacement	100,000	1,350,000		
6040	Records	None	-	-		1,350,000
<u>Human Resources</u>						
7010	Human Resources	None	-	-		
<u>Information Technology</u>						
8010	Information Technology	SCADA Infrastructure Servers	14,000			
		Cooperate Infrastructure Servers	84,000			
		Printers (replacements)	12,000			
				110,000		
Utility Operations Division						
<u>Engineering</u>						
2022	General Engineering	None	-	-		
2023	Contract Management	None	-	-		
2023	Water Quality	None	-	-		
2024	Design	None	-	-		
2025	Construction Crew	Hydraulic excavator (replacement #13617)	190,000			
		Skid steer (replacement #12509)	40,000	190,000		
<u>Water Operations</u>						
4001	Operations Office Key West	None	-	-		
4101	Operations Office Stock Island/lower keys	Upgrade to motorized gate for Desal	14,500	14,500		
4102	Distribution/Maintenance-Area I	Sigsbee pump (replacement)	25,000			
		AC unit for Truman pump room (replacement)	6,200			
		Forklift (replace # 241)	41,000	72,200		
4103	Distribution/Maintenance-Area II	Vachunter (replace # 824)	130,000	130,000		
4104	Distribution Pump Station-Key West	AC unit for KWPS office (replacement)	6,500	6,500		
4105	Distribution Pump Station-Stock Island	None	-	-		

Capital Outlay Budget Detail (continued)

For fiscal year 2023

4108	Fleet Maintenance-lower keys	Upgrade to motorized gate (LK Garage)	5,500	
		Post lift (replacement)	21,000	
		Tire balancer (replacement)	16,300	
		Vehicles (see below)	711,500	754,300
4110	Stock Island Reverse Osmosis Plant	Spare seal (new)	7,000	
		Spare flush pump (new)	8,000	15,000
4201	Operations Marathon/Middle keys	Replacement doors for MARO	8,000	
		Shutters, windows, door replacementfor Customer Service	32,000	40,000
4202	Distribution/Maintenance-Area III	Vibratory roller (replace # 281)	23,000	
		Trailer (replace # 204)	25,000	48,000
4203	Transmission Maintenance-Area III	Rex cutters (2) (replacement)	16,000	
		Utility hydraulic cart (replacement)	9,000	
		Diesel air compressor (replace # 224)	25,000	
		4" Tap on Big Coppitt (New)	55,000	
		Dump trailer (replace # 935)	15,000	120,000
4204	Transmission Pump Station-Marathon	Goulds pump installation	30,000	30,000
4205	Transmission Pump Station-Ramrod	Goulds pump installation	30,000	30,000
4208	Fleet Maintenance-middle keys	Vehicles (see below)	233,400	
		A/C (replacement)	7,000	
		Vehicle scanner	7,000	247,400
4210	Reverse Osmosis Plant-Marathon	Spare flush pump (new)	8,000	
		Acid feed system (replacement)	50,000	58,000
4301	Operations Key Largo and upper keys	None	-	-
4302	Distribution Maintenance Area IV	Mobile compressor (replace # 285)	45,000	
		Lentry lights (3)	15,000	
		Fencing for Plantation Key property (new)	42,000	
		AC for Islamorada pump station (replacement)	6,500	108,500
4303	Distribution Maintenance Area V	AC for Ocean Reef pump house (replacement)	6,500	
		Lentry lights (3)	15,000	
		Flow Meters for RH and Tav Pump Stations (2)	12,400	33,900
4304	Transmission Maintenance Areas IV and V	Forklift (new)	59,000	
		Skidsteer (replace #864)	136,500	
		Light towers (2) (replace # 855 & # 866)	26,000	
		Rock gapper	5,200	
		Air compressor (new)	5,100	
		AC for training room (replacement)	8,700	
		Jobsite flood lamps (2) (new)	11,200	
		Plate compactor (replacement)	5,800	257,500
4308	Fleet Maintenance-upper keys	Vehicles (see below)	191,100	191,100
5010	Water Treatment Plant-Florida City	Vertical pump 50HP (spare)	200,000	
		Vertical pump 60HP (spare)	210,000	410,000
5020	Transmission Pump Station-Florida City	Sludge thickener rake (spare)	147,000	
		Storage container	10,000	157,000
5030	Transmission Pump Station-Long Key	None	-	-
5040	Transmission Pump Station-Key Largo	Replacement pumps (2)	402,000	
		Spare diesel pump	380,000	
		30" spare check valve diesel	122,000	
		24" spare check valve electric	63,000	
		AC for electric room (replacement)	21,000	988,000
5050	Florida City RO Plant	Well pump and motor (spare)	142,000	142,000
5060	Electrical and Instrumentation Controls	FL City K12 transformer replacement	52,000	
		SIPS tank 1 actuators (2)	120,000	
		BC collection life station upgrades (2)	68,000	
		BCWWTP actuator	8,300	
		FL City RO wll mag meters (3)	31,500	
		Cudjoe WWTP actuator	8,300	288,100
				4,142,000

Capital Outlay Budget Detail (continued)

For fiscal year 2023

Wastewater Operations				
4112	Bay Point Wastewater Treatment Plant	None	-	-
4113	Bay Point Collection	None	-	-
4114	Big Coppitt Wastewater Treatment	10" plug valve (influent)	5,400	
		12" butterfly valve (effluent)	16,000	
		Bar screen replacement	122,500	143,900
4115	Big Coppitt Collection	Pump replacement (2) Ave. G and Propoise	16,000	
		Porpoise wet-well hatch replacement	9,500	
		Manhole ring and cover replace w/riser rehab (15)	138,800	
		ABS lift station upgrade Riviera and Shark Key LS3	23,900	188,200
4116	Key Haven Wastewater Treatment	None	-	-
4117	Key Haven Collection	None	-	-
4118	Cudjoe Regional Wastewater Treatment	Polymer skid for centrifuge (replacement)	36,600	
		NTU meter for filter (2 replacements)	10,400	
		DIW turbine pump rebuilds	7,000	
		Banana blade mixer (replacement)	9,900	63,900
4119	Cudjoe Regional Collection	110V fusion welder for HDPE pipe	6,000	
		Summerland transmission station coating & plumbing rehab	30,400	36,400
4120	Navy Wastewater System	None	-	-
4213	Wastewater Treatment Plant-Duck Key	Wilo mixer (replacement)	8,500	
		Parkson screen auger (replacement)	19,000	
		Bard AC replacement for MCC/Office	11,000	
		RAS/WAS Pump (replacement)	7,500	46,000
4214	Wastewater Operations and Maintenance	Sewer Rover camera for inspections	75,000	
		Wacker reversible compactor	6,400	
		Flat trailer for mini excavator 16,000 lb	12,000	
		John Deere 318G skid steer (new)	45,000	138,400
4216	Duck Key Collection	Lift station upgrade to metering pumps 800 DK Drive LS	15,100	
		Grinder pump replacement Schooner/Allamanda (1)	6,700	21,800
4312	Wastewater Treatment Plant-Layton	None	-	-
4313	Layton Collection	Sentry Advisor telemetry for LPS system	35,200	
		Hydromatic Ranger housing pump (replacement)	6,500	41,700
4314	Cross Key	None	-	-
				680,300

Total Capital Outlay **\$ 6,472,300**

Fleet details

4108	Fleet Maintenance-lower keys	1 SUV (replace vehicle # 113)	33,700	
		1/2 ton (replace vehicle # 124)	34,700	
		2 F550 Uplifted service truck (new)	375,000	
		1/2 ton (replace vehicle # 130)	34,700	
		1 ton (replace vehicle # 170)	64,200	
		1 ton (replace vehicle # 342)	64,200	
4208	Fleet Maintenance-middle keys	1 ton w/crane (replace vehicle # 162)	105,000	711,500
		1 ton (replace vehicle # 322)	64,200	
		1 ton (replace vehicle # 324)	64,200	
4308	Fleet Maintenance-upper keys	1 ton w/crane (replace vehicle # 338)	105,000	233,400
		1 van (replace vehicle # 410)	44,900	
		1 ton (replace vehicle # 546)	64,200	
		1 ton utility body (replace vehicle # 514)	82,000	191,100

Total fleet capital **1,136,000**

Capital Financing Plan Summary

For fiscal year 2023

Background

The Authority has developed a long-range capital financing plan that is intended to identify when bonds must be issued to fund capital projects. Since Monroe County will be funding all future capital costs relating to wastewater, this plan centers around the water system capital improvement plan.

The Authority's ratings for water bonds are Aa3, A+, and AA- from Moody's Investor Services, Standard and Poor's, and Fitch Ratings, respectively. The Authority has no legal debt limits.

Summary of Debt

Anticipated Budget Year Bond Issues

No water bond issues are anticipated for the 2023 budget year. Water capital projects will be funded using proceeds from a short term interim loan from series 2021B, as well as available cash reserves and revenue from a dedicated source such as assessments, state appropriations and rate revenue from U.S. Navy. The 2021B bond will be paid in full with a draw from a portion of the WIFIA low interest loan in 2025.

Wastewater projects will be funded by a combination of rate revenue and existing cash reserves.

Total projected outstanding debt at the end of budget year 2023 is estimated to be approximately \$186.5 million and debt service is approximately \$13.2 million.

Existing Outstanding Bond Issues

Water Revenue and Revenue Refunding Bonds

In June 2008 the Authority issued \$52,625,000 in water revenue refunding bonds. The 2008 bonds bear interest at a variable rate that is set each week when the bonds are remarketed (.07% at June 10, 2015). The proceeds from these bonds were used to refund Series 2006 bonds, which were insured by a failed bond insurer. The refunding was necessary to replace the bond insurer with a letter of credit. The interest rate swap executed at the issuance of the Series 2006 bonds in place with the notional amount now tied to the Series 2008 bonds.

In July 2013, the Authority issued \$19,900,000 in Series 2013A refunding revenue bonds to a bank. The proceeds from this issue were used to refund Series 2003 water revenue bonds. The bonds bear interest at a fixed rate of 1.64%. This issue resulted in an economic benefit to the Authority of about \$2.6 million in savings.

In November 2013, the Authority issued \$7,700,000 in Series 2013B revenue bonds to a bank to partially fund water distribution line replacements that are being accelerated by wastewater line construction. In January 2014, the Authority issued \$2,670,000 in Series 2014B bonds to the same bank to fully fund the project. Both series bear interest at a fixed rate of 3.52%.

In April 2015, the Authority issued \$34,560,000 in Series 2015A bonds and \$16,435,000 in Series 2015B bonds to advance-refund outstanding Series 2007 bonds maturing after 2019. The 2015A bonds have an effective interest rate of approximately 3.75% and the Series 2015B bonds bear interest at a rate of 2.52%.

In June 2019, the Authority issued \$50,000,000 in Series 2019A water revenue bonds to finance certain critical projects in the capital improvement plan. The bonds have an effective interest rate of 4.18%.

Capital Financing Plan Summary (continued)

For fiscal year 2023

In March 2021, the Authority closed on a WIFIA loan in series 2021A water revenue bonds to finance certain capital improvement projects. A draw on this loan will occur in 2025. The bond has an effective interest rate of 2.32%.

In August 2021, the Authority issued \$31,915,000 series 2021B water revenue bonds with an interest rate of 5%. The proceeds from these bonds are to be used to fund distribution and transmission projects that were identified by the Authority for the WIFIA program. This will be paid in full with a draw from a portion of the WIFIA low interest loan in 2025.

Water revenue and revenue refunding bonds are issued under the Authority's Resolution No. 03-12. The payment of the principal and interest on these bonds is collateralized by a pledge of and lien upon the net revenues derived from the operation of the Authority's water utility and other monies including investments held in certain accounts established by the bond resolution. Under the bond resolution, the Authority will fix, establish, maintain and collect the water rates and revise the same from time to time, whenever necessary, that will always provide in each fiscal year, (a) net revenues adequate at all times to pay in each fiscal year at least one hundred ten percent (110%) of the annual debt service requirement becoming due in such fiscal year on each series of outstanding bonds and at least one hundred percent (100%) of any amounts required by the terms of the bond resolution to be deposited in the reserve account or reserve account insurance policy in such fiscal year, and (b) net revenues, together with impact fees deposited in the current account in the impact fees fund, adequate to pay at least one hundred twenty percent (120%) of the current annual debt service requirement becoming due in such fiscal year on the outstanding bonds. The rates will not be reduced to a level that would be insufficient to provide net revenues fully adequate for the purposes provided by the bond resolution.

Wastewater Revenue Bonds

In September 2012, the Authority issued Series 2012 wastewater refunding revenue bonds to a bank in an amount of \$5,635,000. The proceeds were used to refund Series 2001, 2004 and 2009 wastewater revenue bonds and bear interest at a fixed rate of 2.86%. Principal payments are due annually on September 1 until 2029 at which time all outstanding principal is payable in full. This bond was called in March 2021.

In November 2016, the Authority issued Series 2016 wastewater revenue bonds to a bank in an amount of \$10,000,000. The proceeds are being used to fund wastewater capital improvements in the lower keys. The bonds bear interest at a fixed rate of 1.72%. Principal payments are due annually on September 1 until 2036 at which time all outstanding principal is payable in full. Interest is payable on March 1 and September 1 of each year through 2036.

Wastewater revenue and revenue refunding bonds were issued under the Authority's Resolution No. 00-20 adopted October 18, 2000 and Resolution No. 01-25 adopted September 19, 2001. The payment of the principal and interest on these bonds is collateralized by a pledge of and lien upon the net revenues derived from the operation of the Authority's wastewater utility and other monies including investments held in certain accounts established by the bond resolution. Under the bond resolution, the Authority will fix, establish, maintain and collect the wastewater rates and revise the same from time to time, whenever necessary, that will always provide in each fiscal year, (a) net revenues adequate at all times to pay in each fiscal year at least one hundred ten percent (110%) of the annual debt service requirement becoming due in such fiscal year on each series of outstanding bonds or (b) net revenues, together with impact fees collected, adequate to pay at least one hundred twenty percent (120%) of the current annual debt service requirement becoming due in such fiscal year on the outstanding bonds. The rates will not be reduced to a level that would be insufficient to provide net revenues fully adequate for the purposes provided by the bond resolution.

Debt Service Requirements

For fiscal year 2023

SUMMARY OF OUTSTANDING PRINCIPAL OF LONG TERM DEBT

	Projected outstanding principal, 10/1/22	2023 proceeds from issuance of debt	2023 budgeted principal payments	Projected outstanding principal, 9/30/23
Series 2008 water refunding and revenue bonds ^[1]	\$ 52,625,000	\$ -	\$ 2,905,000	\$ 49,720,000
Series 2012 wastewater revenue bonds	-	-	-	-
Series 2013A water refunding bonds	-	-	-	-
Series 2013B water revenue bonds	5,270,000	-	375,000	4,895,000
Series 2014A water revenue bonds	1,840,000	-	120,000	1,720,000
Series 2015A water refunding bonds	34,075,000	-	1,890,000	32,185,000
Series 2015B water refunding bonds	13,475,000	-	-	13,475,000
Series 2016 wastewater revenue bonds	8,905,000	-	275,000	8,630,000
Series 2019 water revenue bonds	45,010,000	-	-	45,010,000
Series 2022A water revenue bonds	-	-	-	-
Series 2022B water revenue bonds [2]	30,915,000	-	-	30,915,000
Total bonds	\$ 192,115,000	\$ -	\$ 5,565,000	\$ 186,550,000

SUMMARY OF DEBT SERVICE

	Fixed / Variable	Budgeted 2022 debt service			Budgeted 2023 debt service		
		Principal	Interest	Total	Principal	Interest	Total
Series 2008 water refunding and revenue bonds ^[1]	Variable	\$ 2,745,000	\$ 2,036,400	\$ 4,781,400	\$ 2,905,000	\$ 1,892,839	\$ 4,797,839
Series 2012 wastewater revenue bonds	Fixed 2.86%	370,000	71,000	\$ 441,000	-	-	-
Series 2013B water revenue bonds	Fixed 3.52%	360,000	186,000	\$ 546,000	375,000	172,000	547,000
Series 2014A water revenue bonds	Fixed 3.52%	125,000	65,000	\$ 190,000	120,000	60,000	180,000
Series 2015A water refunding bonds	Fixed 3.375-5.00%	1,690,000	1,315,000	\$ 3,005,000	1,890,000	1,231,025	3,121,025
Series 2015B water revenue bonds	Fixed 2.52%	115,000	340,000	\$ 455,000	-	336,672	336,672
Series 2016 wastewater revenue bonds	Fixed 1.72%	260,000	150,000	\$ 410,000	275,000	148,694	423,694
Series 2019A water revenue bonds	Fixed 5.00%	-	2,250,500	\$ 2,250,500	-	2,250,500	2,250,500
Series 2021B water revenue bonds	Fixed 5.00%	-	1,003,972	\$ 1,003,972	-	1,545,750	1,545,750
Total bonds		\$ 5,665,000	\$ 7,417,872	\$ 13,082,872	\$ 5,565,000	\$ 7,637,480	\$ 13,202,480

^[1] Includes ancillary costs of remarketing and letter of credit fees

Debt Service Coverage Analysis

For fiscal year 2023

PROJECTED DEBT SERVICE COVERAGE

	Budgeted 2022		Budgeted 2023	
	Water	Wastewater	Water	Wastewater
	Revenue available for debt service			
Total operating revenue	\$ 62,559,000	\$ 11,498,000	\$ 69,416,000	\$ 12,844,000
Interest income-revenue funds	500,000	-	200,000	-
Other revenue available for debt service	10,555,000	-	32,181,000	-
Less operating expenses before depreciation	(43,421,250)	(8,822,000)	(50,505,000)	(11,682,000)
Net funds available for debt coverage	30,192,750	2,676,000	51,292,000	1,162,000
Debt service requirements	\$ 12,231,872	851,000	\$ 12,778,786	423,694
Coverage factor (minimum of 1.10 for water only)	2.47		4.01	
System development fees	\$ 1,000,000	\$ 138,000	\$ 1,000,000	\$ 500,000
Coverage factor with system development fees (minimum of 1.20)	2.55	3.31	4.09	3.92

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DEPARTMENTAL INFORMATION

EXECUTIVE DIVISION SUMMARY

FINANCE DEPARTMENT SUMMARY

CUSTOMER SERVICE DEPARTMENT SUMMARY

HUMAN RESOURCES DEPARTMENT SUMMARY

INFORMATION TECHNOLOGY DEPARTMENT SUMMARY

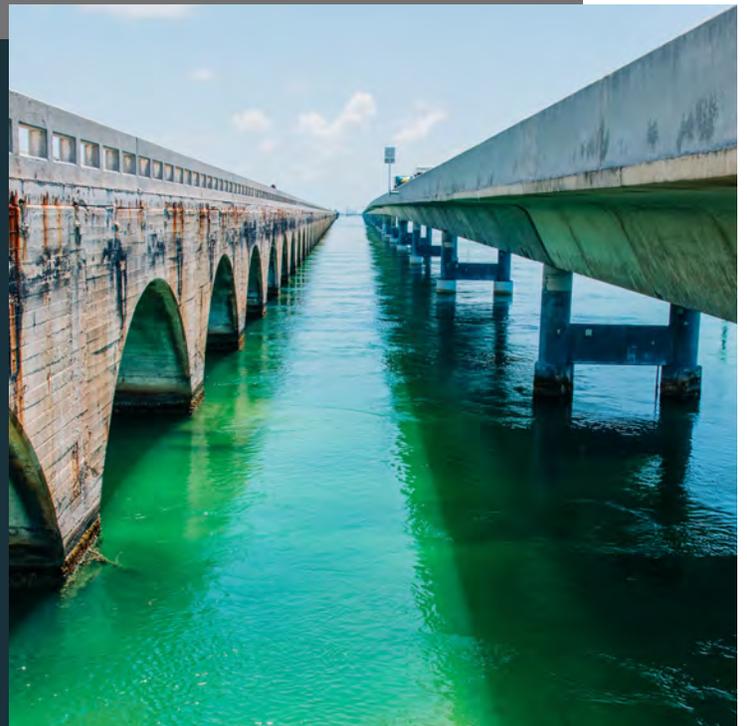
ENGINEERING DEPARTMENT SUMMARY

CAPITAL PROJECTS DEPARTMENT SUMMARY

OPERATIONS DEPARTMENT SUMMARY

POSITION AND FLEET SUMMARY

OPERATING EXPENDITURE BUDGET BY FUNCTIONAL



EXECUTIVE DEPARTMENT

Executive Director
Kerry G. Shelby



Executive

Legislative Affairs

Responsibilities and Budget Issues

The Executive division represents the executive branch of the organization, including the executive director, general counsel, internal auditor and support staff. The budget supports all external legal services, government liaison management audit costs and public information. Since the department employs several specialized, professional and senior level management positions, salaries are a substantial part of its budget.



Deputy Executive Director
Greg Veliz

Executive Division Summary

For fiscal year 2023

Executive Division

KEY DEPARTMENT INDICATORS

	Actual 2021	Budgeted 2022	Budgeted 2023
Key department indicators			
Number of full time department employees budgeted	13	13	13
Positions budgeted last year that are eliminated	-	-	-
Positions transferred in (out)	-	-	-
Number of regular and special board meeting	26	26	26
Number of board workshop meetings	3	3	3
Number of board committee meetings	4	4	4
Number of public hearings	2	2	2

DEPARTMENTAL GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

Provide leadership and support to all departments and divisions to ensure that the Authority provides safe, efficient, resilient and sustainable water and wastewater services in a fiscally responsible manner.

Initiate an evaluation and retooling of the FCAA’s Strategic Plan.

Enhance customer awareness and education programs with an emphasis on the value of water.

Strengthen partnerships and collaborations with agencies regulating water and wastewater activities.

Develop an internal communications strategy.

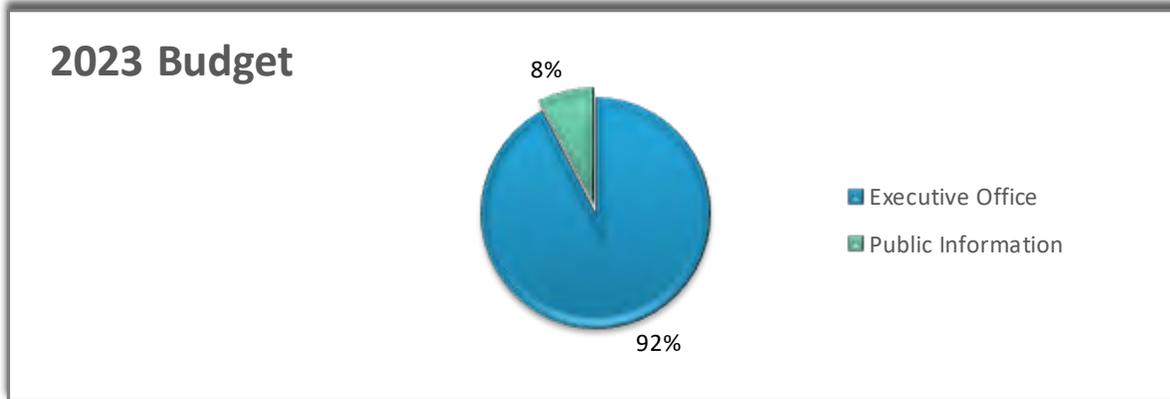
Continue building relationships with local, state and federal elected officials.



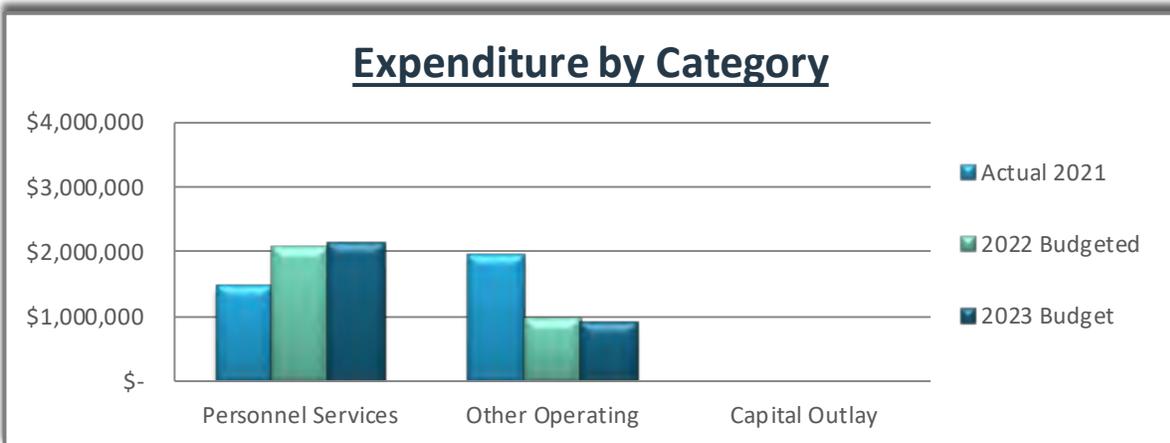
Executive Division Summary (continued)

For fiscal years 2023

Executive



Division	2023 Budget
Executive Office	\$ 2,792,850
Public Information	232,100
Total	\$ 3,024,950



Expenditure	Actual 2021	2022 Budgeted	2023 Budget
Personnel Services	\$ 1,464,415	\$ 2,064,300	\$ 2,128,600
Other Operating	1,940,896	949,600	896,350
Capital Outlay	-	-	-
Total	\$ 3,405,311	\$ 3,013,900	\$ 3,024,950



Cindy Kondziela

FINANCE AND CUSTOMER SERVICE DEPARTMENTS

Finance
Billing
Records
Purchasing and Inventory
Customer Service
Field Services

Responsibilities and Budget Issues

The Finance department consists of finance, accounts receivable, purchasing and inventory, billing and records retention department. The department's budget supports contractual services for banking, investment services, financial and rate consultant fees and billing.

The Customer Service department establishes new accounts, receives and processes payments, researches customer inquiries, administers the contact center, collects meter readings for billing purposes, researches unusual consumption situations and handles service calls. The budget's largest component is salaries and benefits for adequate staff at three strategically located area offices.

Finance Department Summary

For fiscal year 2023

Finance Department

KEY DEPARTMENT INDICATORS

	Actual 2021	Budgeted 2022	Budget 2023
Key department indicators			
Number of full time department employees budgeted	26	26	26
New positions not in prior year's budget	-	-	-
Positions transferred in (out)	-	(2)	-
Total bills/payments processed	609,270	610,000	610,000
Vendor payments	2,738	3,200	3,200
Customer deposit refunds	8,754	9,500	9,500
Number of purchase orders	1,648	1,680	1,680
Number of bids and RFps/RFQ's issued	20	25	25
Number of warehouses	5	5	5
Number of stock items	2,186	2,210	2,210

DEPARTMENTAL GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

Expand electronic interaction capabilities to enhance customer experience and improve operational efficiencies, including interactive voice recognition, e-bill, payment kiosk and auto-pay.

Increase public awareness of excellent quality and value of tap water.

Continue to monitor debt structure to identify possible opportunities for cost savings.

Continue to monitor water and wastewater rates for sufficiency.

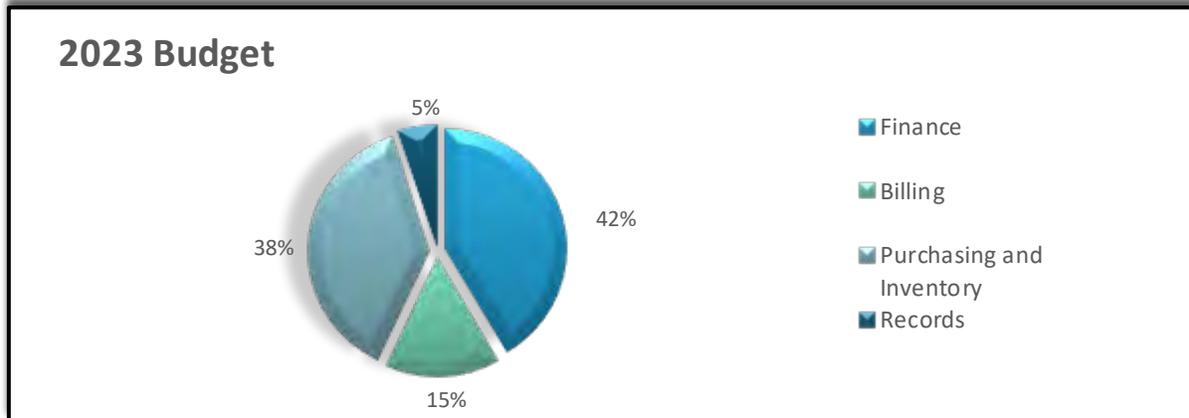
Continue to monitor internal processes to capitalize on staffing and monetary efficiencies.



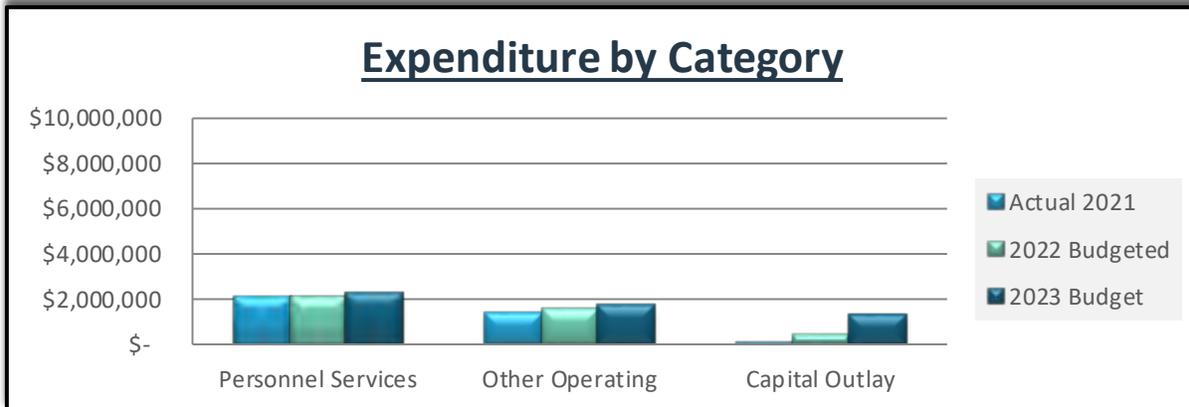
Finance Department Summary (continued)

For fiscal years 2023

Finance



Division	2023 Budget
Finance	2,209,800
Billing	821,900
Purchasing and Inventory	2,025,700
Records	263,000
Total	\$ 5,320,400



Expenditure	Actual 2021	2022 Budgeted	2023 Budget
Personnel Services	\$ 2,070,434	\$ 2,105,900	\$ 2,246,800
Other Operating	1,384,960	1,539,600	1,723,600
Capital Outlay	135,820	417,000	1,350,000
Total	\$ 3,591,214	\$ 4,062,500	\$ 5,320,400

Customer Service Department Summary

For fiscal year 2023

Customer Service Department

KEY DEPARTMENT INDICATORS

	Actual 2021	Budgeted 2022	Budget 2023
Key department indicators			
Number of full time department employees budgeted	35	35	35
New positions not in prior year's budget	-	-	-
Positions budgeted last year that are eliminated	-	-	-
Positions transferred in (out)	-	-	-
Number of calls received from call center	70,455	90,000	90,000
Number of meters in service	53,000	53,000	54,000
Number of automated read meters	53,000	53,000	54,000
Number of data collection units	70	70	70
Number of delinquent service orders	6,500	6,000	7,000
Number of high consumption investigations	6,000	6,000	6,000
New meter installations (not including replacements)	700	600	800
Total field service orders	39,000	39,000	39,000
Assist Customers	214	1,000	500
Total Number of data extracts performed	2,000	2,000	2,000
Number of zero read investigations	3,431	3,000	3,500
Number of MIU's changes	8,000	8,000	8,000

DEPARTMENTAL GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

Pursue new processes, technologies and solutions to improve how we operate and better serve our customers and community.

Identify and foster the next generation of leaders through mentoring, professional development and educational opportunities.

Enhance customer service skills by providing employee training and certifications. i.e. Notary services, computer training, GPS training, etc.

Improve customer satisfaction through friendly, reliable, timely services and improve our customers understanding and confidence in our resources.

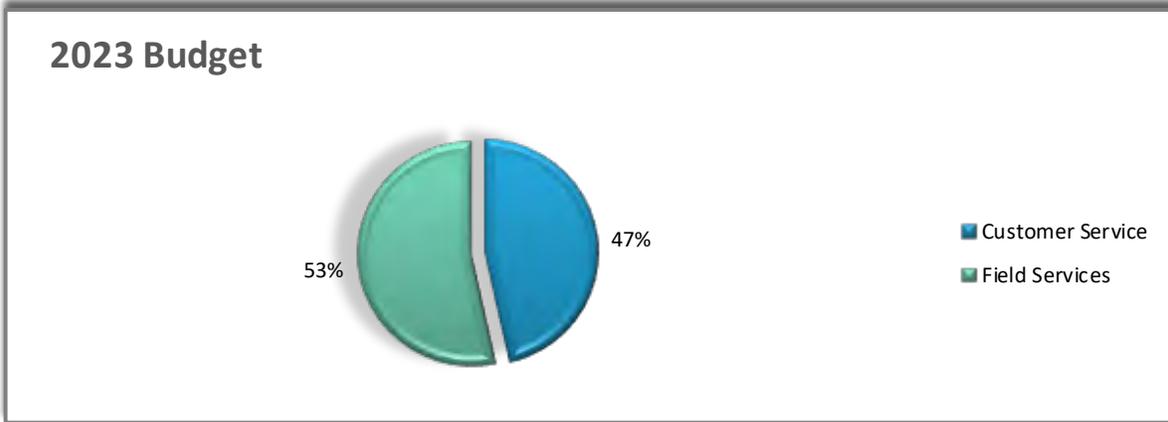
Actively mentor employees; promote and support training, continuing education, cross training (Backflow) and career development that aligns with our strategic needs.



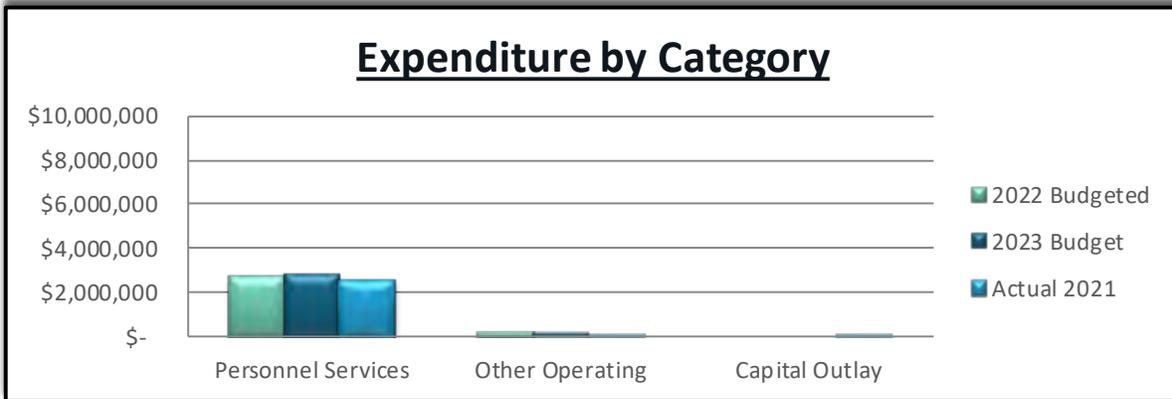
Customer Service Department Summary (continued)

For fiscal years 2023

Customer Service



Division	2023 Budget
Customer Service	1,352,700
Field Services	1,555,500
Total	\$ 2,908,200



Expenditure	Actual 2021	2022 Budgeted	2023 Budget
Personnel Services	\$ 2,580,295	\$ 2,707,800	\$ 2,762,400
Other Operating	67,161	224,500	145,800
Capital Outlay	27,705	-	-
Total	\$ 2,675,161	\$ 2,932,300	\$ 2,908,200



Cheryl Sargent

HUMAN RESOURCES DEPARTMENT

Human Resources

Risk Management

Responsibilities and Budget Issues

The Human Resources department consists of human resources and risk management. The budget supports all personnel related programs as well as all types of insurance. The budget supports costs of recruitment, selection, orientation and retention of employees, employee health insurance (including estimated claims), workers' compensation insurance and property and liability insurance.

Human Resources Department Summary

For fiscal year 2023

**Human Resources Department
KEY DEPARTMENT INDICATORS**

Key department indicators			
	Actual 2021	Budgeted 2022	Budget 2023
Number of full time department employees	4	4	4
Positions budgeted last year that are eliminated	-	-	-
Positions transferred in (out)	-	-	-
Number of student positions for the agency	3	3	3
Job postings for the organization	67	110	110
Number of applications received	720	1,450	1,450
Number of new hires	27	45	45
Number of resignations, retirements or terminations	35	20	20
Number of grievances filed	5	3	3
Number of arbitrations filed	1	1	3
Number of insurance claims (including workman's compensation and hurricane damage)	43	40	43

**DEPARTMENTAL GOALS,
OBJECTIVES, AND PERFORMANCE
MEASURES**

Optimize the functionality of the Human Resources information system by working with the I.T. Department to develop a central location and user freindly format to display important data analytics.

Utilize ADP's new Onboarding tool to reduce time and overloading of information for new hires during their initial orientation.

Continue to update our Leadership training program for new and seasoned supervisors and managers throughout the system.

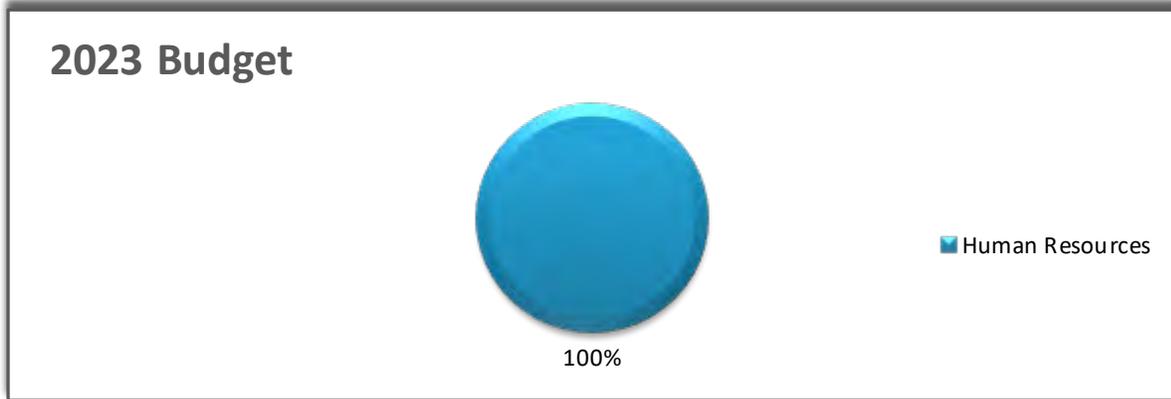
Provide hands-on training to all employees on the Talent Profile page in ADP to help them understand the importance of tracking their personal growth through obtaining industry related training and certifications for current and future career advancement.



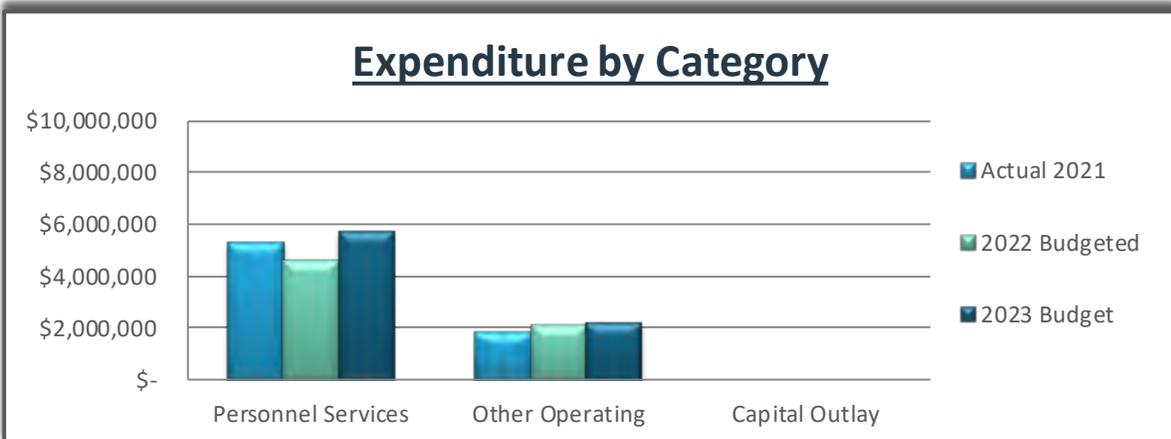
Human Resources Department Summary (continued)

For fiscal year 2023

Human Resources



Division	2023 Budget
Human Resources	\$ 7,760,000
Total	\$ 7,760,000



Expenditure	Actual 2021	2022 Budgeted	2023 Budget
Personnel Services	\$ 5,254,561	\$ 4,593,000	\$ 5,671,800
Other Operating	1,800,996	2,088,400	2,215,200
Capital Outlay	-	-	-
Total	\$ 7,055,557	\$ 6,681,400	\$ 7,887,000



Rick Ketcham

INFORMATION TECHNOLOGY DEPARTMENT

Information Technology

Responsibilities and Budget Issues

Information Technology is responsible for planning, designing, acquiring, building, operating and maintaining technical infrastructure and for developing jointly with management, technology policies, strategies, standards, guidelines, and architectural direction. The technical architecture includes data, applications, hardware, software, networks, security and control systems. The budget supports salaries for several specialized positions as well as software licensing and maintenance costs.

Information Technology Department Summary

For fiscal year 2023

Information Technology Department

KEY DEPARTMENT INDICATORS

	Actual 2021	Budgeted 2022	Budget 2023
Key department indicators			
Number of full time department employees	11	11	11
New positions not in prior year's budget	-	-	-
Positions budgeted last year that are eliminated	-	-	-
Positions transferred in (out)	-	-	-
Help desk requests	2,673	2,500	2,400
Number of work stations/IPads maintained	520	475	475
Number of servers maintained	86	91	105
Routers/switches maintained	159	179	160
PBX switches maintained	-	-	-
Telephones maintained (includes fax & cell)	134	175	175
Radios maintained	-	-	-
PLCs maintained	-	-	-
Printers	127	300	165

DEPARTMENTAL GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

Keep everyone educated on the long- term cost of implementation of all systems.

Continue mobility initiative to improve efficiencies.

Add redundancy to positions through formal and on-the-job training.

Continue to improve technologies.

Enhance network security to ensure utility safe operations.

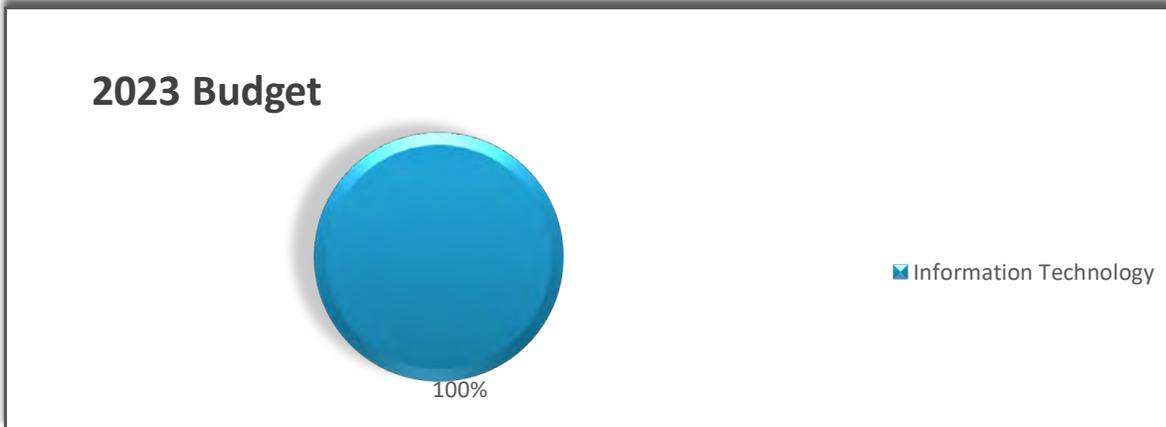
Develop a defensible utility and related infrastructure.



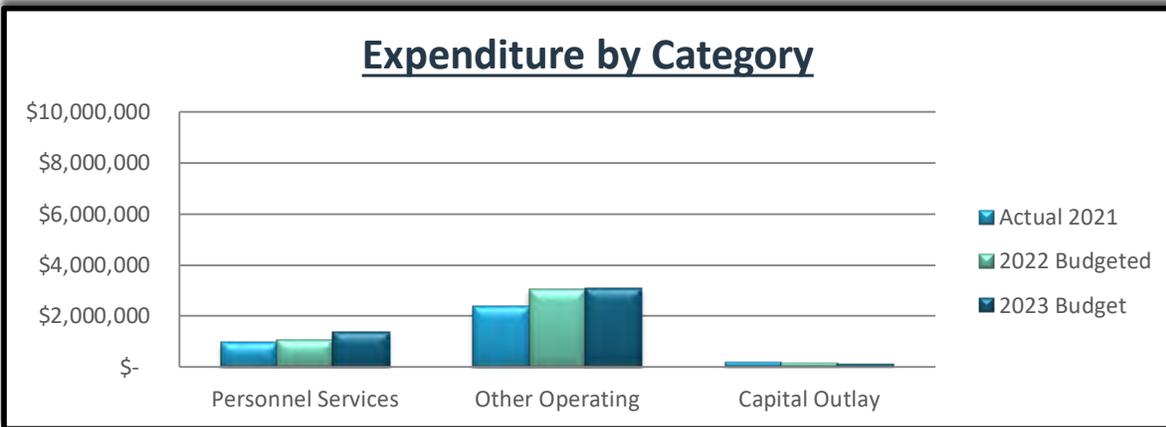
Information Technology Department Summary (continued)

For fiscal years 2023

Information Technology



Division	2023 Budget
Information Technology	\$ 4,575,400
Total	\$ 4,575,400



Expenditure	Actual 2021	2022 Budgeted	2023 Budget
Personnel Services	\$ 947,210	\$ 1,054,800	\$ 1,368,300
Other Operating	2,347,949	3,047,100	3,097,100
Capital Outlay	168,307	143,000	110,000
Total	\$ 3,463,466	\$ 4,244,900	\$ 4,575,400



Jolynn Reynolds

ENGINEERING DEPARTMENT

General Engineering
Contract Management
Water Quality
Design
Construction Crew
Water Data Management & Loss Division

Responsibilities and Budget Issues

The Engineering Department consists of general engineering, contract management, water quality, design, and construction crew. The department's budget supports the development of capital project plans, project inspection, distribution project design and finished water testing, reporting and compliance, and wastewater project design and management. The department is responsible for designing, coordination and implementing the Authority's capital improvement budget, (see the Capital and Debt section) and developing future initiatives to maintain and improve system operations and sustainability. Future efforts will be concentrated on system renewal and replacement of aging assets and greenhouse footprint reduction.

Engineering Department Summary

For fiscal year 2023

**Engineering Department
KEY DEPARTMENT INDICATORS**

	Actual 2021	Budgeted 2022	Budget 2023
Key department indicators			
Number of full time department employees budgeted	19	19	19
New positions not in prior year's budget	-	-	-
Positions budgeted last year that are eliminated	-	-	-
Positions transferred in (out)		(22)	(22)
Number of construction design projects underway	14	14	14
Number of permits			
Number of construction projects underway	10	14	14
Number of general engineering task orders	11	12	12
Number of fixture reviews	629	850	850
Number of plan reviews	32	56	56
Feet of designed distribution	24,165	11,030	11,030
Number of Fire line/hydrant	42	62	62
Number of backflow inspections completed	500	1,000	1,000
Number of backflow prevention tests	2,466	3,000	3,000
Number of water quality samples	16,379	18,721	18,721
Feet of distribution pipe installed by in-house crew	4,200	10,000	10,000

**DEPARTMENTAL GOALS,
OBJECTIVES, AND PERFORMANCE
MEASURES**

Expand wireless meter reading to support FCAA's vision to use technology for enhancement of customer experience and efficiencies

Work with South Florida Water Management District on plans to prevent or mitigate saltwater intrusion

Enhance and provide cost effective services for compliance and protection of drinking water

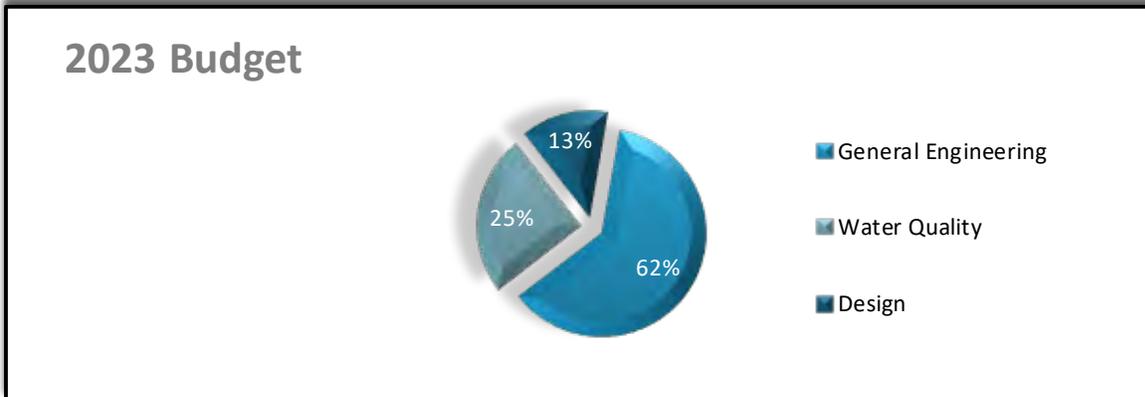
Support the delivery of the highest level of service to FCAA customers



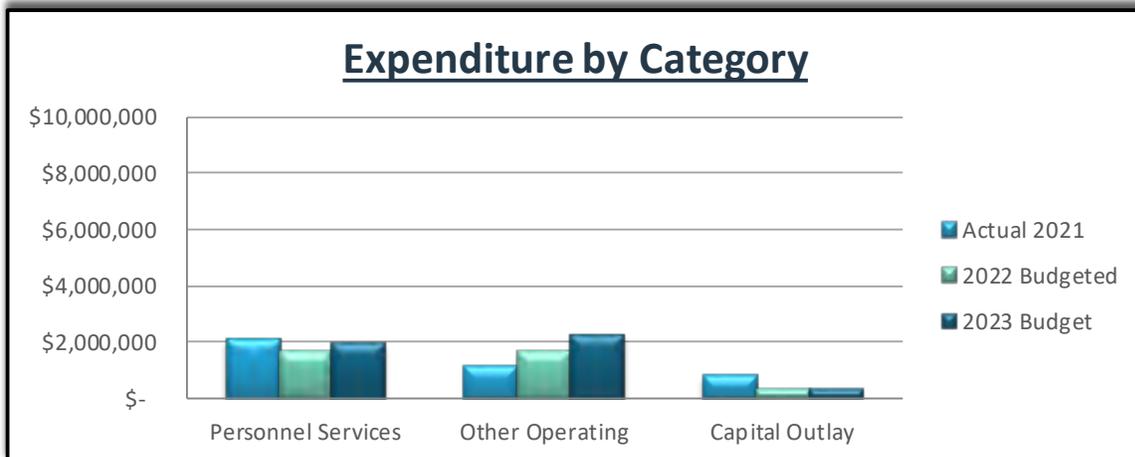
Engineering Department Summary (continued)

Engineering

For fiscal years 2023



Division	2023 Budget
General Engineering	\$ 2,791,400
Water Quality	1,117,300
Design	608,100
Total	\$ 4,516,800



Expenditure	Actual 2021	2022 Budgeted	2023 Budget
Personnel Services	\$ 2,081,736	\$ 1,686,600	\$ 1,937,000
Other Operating	1,136,816	1,686,200	2,234,300
Capital Outlay	784,960	314,700	345,500
Total	\$ 4,003,512	\$ 3,687,500	\$ 4,516,800



David Hackworth

CAPITAL PROJECTS DEPARTMENT

Contract Management

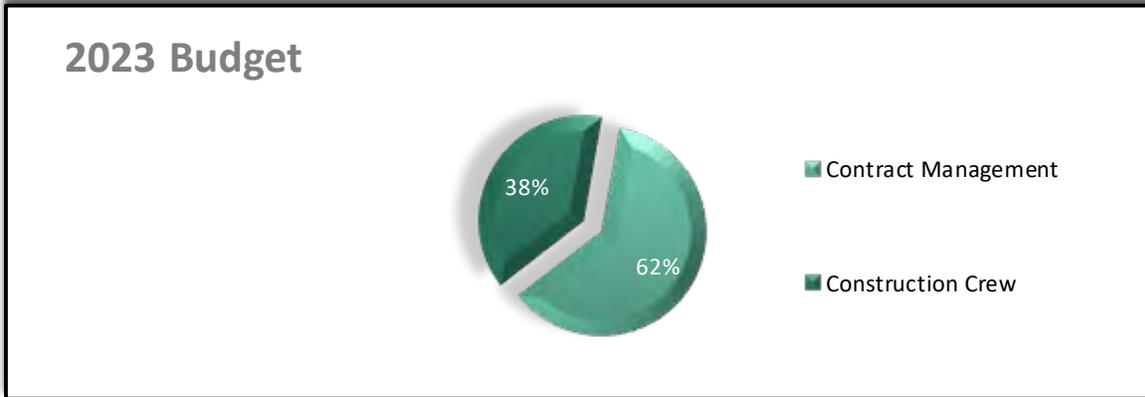
Construction Crew

Responsibilities and Budget Issues

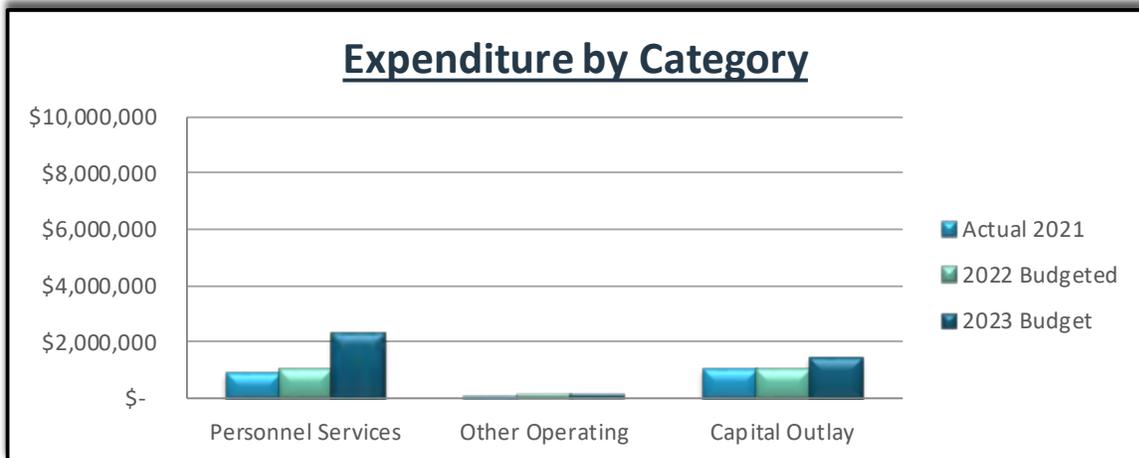
The Capital Projects Department consists of managing water and wastewater Capital projects and the FCAA construction crew. The Department is also responsible for inspection services for customer installed permitted work. The Department's budget supports contractual services for the implementation of capital projects from design to commissioning and labor and material for FCAA's in house construction crew and inspectors.

Capital Projects Department Summary

Capital Projects



Division	2023 Budget
Contract Management	2,362,171
Construction Crew	1,461,643
Total	\$ 3,823,814



Expenditure	Actual 2021	2022 Budgeted	2023 Budget
Personnel Services	\$ 896,978	\$ 997,900	\$ 2,263,214
Other Operating	79,762	113,300	110,200
Capital Outlay	1,032,936	1,020,800	1,450,400
Total	\$ 2,009,676	\$ 2,132,000	\$ 3,823,814



Peter Gomez

WATER OPERATIONS DEPARTMENT

Area 1 Distribution System Operations (Key West)
Area 2 Distribution System Operations (Lower Keys)
Area 3 Distribution System Operations (Marathon)
Areas 1, 2 and 3 Transmission System Operations (Marathon)
J. Robert Dean Water Treatment Facility (Florida City)
Transmission System Control (Florida City) Middle Keys
Emergency Water Supply Treatment Facility (Marathon)
Lower Keys Emergency Water Supply Treatment Facility (Stock Island)
Area 4 Distribution System Operations (Key Largo/Islamorada)
Area 5 Distribution System Operations (Ocean Reef)
Areas 4 and 5 Transmission System Operations (Key Largo)
Fleet Maintenance

Responsibilities and Budget Issues

The Operations department is charged with the operations and maintenance of the Authority's transmission, distribution, water treatment and source of supply facilities throughout the system as well as collection and treatment of wastewater. The department's budget provides funding to maintain crews in all parts of the Authority's 130-mile service area. The department is also responsible for the operation and maintenance of two seawater reverse osmosis plants, four wastewater treatment plants, fleet vehicles and heavy equipment. Salaries and benefits are the major driver of the department's budget, along with electricity, chemicals and non-routine maintenance projects.

Water Operations Department Summary

For fiscal year 2023

Water Operations Department

KEY DEPARTMENT INDICATORS

	Actual 2021	Budgeted 2022	Budget 2023
Key department indicators			
Number of full time department employees	128	128	128
Positions budgeted last year that are eliminated	-	-	-
Positions transferred in (out)	-	-	-
Number of vehicles in the department	119	119	119
Water treated (billions of gallons)	6,454	6,454	6,454
Transmission line maintained (in feet)	987,360	987,360	987,360
Distribution lines maintained (in feet)	3,643,200	3,643,200	3,643,200
Reclaimed water lines maintained (feet)	19,000	19,000	19,000
Internal support service orders performed	100	100	100
Line locations performed	10,000	10,000	10,000
Water quality tests performed	82,050	82,050	82,050
Total fleet maintained	209	209	209

DEPARTMENTAL GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

Continue to engage experts to assist with assessment of the integrity of the transmission system.

Continue the implementation of the Authority's new asset management system Cityworks.

Maximize effectiveness of existing RO plant on Stock Island.

Evaluate impact on operations from proposed Capital Improvement Plan (CIP) projects.

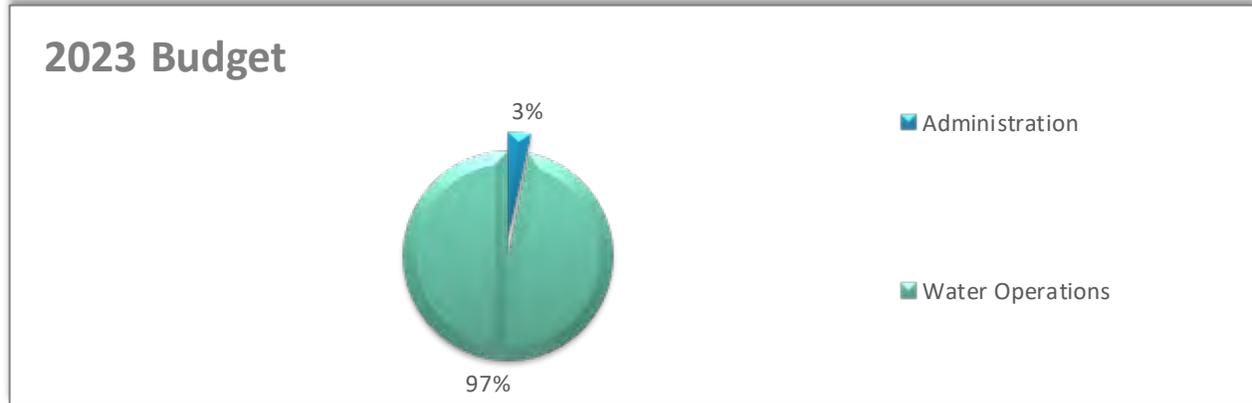
Meet and exceed all SDWA regulatory requirements.



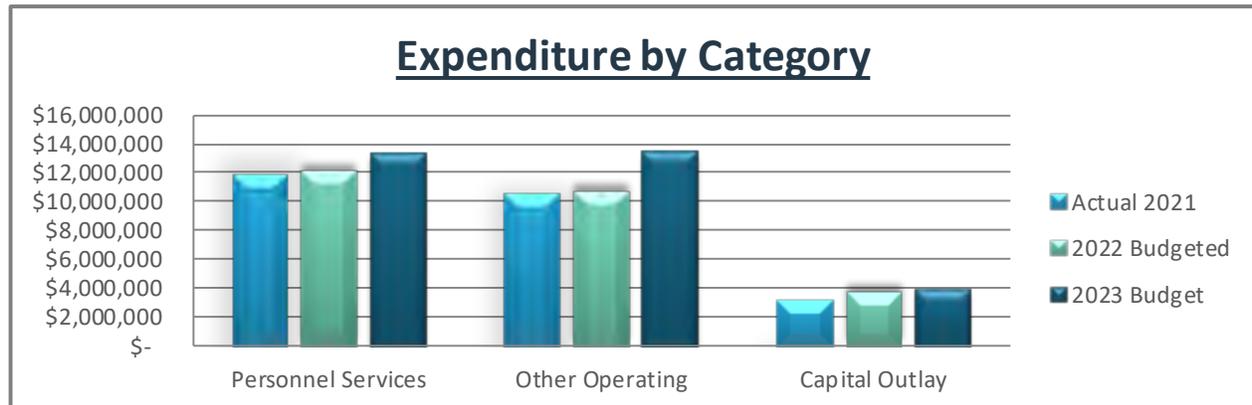
Water Operations Department Summary (continued)

For fiscal years 2023

Water Operations



Division	2023 Budget
Administration	\$ 860,000
Water Operations	26,109,100
Total	\$ 26,969,100



Expenditure	Actual 2021	2022 Budgeted	2023 Budget
Personnel Services	\$ 11,810,048	\$ 12,054,600	\$ 13,261,000
Other Operating	10,396,423	10,627,200	13,338,500
Capital Outlay	3,086,589	3,637,500	3,840,100
Total	\$ 25,293,060	\$ 26,319,300	\$ 30,439,600



Jay Miller

WASTEWATER DEPARTMENT

- Wastewater Treatment Plant - Bay Point
- Bay Point Collection
- Big Coppitt Wastewater Treatment
- Big Coppitt Collection
- Key Haven Wastewater Treatment
- Key Haven Collection
- Wastewater Operations and Maintenance
- Duck Key Collection
- Wastewater Treatment Plant - Layton
- Layton Collection
- Cudjoe Regional Wastewater Treatment
- Cudjoe Regional Collection
- Navy Wastewater Systems (Collection and Treatment)
- Wastewater Treatment Plant - Duck Key

Responsibilities and Budget Issues

The Wastewater Operations department's primary objective is to provide safe and effective treatment and conveyance of wastewater, thus enabling The Aqueduct to convert it into an effluent that can be safely redistributed or returned to the water cycle with minimal impact on the environment. The budget supports the operation and maintenance of wastewater treatment facilities and collection systems along with training, licensing and salaries for staff.

Wastewater Operations Department Summary

For fiscal year 2023

**Wastewater Operations Department
KEY DEPARTMENT INDICATORS**

	Actual 2021	Budgeted 2022	Budget 2023
Key department indicators			
Number of full time department employees	38	38	38
Positions budgeted last year that are eliminated	-	-	-
Positions transferred in (out)	-	-	-
Number of vehicles in the department	27	27	27
Wastewater treatment plants operated	5	5	5
Reclaimed water pump stations operated	2	2	2

**DEPARTMENTAL GOALS,
OBJECTIVES, AND PERFORMANCE
MEASURES**

Continue to allocate staff resources to implement Monroe County wastewater systems.

Continue to progress with the contractually proposed wastewater repairs and upgrades for all Navy facilities.

Continue to grow the Wastewater Department in a measured and responsible fashion that meets the needs of our customers while also benefitting the organization.

Maintain numbers below FDEP mandated parameters at all wastewater facilities.

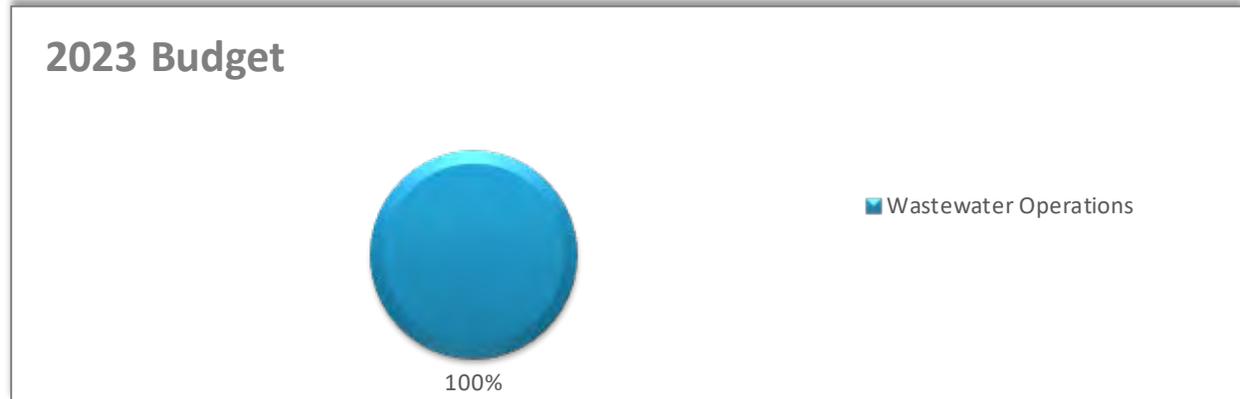
Complete the transition to ezDMR reporting for all wastewater facilities.



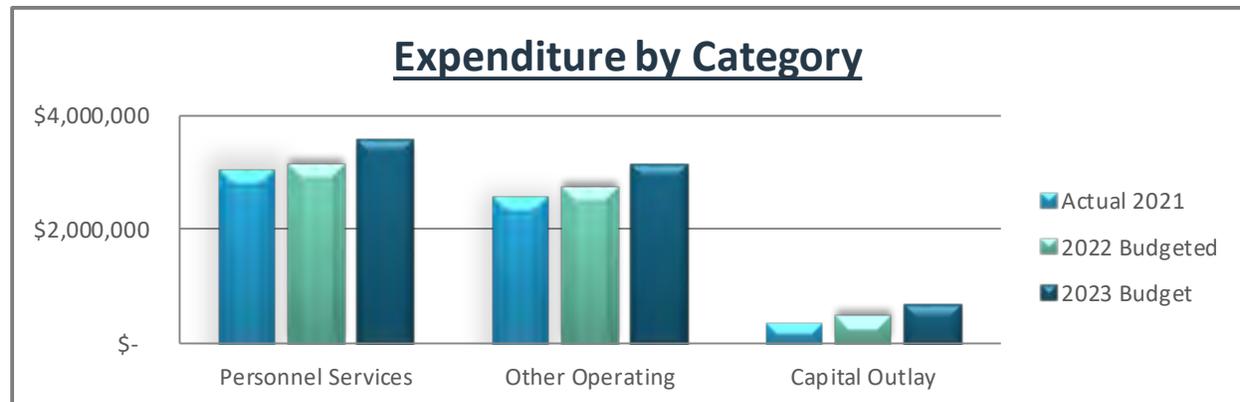
Wastewater Operations Department Summary (continued)

For fiscal years 2023

Wastewater Operations



Division	2023 Budget
Wastewater Operations	7,351,805
Total	\$ 7,351,805



Expenditure	Actual 2021	2022 Budgeted	2023 Budget
Personnel Services	\$ 3,014,010	\$ 3,112,700	\$ 3,547,800
Other Operating	2,559,511	2,700,950	3,123,705
Capital Outlay	339,205	465,000	680,300
Total	\$ 5,912,726	\$ 6,278,650	\$ 7,351,805

Position and Fleet

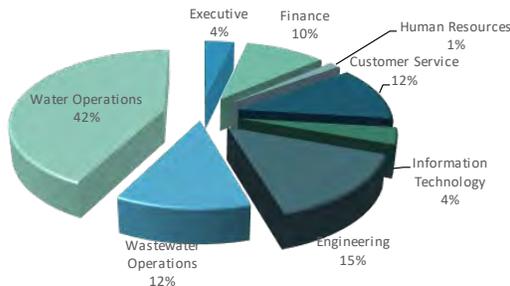
For fiscal years 2023

POSITION AND FLEET SUMMARY 2023

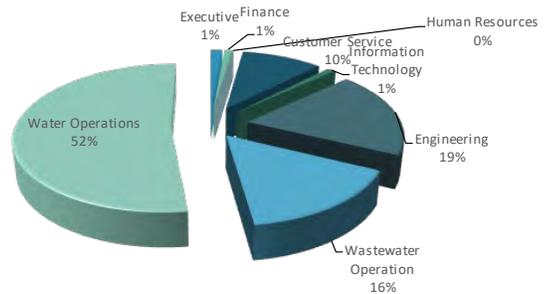
Positions	Executive	Finance	Human Resources	Customer Service	Information Technology	Engineering	Wastewater Operations	Water Operations	Total
Budgeted positions in 2021	8	30	4	36	11	45	32	125	291
New positions									
Assistant General Counsel	1								1
Legal Assistant	1								1
Public Information Officer	1								1
Wastewater Mechanic							3		3
Budgeted positions in 2022	11	30	4	36	11	45	35	125	297
New positions									
Diesel Mechanic								1	1
Transmission Mechanic								1	1
Water Treatment Plant Mechanic								1	1
Wastewater Mechanic							1		1
Transferred positions									-
N/A									-
Eliminated positions									-
N/A									-
Budgeted positions in 2023	11	30	4	36	11	45	36	128	301

Fleet	Executive	Finance	Human Resources	Customer Service	Information Technology	Engineering	Wastewater Operation	Water Operations	Total
Budgeted vehicles in 2021	3	2	-	21	2	40	28	110	206
Added vehicles									
One ton							3		3
Eliminated vehicles									-
None									-
Transferred vehicles									-
None									-
Budgeted vehicles in 2022	3	2	-	21	2	40	31	110	209
Added vehicles									
550 Uplifted trucks							2		2
Eliminated vehicles									-
None									-
Transferred vehicles									-
None									-
Budgeted vehicles in 2023	3	2	-	21	2	40	33	110	211

BUDGETED POSITIONS BY DEPARTMENT



BUDGETED VEHICLES BY DEPARTMENT



Operating Expenditure By Functional Unit

For fiscal years 2023

2023 Budget Summary

	2021 Actual	2022 Budget	2023 Budget	Increase/Decrease Amount	Change from previous year budget
<u>Executive Division</u>					
Executive Office	\$ 3,330,452	\$ 2,599,300	\$ 2,847,350	\$ 248,050	10%
Public Information	74,859	\$ 414,600	232,100	(182,500)	-44%
Totals	3,405,311	3,013,900	3,079,450	65,550	2.2%
<u>Finance Department</u>					
Finance	2,061,957	2,080,800	2,232,500	151,700	7.3%
Billing	699,374	846,100	824,800	(21,300)	-2.5%
Purchasing and Inventory	612,716	925,600	2,034,100	1,108,500	119.8%
Records	217,148	210,000	266,100	56,100	26.7%
Totals	3,591,195	4,062,500	5,357,500	1,295,000	31.9%
<u>Human Resources Department</u>					
Human Resources	7,055,557	6,681,400	7,901,600	1,220,200	18.3%
Totals	7,055,557	6,681,400	7,901,600	1,220,200	18.3%
<u>Customer Service Department</u>					
Customer Service	2,675,161	2,932,300	2,925,900	(6,400)	-0.2%
Totals	2,675,161	2,932,300	2,925,900	(6,400)	-0.2%
<u>Information Technology Department</u>					
Information Technology	3,463,466	4,244,900	4,575,400	330,500	7.8%
Totals	3,463,466	4,244,900	4,575,400	330,500	7.8%
<u>Engineering Department</u>					
General Engineering	1,586,787	1,461,400	2,644,300	1,182,900	80.9%
Water Quality	908,358	1,201,300	1,120,700	(80,600)	-6.7%
Design	531,449	642,000	502,800	(139,200)	-21.7%
Totals	9,953,526	11,794,500	13,418,600	1,624,100	13.8%
<u>Capital Projects Department</u>					
Contract Management	1,156,608	1,185,400	2,393,271	1,207,871	101.9%
Construction Crew	853,068	946,600	1,463,743	517,143	54.6%
Totals	14,989,796	17,231,200	21,543,414	4,312,214	25.0%
<u>Water Operations</u>					
Water Operations	25,293,060	26,319,300	30,911,400	4,592,100	17.5%
Totals	25,293,060	26,319,300	30,911,400	4,592,100	17.5%
<u>Wastewater Operations</u>					
Wastewater Operations	5,912,726	6,280,850	7,357,505	1,076,655	17.1%
Totals	5,912,726	6,280,850	7,357,505	1,076,655	17.1%
Grand Totals	\$ 55,400,007	\$ 70,766,350	\$ 70,233,555	\$ 12,885,819	14.2%

GLOSSARY



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Glossary fo Terms and Acronyms

For fiscal years 2023

Accrual Basis of Accounting - The recording of expenses or charges incurred but not paid and revenue earned but not received within the same period. This method is intended to match revenue and expenses independent of the dates on which settlements of such items are made.

Amortization - The spreading of costs over time, usually the life of an intangible asset or the term of a debt.

Annual Water Rate Index - The formula by which the Authority annually adjusts the base facility charge and the consumption charge to reflect inflationary increases in the cost of providing services.

Assessment – A charge or special assessment (sometimes characterized as a non-ad valorem assessment) imposed by the Authority to fund the capital cost of utility improvements or the operating cost of related services.

Authority – Represents the Florida Keys Aqueduct Authority, unless a different intent clearly appears from the context.

AWWA - The American Water Works Association, an international water association of which the Authority is a member.

Balanced Budget – A budget with revenues equal to expenditures.

Biscayne Aquifer – An underground aquifer that serves as the Authority’s primary water source.

Bond - An interest-bearing certificate of debt; a written contract by the issuer to pay to the lender a fixed principal amount on a stated future date, and a series of interest payments (usually semiannually) during its life.

Capital Asset – An asset having a useful life of more than one year, and costing \$1,500 or more which includes additions, improvements, or replacements to buildings, facilities, land, and structures.

Capital Budget - The portion of the Budget devoted to the construction of new utility plant (additions, improvements, and replacements) and expenditures for the purchase or acquisition of existing utility plant facilities and capital assets.

Consumptive Use Permit – A permit issued by the South Florida Water Management District that regulates the amount of water that can be withdrawn from its water source.

Collection System – A system of pipes, manholes, pumps, etc. that collects wastewater and delivers it to a treatment plant.

Debt Service – The amounts necessary to pay principal, interest and other financing fees.

Depreciation - The specific allocation of the cost of a fixed asset due to usage or the passage of time. Depreciation is a non-cash expense and is not a budgeted expenditure. However, it must be considered in rate development to assure that the rates are sufficient to recover the cost of the asset.

DERM – Miami-Dade County Department of Environmental Resource Management, an agency that contracts with the Authority to monitor its wellfield for contaminants.

Glossary fo Terms and Acronyms (continued)

For fiscal years 2023

Enterprise Fund – A fund used to account for the business activities of a government. The Authority’s utility activities are accounted for in a single enterprise fund.

Expense – A use of financial resources to acquire goods or services consumed in a single year’s current operation.

Fiscal Year – A 12-month period that determines the time frame for the financial budget. At the end of the fiscal year, the financial position and results of operations are determined. The Authority’s fiscal year runs from October 1 through September 30.

FKAA or the Authority – Florida Keys Aqueduct Authority

Fleet – Any vehicle that requires a license for operation on a public highway, such as automobiles, trucks, vans, tractors, etc. Fleet does not refer to heavy equipment.

FSAWWA-The Florida section of the American Water Works Association, a state water association of which the Authority is a member

GAAP – Generally Accepted Accounting Principles

GFOA – Government Finance Officers Association

GIS – Geographic information system

MGD or mgd – Million gallons per day. Term usually used to define capacity of water and wastewater systems and their production.

Operating Expenses – Labor, materials and other expenses incurred for production, transmission and distribution of water, customer service, administrative overhead and other general expenses.

Potable Water – Water that meets all requirements and regulations for human consumption.

PSI-Pounds per square inch.

Reclaimed Water – Wastewater that has been treated and is available to reuse for irrigation or other non- potable purposes.

Revenue Bond – A bond that is payable from the revenue generated from the operation of the Utility. Any other revenue the Board of Directors decides to pledge can also secure a revenue bond.

Reverse Osmosis – A process through which chlorides are removed from ground water or sea water.

Service Area – The area within which water and wastewater service is provided. The Authority’s service area includes that section of Monroe County, Florida located in the Florida Keys.

SDWA – Federal Safe Drinking Water Act

SFWMDD – The South Florida Water Management District, a water use regulator that issues the Authority’s consumptive use permit.

Glossary fo Terms and Acronyms (continued)

For fiscal years 2023

Strategic Planning – The process used to determine the Authority’s mission, vision, values, goals, objectives, roles and responsibilities, etc.

Transmission Force Mains – Pipes through with water is forcibly pumped under pressure to deliver it to distribution systems. The transmission line is usually under much higher pressure than a distribution line.