FLORIDA
KEYS
AQUEDUCT
AUTHORITY

2024 BUDGET

2024 BUDGET AND
FINANCIAL PLAN

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FLORIDA KEYS AQUEDUCT AUTHORITY

2024

BUDGET AND FINANCIAL PLAN

305.296.2454
1100 Kennedy Drive
Key West, FL 33040

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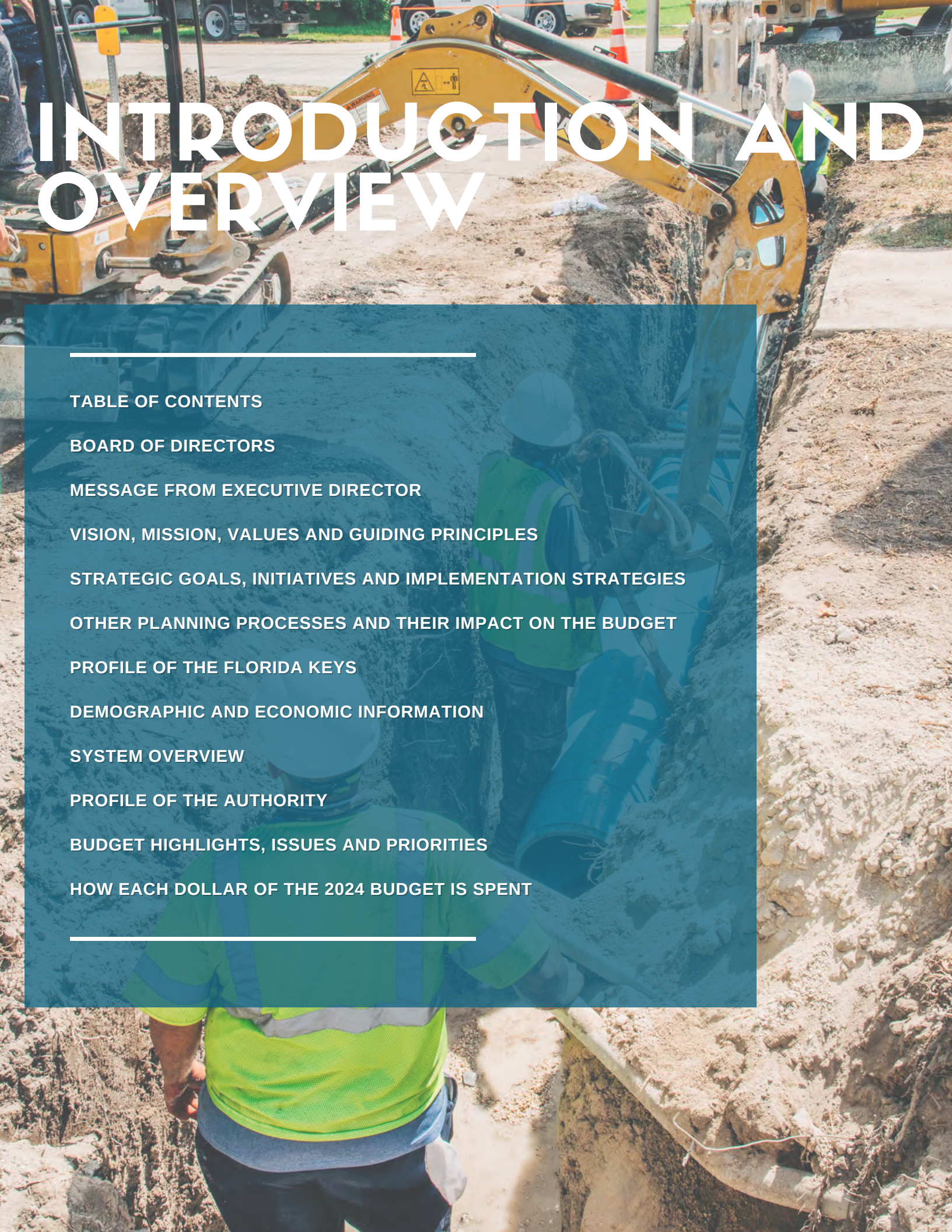

INTRODUCTION AND OVERVIEW

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FLORIDA KEYS AQUEDUCT AUTHORITY

2024 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, 2026
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, 2026
Owner, Cara Higgins Law

Message from the Executive Director

Gregory W. Veliz

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, 2024, as adopted by the Board of Directors on August 22, 2023, and the related five-year financial plan and capital financing plan.

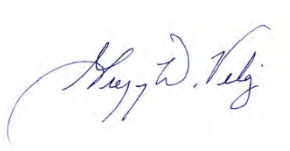
The document is organized into five main sections. First is an introductory overview of the organization followed by a summary of our financial structure, policies and budget process. The next three sections provide financial summaries, the capital budget and debt and a detailed discussion of the operating budgets for each of our departments. This budget will remain in effect through September 30, 2024 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 6.9% inflation index effective October 1, 2023. 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, and increased operating costs. Capital projects are focused on projects that are critical to sustaining continued reliable operations. These projects will be funded through rates and reserves, grants, state and federal appropriations 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,



Gregory W. Veliz
Executive Director

August 22, 2023

VISION, MISSION, VALUES AND GUIDING PRINCIPLES

For fiscal year 2024

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 2024

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 2024

STRATEGIC GOALS, INITIATIVES, AND IMPLEMENTATION STRATEGIES

Our strategic goals define what we seek to accomplish to fulfill FKAA's vision. They reflect the unique challenges that FKAA 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 2024

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 84,000. 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 2024

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 2024

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 84,000 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 2024

FLORIDA KEYS

ESTIMATED POPULATION

Year	Resident Population
2022	82,170
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
15.5%

% 65 years of age and over
24.3%

DEMOGRAPHICS

Average household size		2.39
Median household income	$	73,153
Per capita income	$	50,050
Persons below the poverty level		11%
Total housing units		54,862
Median single family home value	$	613,400
Median travel time to work (minutes)		18.60

Demographic and Economic Information (continued)

For fiscal year 2024

LOCAL UNEMPLOYMENT

2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
1.6%	2.2%	3.8%	1.8%	3.0%	3.2%	3.7%	3.6%	4.0%	5.4%	7.6%

ANNUAL RAINFALL FOR THE LAST 10 FISCAL YEARS

Fiscal Year	Key West International Airport
2022	**38.26**
2021	40.09
2020	48.00
2019	38.77
2018	39.80
2017	33.49
2016	40.80
2015	37.88
2014	33.94
2013	44.43

AVERAGE MONTHLY TEMPERATURES IN KEY WEST

Month	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 2024

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, water use is trending upward slightly. Volume growth in the 2024 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 2024

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

	2022	Total Gallons Consumed (000)	Total Water Revenues	% of Water Revenue
1	United States Navy	279,210	$ 1,343,245	2.0%
2	City of Key West	51,646	638,255	1.0%
3	Ocean Reef Club Inc	50,601	611,651	0.9%
4	Monroe County School Board	49,240	590,907	0.9%
5	NWCL LLC	33,604	450,384	0.7%
6	Keys Hotel Operator Inc	32,192	410,385	0.6%
7	LAH Islander OPCO LLC	30,472	395,064	0.6%
8	PC Inn Resort LLC	28,203	364,266	0.6%
9	MHC Operating LP	27,702	328,801	0.5%
10	BCORE Key West TRS LLC	23,731	329,023	0.5%

10 largest customers-year ended September 30, 2013

	2013	Total Gallons Consumed (000)	Total Water Revenues	% of Water Revenue
1	United States Navy	356,503	$ 1,027,335	2.1%
2	Board of County Commissioners	53,499	487,934	1.1%
3	City of Key West	40,014	264,601	0.3%
4	Monroe County Board of Public Instruction	37,666	262,538	0.7%
5	Ocean Reef Club, Inc.	33,222	234,997	0.7%
6	Cheeca Holdings LLC	31,333	225,585	0.6%
7	CHL Partnership	30,514	214,844	0.6%
8	Hawks Cay Resort	29,156	197,685	0.6%
9	Key West Beach Suites, Ltd	27,917	178,663	0.6%
10	Heartland Hotel	25,847	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)

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

6 TRANSMISSION BOOSTER AND BACK PUMP STATIONS

43 BRIDGE CROSSINGS

46 MG CAPACITY IN 33 STORAGE TANKS

668 MILES OF POTABLE WATER DISTRIBUTION MAIN AT UP TO 55 PSI

26 DISTRIBUTION PUMPING STATIONS

6 WASTEWATER TREATMENT PLANTS

252 MILES OF WASTEWATER COLLECTION AND FORCE MAIN LINES

25 APPROXIMATE MILES OF RECLAIMED DISTRIBUTION WATER LINES

Profile of the Authority

For fiscal year 2024

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 55,000 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 2024

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 197 miles of transmission main and approximately 668 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. The Authority is also finalizing construction on a wastewater treatment facility on Cross Key.

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 2024

The Authority's Operations

The Authority serves over 55,000 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 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 2024

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 2023 budget year. This was the 17th 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, 2022. This was the 31st 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 2024

Acknowledgements

The preparation of the budget and financial plan for the year ending September 30, 2024, 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 2024

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 2024

Key Highlights

The 2024 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
- 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

Water volume sales are budgeted to increase by 1% over the current year budget. The budget includes a 6.9% rate adjustment for inflation and 5% additional rate increase effective October 1, 2023, 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 4.8% 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 $40,454,000 or about 14.8% higher than the current budget. A cost-of-living salary adjustment of 6.9% is budgeted to go into effect for employees on October 1, 2024. Three new permanent positions are being added to the 2024 budget.

Budget Highlights, Issues and Priorities (continued)

For fiscal year 2024

Other operating expenses

Operating costs, such as sludge removal, consulting services and chemicals are budgeted to increase, mainly due to inflationary cost increases required for the daily operation of water and wastewater services. Electricity is also budgeted to increase due to the rising energy costs. 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 $4,404,950, which is a decrease of 45.3% from the current year's budget. These cost savings are due to the extension of the useful life of aging vehicles and equipment.

Capital Improvement Projects

The capital improvement plan is centered around projects that are critical to sustaining continued reliable operations. The 2024 portion of the plan calls for $86,795,000 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 Crawl Key. 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 $15.2 million. Staff is considering additional funding sources for the current capital improvement plan.

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

Personnel services 23%

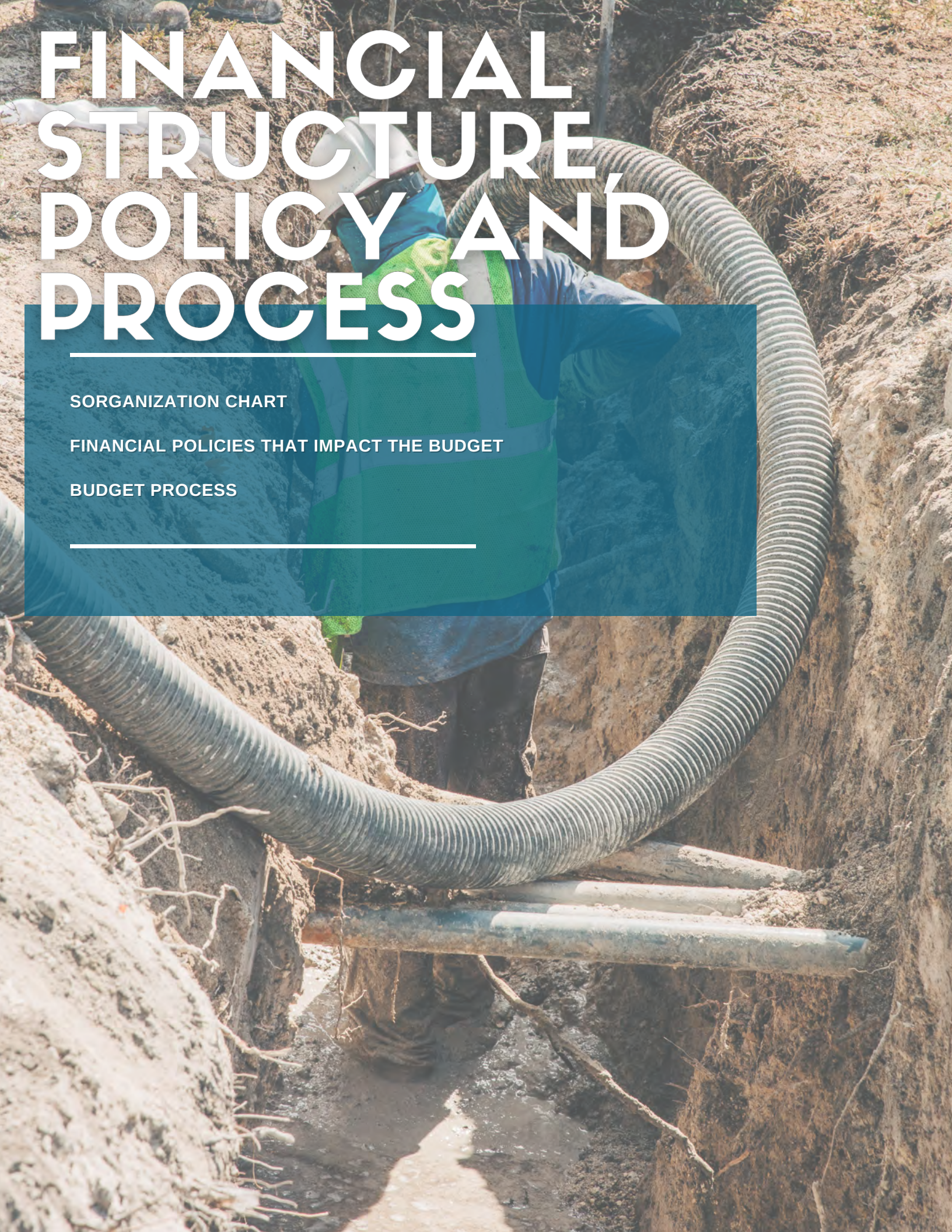
Capital projects 50%

Other operating expenses 18%

Debt service 7%

Capital equipment 2%

FINANCIAL STRUCTURE, POLICY AND PROCESS



SORGANIZATION CHART

FINANCIAL POLICIES THAT IMPACT THE BUDGET

BUDGET PROCESS

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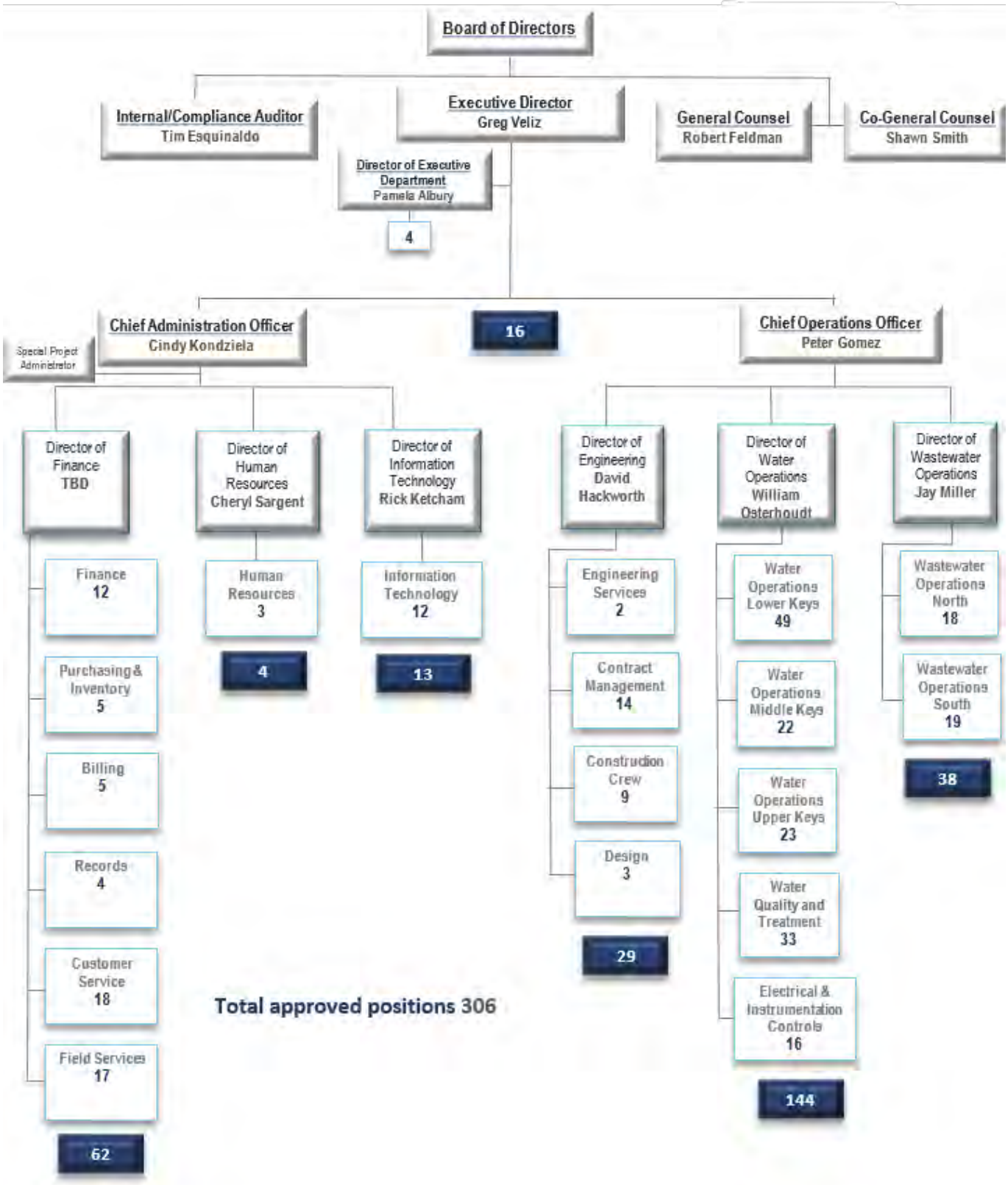
ORGANIZATION CHART

FOR FISCAL YEAR 2023



CONTACT INFORMATION

FOR FISCAL YEAR 2024

Financial Policies That Impact The Budget

For fiscal year 2024

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 for 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 2024

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 2024

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 2024

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 2024

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 2024

Budget Calendar

Dates for Preparation of the 2024 Budget

Jan-23

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Informal input from our Board of Directors, staff and customer's year around. Prepare budget sheets for distribution to Departments.

Feb-23

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

In February, Departments are working on their budgets.

Mar-23

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Week 3 budget meetings with Deputy Executive Director

Week 4 budget meetings with Executive Director

Apr-23

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

CIP is discussed

May-23

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

The first final draft of the budget is presented to the Executive Director

Jun-23

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

The first final draft of the budget is presented to the Board

Jul-23

S	M	T	W	T	F	S
					1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

The second draft is presented to the Board

Aug-23

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

The final budget public hearing. Budget adoption planned for regular board meeting agenda.

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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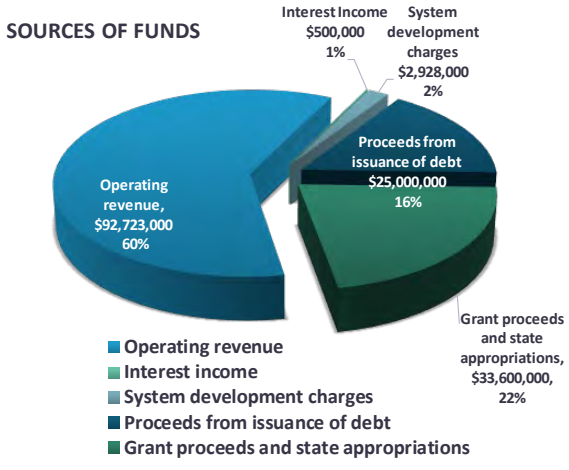
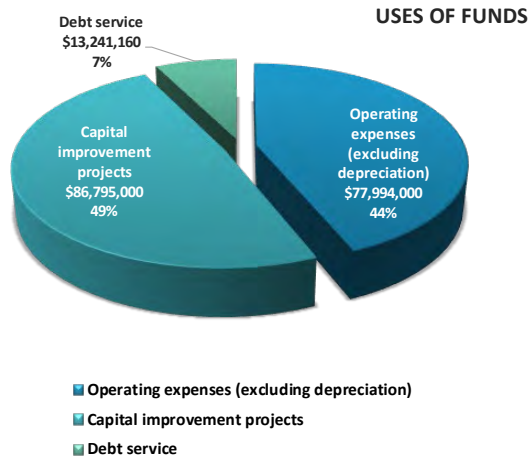
Summary of Budgeted Sources and Uses

For fiscal year 2024

SUMMARY OF BUDGETED SOURCES AND USES

	2022	2023 Budget			2024 budget			
	Actual	Water	Wastewater	Total	Water	Wastewater	Total	% Change
Total budgeted sources of funds								
Utility operating revenue	$ 82,572,063	$ 69,416,000	$ 12,844,000	$ 82,260,000	**$ 78,162,000**	**$ 14,561,000**	**$ 92,723,000**	12.7%
Interest income	730,217	200,000	-	200,000	**200,000**	**-**	**200,000**	0.0%
System development fees and other income	4,479,849	2,181,000	500,000	2,681,000	**2,428,000**	**500,000**	**2,928,000**	9.2%
Grant proceeds and state appropriations	2,581,566	31,000,000	-	31,000,000	**33,600,000**	**-**	**33,600,000**	8.4%
Proceeds from issuance of debt, net of issue costs	-	-	-	-	**25,000,000**	**-**	**25,000,000**	-
Total budgeted sources of funds	90,363,695	102,797,000	13,344,000	116,141,000	**139,390,000**	**15,061,000**	**154,451,000**	33.0%
Total budgeted uses of funds								
Operating expenditures (excluding depreciation)	59,317,150	57,871,000	12,362,000	70,233,000	**64,166,000**	**13,828,000**	**77,994,000**	11.1%
Capital improvement projects	35,633,788	60,165,000	5,050,000	65,215,000	**78,900,000**	**7,895,000**	**86,795,000**	33.1%
Debt service	15,331,833	12,778,786	423,694	13,202,480	**12,807,196**	**433,964**	**13,241,160**	0.3%
Total budgeted uses of funds	110,282,771	130,814,786	17,835,694	148,650,480	**155,873,196**	**22,156,964**	**178,030,160**	19.8%
Excess (deficit) sources over uses	(19,919,076)	(28,017,786)	(4,491,694)	(32,509,480)	**(16,483,196)**	**(7,095,964)**	**(23,579,160)**	
Adjustments to cash basis from accrual	(6,160,225)	-	-	-	**-**	**-**	**-**	
Change in cash and investments	(26,079,301)	(28,017,786)	(4,491,694)	(32,509,480)	**(16,483,196)**	**(7,095,964)**	**(23,579,160)**	
Beginning cash and investments	94,693,980	78,366,107	-	78,366,107	**50,348,321**	**(4,491,694)**	**45,856,627**	-41.5%
Ending cash and investments	68,614,679	50,348,321	(4,491,694)	45,856,627	**33,865,125**	**(11,587,658)**	**22,277,467**	-51.4%
Reserves and restricted cash and investments	(28,470,839)	(20,250,000)	(71,000)	(20,321,000)	**(20,250,000)**	**(71,000)**	**(20,321,000)**	0.0%
Estimated ending unrestricted cash and investmer	$ 40,143,840	$ 30,098,321	$ (4,562,694)	$ 25,535,627	**$ 13,615,125**	**$ (11,658,658)**	**$ 1,956,467**	-92.3%





Summary of Revenue Sources

For fiscal year 2024

	2022	2023 Budget			2024 budget				
	Actual	Water	Wastewater	Total	Water	Wastewater	Total	Increase / Decrease	% change from prior budget
Number of locations									
Estimated locations billed	53,365	53,100	11,700		53,100	11,700			
Volume									
Estimated gallons (000s) billed at retail rates	5,228,018	5,460,000			5,515,000				
Estimated gallons (000s) billed to US Navy	279,210	254,000			254,000				
Total estimated gallons(000s) sold	5,507,228	5,714,000			5,769,000				
Operating revenue									
Fees for service									
Retail water rate revenue	$ 64,298,050	$ 63,932,000		$ 63,932,000	$ 72,478,000		$ 72,478,000	$ 8,546,000	13.4%
US Navy water rate revenue	1,343,245	1,420,000		1,420,000	1,610,000		1,610,000	190,000	13.4%
US Navy distribution system charge	2,443,632	2,487,000		2,487,000	2,487,000		2,487,000	-	0.0%
Retail reclaimed water rate revenue	180,311	77,000		77,000	87,000		87,000	10,000	13.0%
Retail wastewater rate revenue	9,490,255		10,795,000	10,795,000		$ 12,238,000	12,238,000	1,443,000	13.4%
US Navy wastewater revenue	1,858,510		2,049,000	2,049,000		2,323,000	2,323,000	274,000	13.4%
Total fees for service	79,614,003	67,916,000	12,844,000	80,760,000	76,662,000	14,561,000	91,223,000	10,463,000	13.0%
Other operating revenue	2,958,060	1,500,000	-	1,500,000	1,500,000	-	1,500,000	-	0.0%
Total operating revenue	82,572,063	69,416,000	12,844,000	82,260,000	78,162,000	14,561,000	92,723,000	10,463,000	12.7%
Non-operating revenue									
Interest income	730,217	200,000	-	200,000	200,000	-	200,000	-	0.0%
Grant proceeds	205,323	31,000,000	-	31,000,000	33,600,000		33,600,000	2,600,000	-
Charges to other utilities for billing services	537,791	681,000	-	681,000	928,000	-	928,000	247,000	36.3%
Other income	567,612	500,000	-	500,000	500,000	-	500,000	-	0.0%
Total non-operating revenue	2,040,943	32,381,000	-	32,381,000	35,228,000	-	35,228,000	2,847,000	8.8%
Total budgeted revenue	84,613,006	101,797,000	12,844,000	114,641,000	113,390,000	14,561,000	127,951,000	13,310,000	11.6%
System development fees (including assessments)	239,703,604	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	**$ 324,316,610**	**$ 102,797,000**	**$ 13,344,000**	**$ 116,141,000**	**$ 114,390,000**	**$ 15,061,000**	**$ 129,451,000**	**$ 13,310,000**	**11.5%**

Budget assumptions:

Water volume sales increase	**1.0%**	**1.0%**
Rate inflation index	**6.9%**	**6.9%**
Additional water rate increase (decrease)	**5.0%**	
Additional wasterwater rate increase (decrease)		**5.0%**
Average interest rate (applied to average cash balance)	**3.0%**	
System development fee growth factor	**0.0%**	**0.0%**

Rate Structure

For fiscal year 2024

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, 2022	After October 1, 2023 index
Potable Water Rates		
Base facilities charge		
⅝-inch or ¾-inch	$ 18.85	$ 21.09
1-inch	47.16	52.77
1½-inch	94.28	105.49
2-inch	150.86	168.81
3-inch	282.84	316.50
4-inch	467.99	523.68
6-inch	944.58	1,056.98
8-inch	1,508.42	1,687.92
Consumption charge [1]		
Block 1	$ 7.92	$ 8.86
Block 2	11.57	12.95
Block 3	12.97	14.52
Block 4	14.47	16.19
Block 5	15.88	17.77
Reclaimed Water Rates		
Consumption charge [1]		
Block 1	$ 3.96	$ 4.43
Block 2	5.78	6.47
Block 3	6.49	7.26
Block 4	7.23	8.09
Block 5	7.94	8.89

Rate Structure (continued)

For fiscal year 2024

	Rates in effect on October 1, 2022	After October 1, 2023 index
Wastewater Rates		
Base facilities charge		
⅝-inch or ¾-inch	$ 30.45	$ 34.07
1-inch	114.19	127.78
1½-inch	228.39	255.57
2-inch	365.43	408.92
3-inch	685.17	766.70
4-inch	1,141.95	1,277.84
6-inch	2,285.00	2,556.91
8-inch	3,131.06	3,503.66
Flow collection charge		
Residential (up to 10,000 gallons)	$ 11.52	$ 12.90
Non-residential (all consumption)	11.52	12.90

Note: Block 1 for 5/8" meter customers, which includes the majority of FKAA 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 2024

SCHEDULE OF BUDGETED EXPENDITURES
FOR THE YEAR ENDING SEPTEMBER 30, 2024
Total Company

			BUDGETED 2024				
	2022 Actual	2023 Budget	Water	Wastewater	Total	Increase /Decrease	% change from prior budget
Operating capital expenditures							
Additions to utility plant	$ 4,891,824	$ 6,472,300	$ 3,052,550	$ 599,800	$ 3,652,350	$ (2,819,950)	-44%
Capitalized salaries	1,149,349	1,574,400	752,600	-	752,600	(821,800)	-52%
Capitalized overtime	13,753	-	-	-	-	-	-
Total operating capital expenditures	**6,054,926**	**8,046,700**	**3,805,150**	**599,800**	**4,404,950**	**(3,641,750)**	**-45.3%**
Operating expenses							
Personnel services							
Salaries	22,147,052	24,211,200	24,402,800	3,073,300	27,476,100	3,264,900	13%
Overtime	821,634	603,700	517,200	155,000	672,200	68,500	11%
Retirement	2,978,470	3,146,800	3,929,800	460,900	4,390,700	1,243,900	40%
Payroll taxes	1,768,349	2,018,800	1,963,900	247,000	2,210,900	192,100	10%
Employee health insurance	5,902,990	5,000,000	5,400,000	-	5,400,000	400,000	8%
Other benefits	255,713	254,600	276,200	27,900	304,100	49,500	19%
Total personnel services	**33,874,208**	**35,235,100**	**36,489,900**	**3,964,100**	**40,454,000**	**5,218,900**	**14.8%**
Other operating expenses							
Electricity	4,832,955	3,901,400	6,680,800	730,000	7,410,800	3,509,400	90%
Fuel for power production	76,307	256,000	144,600	10,000	154,600	(101,400)	-40%
Chemicals	2,877,058	3,512,500	3,526,500	992,600	4,519,100	1,006,600	29%
Maintenance and materials	5,804,431	5,373,000	4,022,000	1,390,700	5,412,700	39,700	1%
Engineering services	368,063	1,205,000	585,000	-	585,000	(620,000)	-51%
Accounting and auditing services	101,200	117,000	117,000	-	117,000	-	0%
Legal services	104,630	380,000	100,000	-	100,000	(280,000)	-74%
Outsourced operations	1,561,677	2,384,000	2,211,500	303,300	2,514,800	130,800	5%
Other consulting and support services	2,160,634	2,392,300	2,800,600	-	2,800,600	408,300	17%
Sludge removal	2,585,894	1,890,300	3,484,000	322,300	3,806,300	1,916,000	101%
Rental of building - real property	26,038	27,755	9,000	4,800	13,800	(13,955)	-50%
Rent expense - equipment	26,605	56,250	49,800	9,450	59,250	3,000	5%
Transportation expense	886,933	808,800	790,200	500	790,700	(18,100)	-2%
Insurance - vehicles	109,504	113,000	113,000	-	113,000	-	0%
Insurance - general liabilities	156,991	140,000	140,000	-	140,000	-	0%
Insurance - workers' compensation	295,541	300,000	300,000	-	300,000	-	0%
Insurance - property and flood	1,394,537	1,550,000	1,550,000	-	1,550,000	-	0%
Advertising	50,180	76,000	76,000	-	76,000	-	0%
Bad debt expense	72,000	81,000	81,000	-	81,000	-	0%
Office supplies	93,269	124,900	123,200	7,300	130,500	5,600	4%
Other utilities and technical services	737,239	738,500	720,400	-	720,400	(18,100)	-2%
Postage	18,163	40,600	40,200	500	40,700	100	0%
Travel	71,588	184,500	175,100	5,400	180,500	(4,000)	-2%
Training	84,435	208,950	231,150	15,300	246,450	37,500	18%
Miscellaneous	370,957	235,000	353,100	1,200	354,300	119,300	51%
Bank charges	816,880	750,000	850,000	-	850,000	100,000	13%
Public information and outreach	12,332	95,000	57,000	-	57,000	(38,000)	-40%
Freight charges	8,367	10,000	10,000	-	10,000	-	0%
Total other operating expenses	**25,704,408**	**26,951,755**	**29,341,150**	**3,793,350**	**33,134,500**	**6,182,745**	**22.9%**
Total operating budget	$ 59,578,616	$ 62,186,855	$ 65,831,050	$ 7,757,450	$ 73,588,500	$ 11,401,645	18.3%
Allocation of administrative expenses			$ (5,470,350)	$ 5,470,350	$ -		
Total operating expenses after allocation	**59,578,616**	**62,186,855**	**60,360,700**	**13,227,800**	**73,588,500**	**11,401,645**	**18.3%**
Total operating budget	$ 65,633,542	$ 70,233,555	$ 64,165,850	$ 13,827,600	$ 77,993,450	$ 7,759,895	11.1%
Amendments to current year budget		3,756,300					
Total operating budget as amended		$ 73,989,855			$ 77,993,450	$ 4,003,595	5.4%

Five Year Financial Plan

For fiscal year 2024

PROJECTED CHANGES IN NET POSITION

FOR FISCAL YEARS 2024 - 2028

	2024	2025	2026	2027	2028
Projected operating results					
Operating revenue	$ 92,723,000	$ 99,808,000	$ 107,434,000	$ 115,642,000	$ 124,477,000
Operating expenses (before depreciation)	(77,994,000)	(78,774,000)	(79,562,000)	(80,358,000)	(81,162,000)
Net operating income (before depreciation)	14,729,000	21,034,000	27,872,000	35,284,000	43,315,000
Interest income	200,000	500,000	500,000	500,000	500,000
Other income	1,428,000	1,062,000	1,076,000	1,090,000	1,105,000
Interest expense	(9,187,500)	(10,436,500)	(10,157,500)	(5,501,500)	(5,501,500)
Projected net income before depreciation	**7,169,500**	**12,159,500**	**19,290,500**	**31,372,500**	**39,418,500**
System development fees (including assessments)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Grant proceeds	33,600,000	20,000,000	-	-	-
Projected increase (decrease) in net position before depreciation	**42,269,500**	**33,659,500**	**20,790,500**	**32,872,500**	**40,918,500**
Projected beginning net position	399,203,664	427,043,164	446,272,664	452,633,164	471,075,664
Projected net position before depreciation	441,473,164	460,702,664	467,063,164	485,505,664	511,994,164
Estimated depreciation	(14,430,000)	(14,430,000)	(14,430,000)	(14,430,000)	(14,430,000)
Projected ending net position after depreciation	**$ 427,043,164**	**$ 446,272,664**	**$ 452,633,164**	**$ 471,075,664**	**$ 497,564,164**

PROJECTED SOURCES AND USES OF FUNDS

FOR FISCAL YEARS 2024-2028

	2024	2025	2026	2027	2028
Total projected sources of funds					
Utility operating revenue	$ 92,723,000	$ 99,808,000	$ 107,434,000	$ 115,642,000	$ 124,477,000
Interest income	200,000	500,000	500,000	500,000	500,000
System development fees and other income	2,928,000	2,562,000	2,576,000	2,590,000	2,605,000
Grant proceeds	33,600,000	20,000,000	-	-	-
Proceeds from issuance of debt, net of issue costs	25,000,000	-	-	-	-
Total projected sources of funds	**154,451,000**	**122,870,000**	**110,510,000**	**118,732,000**	**127,582,000**
Total projected uses of funds					
Operating expenditures (excluding depreciation)	77,994,000	78,774,000	79,562,000	80,358,000	81,162,000
Capital improvement projects	86,795,000	83,010,000	59,150,000	32,000,000	15,900,000
Debt service	13,241,160	17,531,500	17,972,500	11,971,500	11,971,500
Total projected uses of funds	**178,030,160**	**179,315,500**	**156,684,500**	**124,329,500**	**109,033,500**
Additions to (uses of) cash	**$ (23,579,160)**	**$ (56,445,500)**	**$ (46,174,500)**	**$ (5,597,500)**	**$ 18,548,500**

Five Year Financial Plan (continued)

For fiscal years 2024-2028

PROJECTED REVENUE AND CONTRIBUTIONS

FOR FISCAL YEARS 2024 - 2028

	2024	2025	2026	2027	2028
Estimated gallons (000s) sold to customers at retail rates	**5,515,000**	**5,570,000**	**5,626,000**	**5,682,000**	**5,739,000**
Estimated gallons (000s) sold to US Navy	**254,000**	**257,000**	**260,000**	**263,000**	**266,000**
Total estimated sales gallons (000s)	**5,769,000**	**5,827,000**	**5,886,000**	**5,945,000**	**6,005,000**
Operating revenue					
Fees for service					
Retail water rate revenue	$ 72,478,000	$ 78,016,000	$ 83,977,000	$ 90,393,000	$ 97,300,000
US Navy water rate revenue	1,610,000	1,733,000	1,865,000	2,007,000	2,160,000
US Navy distribution system charge	2,487,000	2,677,000	2,882,000	3,102,000	3,339,000
Retail reclaimed water rate revenue	87,000	94,000	101,000	109,000	117,000
Retail wastewater rate revenue	12,238,000	13,173,000	14,180,000	15,263,000	16,429,000
US Navy wastewater revenue	2,323,000	2,500,000	2,691,000	2,897,000	3,118,000
Total fees for service	91,223,000	98,193,000	105,696,000	113,771,000	122,463,000
Other operating revenue	1,500,000	1,615,000	1,738,000	1,871,000	2,014,000
Total operating revenue	**92,723,000**	**99,808,000**	**107,434,000**	**115,642,000**	**124,477,000**
Non-operating revenue					
Interest income	200,000	500,000	500,000	500,000	500,000
Grant proceeds	33,600,000	20,000,000	-	-	-
Charges to other utilities for billing services	928,000	942,000	956,000	970,000	985,000
Other income	500,000	120,000	120,000	120,000	120,000
Total non-operating revenue	**35,228,000**	**21,562,000**	**1,576,000**	**1,590,000**	**1,605,000**
Total budgeted revenue	**127,951,000**	**121,370,000**	**109,010,000**	**117,232,000**	**126,082,000**
System development fees (including assessments)	**1,500,000**	**1,500,000**	**1,500,000**	**1,500,000**	**1,500,000**
Total revenue and contributions	**$ 129,451,000**	**$ 122,870,000**	**$ 110,510,000**	**$ 118,732,000**	**$ 127,582,000**

Budget assumptions					
Water volume growth sales increase	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**
Rate index increase	**6.9%**	**1.5%**	**1.5%**	**1.5%**	**1.5%**
Additional water rate increase (decrease)	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**
Additional wastewater rate increase (decrease)	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**
Average interest rate (applied to average cash balance)	**3.0%**	**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 2024-2028

FIVE YEAR CAPITAL IMPROVEMENT AND CAPITAL FINANCING PLAN

Description	2024	2025	2026	2027	2028	Estimated five-year expenditures
Water Projects						
Kermit H Lewin Reverse Osmosis Emergency Generator Facility	1,750,000	-	-	-	-	1,750,000
J. Robert Dean WTP Painting and Filter Gallery Upgrade	250,000	-	-	-	-	250,000
Ramrod Pump Station Diesel Storage	200,000	-	-	-	-	200,000
Kermit H Lewin Building Rehabilitation	-	500,000	-	-	-	500,000
Kermit H Lewin Diesel Tank Replacement	-	75,000	750,000	-	-	825,000
Stock Island Garage Replacement	-	-	-	200,000	2,500,000	2,700,000
J. Robert Dean WTP Accelator No. 1	1,400,000	-	-	-	-	1,400,000
J. Robert Dean WTP Accelator No. 3	-	1,400,000	-	-	-	1,400,000
Kermit H Lewin Reverse Osmosis Facility	15,000,000	1,000,000	-	-	-	16,000,000
Crawl Key Reverse Osmosis Facility	4,000,000	16,000,000	25,000,000	23,000,000	-	68,000,000
J. Robert Dean WTP Wastewater Forcemain	720,000	-	-	-	-	720,000
J. Robert Dean WTP Diesel Pump Upgrades	1,500,000	2,500,000	-	-	-	4,000,000
J. Robert Dean WTP Electrical Improvements- (Phase 2)	400,000	3,200,000	3,200,000	-	-	6,800,000
J. Robert Dean WTP Storage Tank Coatings	650,000	-	-	1,350,000	-	2,000,000
J. Robert Dean WTP Storage Tank (5 MG)	-	-	-	250,000	6,000,000	6,250,000
Long Key, Marathon, and Ramrod Pump Station Electrical Upgrades	250,000	2,750,000	-	-	-	3,000,000
Transmission Islamorada (MM 79-84)	20,000,000	-	-	-	-	20,000,000
Transmission Windley Key (MM 84-86)	15,000,000	-	-	-	-	15,000,000
Transmission Plantation Key (MM 86-91)	-	26,500,000	26,500,000	-	-	53,000,000
Transmission Terminus Replacement	4,000,000	-	-	-	-	4,000,000
Transmission Marathon (Knights Key)	600,000	3,000,000	-	-	-	3,600,000
Transmission Ocean Reef	6,000,000	1,500,000	-	-	-	7,500,000
Cathodic Protection System Repair and Improvements	200,000	2,000,000	-	-	-	2,200,000
Transmission Snake Creek Crossing (Directional Drill)	-	2,000,000	-	-	-	2,000,000
Transmission C111 Crossing (Directional Drill)	-	3,000,000	-	-	-	3,000,000
Distribution Valve Replacement Program	100,000	100,000	100,000	100,000	100,000	500,000
Key West Pump Station Electrical Upgrades	30,000	400,000	-	-	-	430,000
Desal Storage Tank	300,000	-	-	-	-	300,000
Distribution Twin Lakes Key Largo	1,500,000	-	-	-		1,500,000
Distribution Upgrades	900,000	1,400,000	1,500,000	1,600,000	1,700,000	7,100,000
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	2,500,000	-	-	-	-	2,500,000
Distribution Duck Key Inner Island	-	-	-	-		-
Distribution Replacement Middle Keys	-	-	1,400,000	1,500,000	1,600,000	4,500,000
Coco Plum Drive Distribution(Phase 1)	600,000	-	-	-	-	600,000
Meter Gateways (Phase III)	200,000	200,000	200,000	-	-	600,000
Key West Storage Tank	250,000	3,000,000	-	-	-	3,250,000
NAS Key West Boca Chica Field - East Fire Pumping Station	-	-	-	-	-	-
NAS Connection A & B Distribution Boca Chica	-	-	-	-	-	-
Total water projects	**$ 78,900,000**	**$ 70,525,000**	**$ 59,150,000**	**$ 32,000,000**	**$ 15,900,000**	**$ 256,475,000**

Five Year Financial Plan (continued)

For fiscal years 2024-2028

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

Description	2024	2025	2026	2027	2028	Estimated five-year expenditures
Wastewater projects						
City of Key West Wastewater Forcemain (Key Haven)	2,300,000	-	-	-	-	2,300,000
Wastewater On-site Projects	500,000	-	-	-	-	500,000
Big Coppitt Wastewater Treatment Plant Improvements	1,000,000	-	-	-	-	1,000,000
Big Coppitt and Cudjoe Wastewater Improvements	4,095,000	11,975,000	-	-	-	16,070,000
Big Coppitt Lift Station Upgrades	-	510,000	-	-	-	510,000
Total wastewater projects	7,895,000	12,485,000	-	-	-	20,380,000
Total capital improvement projects	**$ 86,795,000**	**$ 83,010,000**	**$ 59,150,000**	**$ 32,000,000**	**$ 15,900,000**	**$ 276,855,000**
Funding sources						
Funds from retail rates and cash on hand	$ 28,195,000	$ 24,510,000	$ 24,150,000	$ 22,000,000	$ 15,900,000	$ 114,755,000
Navy water rates	-	-	-	-	-	-
Federal and state appropriations	33,600,000	16,500,000	5,000,000	-	-	55,100,000
Bond proceeds	25,000,000	42,000,000	30,000,000	10,000,000	-	107,000,000
Total	**$ 86,795,000**	**$ 83,010,000**	**$ 59,150,000**	**$ 32,000,000**	**$ 15,900,000**	**$ 276,855,000**

Five Year Financial Plan (continued)

For fiscal years 2024-2028

PROJECTED NEW DEBT ISSUES AND DEBT SERVICE

	2024	2025	2026	2027	2028
Bond issuance assumptions:					
Projected principal amount of new bonds issued	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ -	$ -
Available for construction fund	$ 25,000,000	$ -	$ -	$ -	$ -
Estimated issue costs	$ 400,000	$ 400,000	$ 400,000		
Projected interest rate	5.00%	5.00%	5.00%		
Amortization period (years)	30	30	30		
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 2021B water revenue bonds	-	-	-	-	
Series 2021 WIFIA	-	-	-	-	-
Future debt projections	450,000	900,000	1,350,000	-	-
Total principal	**6,385,000**	**7,095,000**	**7,815,000**	**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 2021B water revenue bonds	1,538,000	1,538,000			
Series 2021 WIFIA	-	-	-	-	-
Future debt projections	1,500,000	3,000,000	4,500,000	-	-
Total interest	**9,187,500**	**10,436,500**	**10,157,500**	**5,501,500**	**5,501,500**
Total projected debt service	$ **15,572,500**	$ **17,531,500**	$ **17,972,500**	$ **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 2024-2028

PROJECTED DEBT SERVICE COVERAGE

Water Operations

	2024	2025	2026	2027	2028
Funds available for debt service					
Operating revenue	$ 78,162,000	$ 84,135,000	$ 90,563,000	$ 97,482,000	$ 104,930,000
Interest income	200,000	500,000	500,000	500,000	500,000
Other income	35,028,000	21,062,000	1,076,000	1,090,000	1,105,000
Less operating expenses	(60,360,700)	(60,964,000)	(61,574,000)	(62,190,000)	(62,812,000)
Net funds available for debt coverage	$ 53,029,300	$ 44,733,000	$ 30,565,000	$ 36,882,000	$ 43,723,000
Debt service requirements	$ 14,718,500	$ 16,679,500	$ 17,119,500	$ 11,090,500	$ 11,090,500
Coverage factor (minimum of 1.10 required)	**3.60**	**2.68**	**1.79**	**3.33**	**3.94**
System development charges	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Coverage factor with system development charges (minimum of 1.20)	**3.67**	**2.74**	**1.84**	**3.42**	**4.03**

Wastewater Operations

	2024	2025	2026	2027	2028
Funds available for debt service					
Operating revenue	$ 14,561,000	$ 15,673,000	$ 16,871,000	$ 18,160,000	$ 19,547,000
Interest income	-	-	-	-	-
Other income	-	-	-	-	-
Less operating expenses	(13,227,800)	(13,426,200)	(13,627,600)	(13,832,000)	(14,039,500)
Net funds available for debt coverage	$ 1,333,200	$ 2,246,800	$ 3,243,400	$ 4,328,000	$ 5,507,500
Debt service requirements	$ 854,000	$ 852,000	$ 853,000	$ 881,000	$ 881,000
System development charges	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000
Coverage factor with system development charges (minimum of 1.20)	**2.15**	**3.22**	**4.39**	**5.48**	**6.82**

Note: Wastewater bonds have no requirement to meet both 1.10 and 1.20 tests. Therefore, only the 1.20 result is shown.

Five Year Financial Plan (continued)

For fiscal years 2024-2028

ESTIMATED RATE ADJUSTMENTS AND AVERAGE MONTHLY BILL

Potable water

	Estimated percentage increase	Average monthly bill (for 4,500 gallons)
Current bill		**$ 54.48**
2024	12.9%	**$ 61.51**
2025	11.5%	**$ 68.58**
2026	13.0%	**$ 77.50**
2027	8.0%	**$ 83.70**
2028	3.0%	**$ 86.21**

Reclaimed water

	Estimated percentage increase	Average monthly bill (for 1,100 gallons)
Current bill		**$ 4.36**
2024	12.9%	$ 4.92
2025	11.5%	$ 5.48
2026	13.0%	$ 6.20
2027	8.0%	$ 6.69
2028	3.0%	$ 6.89

Wastewater

	Estimated percentage increase	Average monthly bill (for 4,500 gallons)
Current bill		**$ 82.31**
2024	11.9%	**$ 92.10**
2025	6.5%	**$ 98.09**
2026	6.5%	**$ 104.47**
2027	6.5%	**$ 111.26**
2028	6.5%	**$ 118.49**

CAPITAL AND DEBT

CAPITAL IMPROVEMENT BUDGET

PROJECT SUMMARIES

CAPITAL OUTLAY BUDGET DETAIL

CAPITAL FINANCING PLAN SUMMARY

DEBT SERVICE REQUIREMENTS

DEBT SERVICE COVERAGE ANALYIS

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Capital Improvement Budget

For fiscal years 2024-2028

Description	2024	2025	2026	2027	2028	Estimated five-year expenditures
Water Projects						
Kermit H Lewin Reverse Osmosis Emergency Generator Facility	1,750,000	-	-	-	-	1,750,000
J. Robert Dean WTP Painting and Filter Gallery Upgrade	250,000	-	-	-	-	250,000
Ramrod Pump Station Diesel Storage	200,000	-	-	-	-	200,000
Kermit H Lewin Building Rehabilitation	-	500,000	-	-	-	500,000
Kermit H Lewin Diesel Tank Replacement	-	75,000	750,000	-	-	825,000
Stock Island Garage Replacement	-	-	-	200,000	2,500,000	2,700,000
J. Robert Dean WTP Accelator No. 1	1,400,000	-	-	-	-	1,400,000
J. Robert Dean WTP Accelator No. 3	-	1,400,000	-	-	-	1,400,000
Kermit H Lewin Reverse Osmosis Facility	15,000,000	1,000,000	-	-	-	16,000,000
Crawl Key Reverse Osmosis Facility	4,000,000	16,000,000	25,000,000	23,000,000	-	68,000,000
J. Robert Dean WTP Wastewater Forcemain	720,000	-	-	-	-	720,000
J. Robert Dean WTP Diesel Pump Upgrades	1,500,000	2,500,000	-	-	-	4,000,000
J. Robert Dean WTP Electrical Improvements- (Phase 2)	400,000	3,200,000	3,200,000	-	-	6,800,000
J. Robert Dean WTP Storage Tank Coatings	650,000	-	-	1,350,000	-	2,000,000
J. Robert Dean WTP Storage Tank (5 MG)	-	-	-	250,000	6,000,000	6,250,000
Long Key, Marathon, and Ramrod Pump Station Electrical Upgrades	250,000	2,750,000	-	-	-	3,000,000
Transmission Islamorada (MM 79-84)	20,000,000	-	-	-	-	20,000,000
Transmission Windley Key (MM 84-86)	15,000,000	-	-	-	-	15,000,000
Transmission Plantation Key (MM 86-91)	-	26,500,000	26,500,000	-	-	53,000,000
Transmission Terminus Replacement	4,000,000	-	-	-	-	4,000,000
Transmission Marathon (Knights Key)	600,000	3,000,000	-	-	-	3,600,000
Transmission Ocean Reef	6,000,000	1,500,000	-	-	-	7,500,000
Cathodic Protection System Repair and Improvements	200,000	2,000,000	-	-	-	2,200,000
Transmission Snake Creek Crossing (Directional Drill)	-	2,000,000	-	-	-	2,000,000
Transmission C111 Crossing (Directional Drill)	-	3,000,000	-	-	-	3,000,000
Distribution Valve Replacement Program	100,000	100,000	100,000	100,000	100,000	500,000
Key West Pump Station Electrical Upgrades	30,000	400,000	-	-	-	430,000
Desal Storage Tank	300,000	-	-	-	-	300,000
Distribution Twin Lakes Key Largo	1,500,000	-	-	-		1,500,000
Distribution Upgrades	900,000	1,400,000	1,500,000	1,600,000	1,700,000	7,100,000
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	2,500,000	-	-	-	-	2,500,000
Distribution Duck Key Inner Island	-	-	-	-		-
Distribution Replacement Middle Keys	-	-	1,400,000	1,500,000	1,600,000	4,500,000
Coco Plum Drive Distribution(Phase 1)	600,000	-	-	-	-	600,000
Meter Gateways (Phase III)	200,000	200,000	200,000	-	-	600,000
Key West Storage Tank	250,000	3,000,000	-	-	-	3,250,000
NAS Key West Boca Chica Field - East Fire Pumping Station	-	-	-	-	-	-
NAS Connection A & B Distribution Boca Chica	-	-	-	-	-	-
Total water projects	**$ 78,900,000**	**$ 70,525,000**	**$ 59,150,000**	**$ 32,000,000**	**$ 15,900,000**	**$ 256,475,000**

Capital Improvement Budget (cont.)

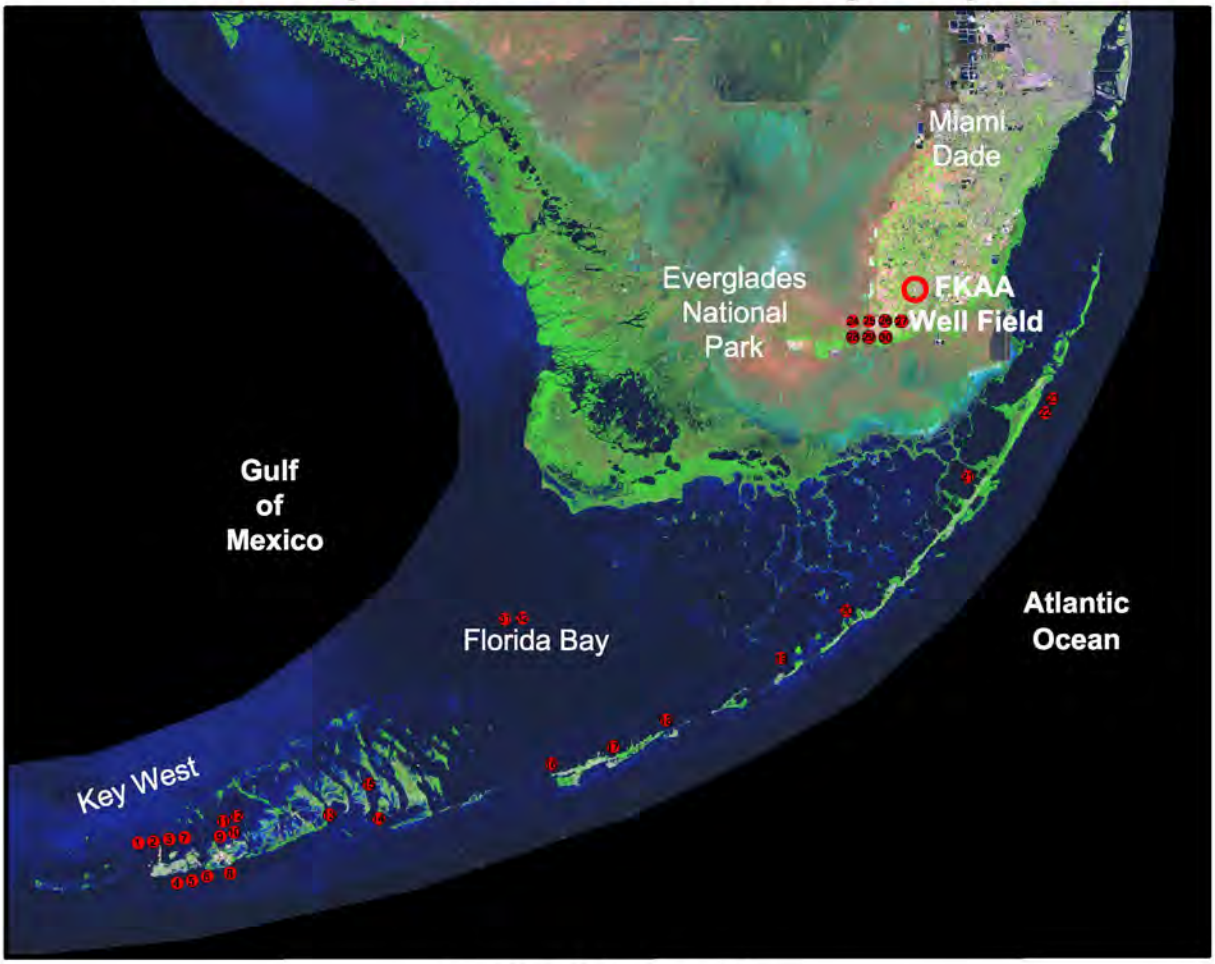
For fiscal years 2024-2028

Description	2024	2025	2026	2027	2028	Estimated five-year expenditures
Wastewater projects						
City of Key West Wastewater Forcemain (Key Haven)	2,300,000	-	-	-	-	2,300,000
Wastewater On-site Projects	500,000	-	-	-	-	500,000
Big Coppitt Wastewater Treatment Plant Improvements	1,000,000	-	-	-	-	1,000,000
Big Coppitt and Cudjoe Wastewater Improvements	4,095,000	11,975,000	-	-	-	16,070,000
Big Coppitt Lift Station Upgrades	-	510,000	-	-	-	510,000
Total wastewater projects	7,895,000	12,485,000	-	-	-	20,380,000
Total capital improvement projects	**$ 86,795,000**	**$ 83,010,000**	**$ 59,150,000**	**$ 32,000,000**	**$ 15,900,000**	**$ 276,855,000**
Funding sources						
Funds from retail rates and cash on hand	$ 28,195,000	$ 24,510,000	$ 24,150,000	$ 22,000,000	$ 15,900,000	$ 114,755,000
Navy water rates	-	-	-	-	-	-
Federal and state appropriations	33,600,000	16,500,000	5,000,000	-	-	55,100,000
Bond proceeds	25,000,000	42,000,000	30,000,000	10,000,000	-	107,000,000
Total	**$ 86,795,000**	**$ 83,010,000**	**$ 59,150,000**	**$ 32,000,000**	**$ 15,900,000**	**$ 276,855,000**

Project Summaries

For fiscal years 2024-2028

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 Accelator 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)

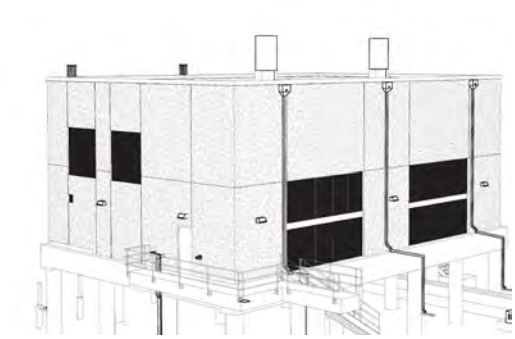
For fiscal years 2024-2028

Kermit H Lewin Reverse Osmosis Emergency Generator Facility

Facility

Project Information

Location	Kermit H. Lewin Seawater Desalination Facility
Project Type	Water
Category	Resiliency
Project Number	3237-20
Design Engineer	Black and Veatch
Project Manager	David Hackworth
Contractor	Reynolds Construction
Start Date	2021
Completion Date	2024



Description/Justification:

The geneator facility will provide standby power to the new Kermit H Lewin Reverse Osmosis Facility, the Stock Island Desal Pump Station andthe existing Stock Island RO Building. FKAA 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:

This project is currently under construction and is scheduled to be completed in February 2024.

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 1,750,000				$ -	$ 1,750,000
	-	-	-	-	-	
Total Costs	**$ 1,750,000**	**$ -**	**$ -**	**$0**	**$ -**	**$ 1,750,000**

Project Summaries (continued)

For fiscal years 2024-2028

J. Robert Dean WTP Filter Gallery Repairs

Facility

Project Information

Location	J. Robert Dean Water Treatment Plant
Project Type	Water
Category	Renewal and Replacement
Project Number	TBD
Design Engineer	To be determined
Project Manager	Emmy Koenig McDowell
Contractor	To be determined
Start Date	2023
Completion Date	2025

Description/Justification:

This project includes repairs to 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					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 250,000					$ 250,000
Total Costs	**$ 250,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 250,000**

Project Summaries (continued)

For fiscal years 2024-2028

Ramrod Pump Station Diesel Storage

Facility

Project Information

Location	Ramrod Pump Station
Project Type	Water
Category	Renewal and Replacement
Project Number	3231-23
Design Engineer	Justin Dacey
Project Manager	Justin Dacey
Contractor	To be determined
Start Date	2023
Completion Date	2024

Description/Justification:

The existing diesel tanks have reached the end of their useful lives and are in need of replacement. FKAA 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 design phase for the fuel system piping improvements

Financial Information:

Capital Funding:

Five Year Plan

	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 200,000				$ -	$ 200,000
	-	-	-	-	-	
Total Costs	**$ 200,000**	**$ -**	**$ -**	**$0**	**$ -**	**$ 200,000**

Project Summaries (continued)

For fiscal years 2024-2028

J. Robert Dean WTP Accelator 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	1180-23
Design Engineer	Carollo Engineers
Project Manager	Emmy Koenig McDowell
Contractor	Moss Kelly, Inc
Start Date	2023
Completion Date	2024

Description/Justification:

The Accelator Clarifier (Accelator) is used to soften the groundwater at the J Robert Dean Water Treatment Plant. The existing Accelator No. 1 was installed in 1988 has a maximum capacity of 16.3 MGD. The condition of the Accelator has deteriorated due to corrosion of its internal components. Accelator No. 2 was refurbished in 2022.

Status/Recent Developments:

FKAA has completed the technical specifications and is soliciting a quote to repair the Accelator from the manufacturer's representative.

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 1,400,000				$ -	$ 1,400,000
	-	-	-	-	-	
Total Costs	**$ 1,400,000**	**$ -**	**$ -**	**$0**	**$ -**	**$ 1,400,000**

Project Summaries (continued)

For fiscal years 2024-2028

Kermit H Lewin Reverse Osmosis Facility

Water Supply and Treatment

Project Information

Location	Kermit H. Lewin Seawater Desalination Facility
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	2020
Completion Date	2025

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 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:

Construction of the new seawater desalination plant is currently in progress. Notice to Proceed was issued on October 27, 2021, with a final completion date of May 25, 2024.

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 15,000,000	$ 1,000,000			$ -	$ 16,000,000
Total Costs	**$ 15,000,000**	**$ 1,000,000**	**$ -**	**$ -**	**$ -**	**$ 16,000,000**

Project Summaries (continued)

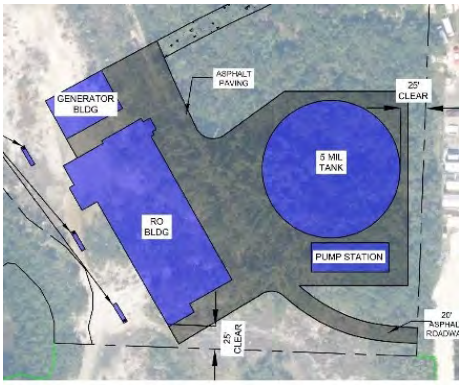
For fiscal years 2024-2028

Crawl Key Reverse Osmosis Facility

Water Supply and Treatment

Project Information

Location	Crawl Key
Project Type	Water Supply and Treatment
Category	Resiliency
Project Number	1182-23
Design Engineer	Carollo Engineers
Project Manager	David Hackworth
Contractor	To be determined
Start Date	2022
Completion Date	2027



Description/Justification:

The existing Marathon Reverse Osmosis is maintenance intensive, lacks reliability, and fails to meet production goals. To provide system reliability, this project will provide an additional 4 mgd capacity in the lower Keys during emergency conditions as well as providing capacity for future water demands. The new facility will include a 5 million gallon storage tank and pump station.

Status/Recent Developments:

FKAA has recently completed a site assessment of the Crawl Key property to verify that the facilities can be constructed at this site. FKAA is currently designing the site development plan.

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 4,000,000	$ 16,000,000	$ 25,000,000	$ 25,000,000	$ -	$ 70,000,000
	-	-	-	-	-	
Total Costs	**$ 4,000,000**	**$ 16,000,000**	**$ 25,000,000**	**$25,000,000**	**$ -**	**$ 70,000,000**

Project Summaries (continued)

For fiscal years 2024-2028

J. Robert Dean WTP Wastewater Forcemain

Project Information

Location	J. Robert Dean Water Treatr
Project Type	Water
Category	Renewal and Replacement
Project Number	4076-18
Design Engineer	Justin Dacey
Project Manager	Justin Dacey
Contractor	To be determined
Start Date	##
Completion Date	##

Description/Justification:

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

Status/Recent Developments:

The project is currently being designed by FKAA staff and should bid in 2023.

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 720,000		$ -	$ -	$ -	$ 720,000
Total Costs	**$ 720,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 720,000**

Project Summaries (continued)

For fiscal years 2024-2028

J. Robert Dean WTP Diesel Pump Upgrades

Transmission

Project Information

Location	J. Robert Dean Water Treatment Plant
Project Type	Water
Category	Renewal and Replacement
Project Number	1003-21
Design Engineer	Carollo Engineers
Project Manager	Emmy Koenig
Contractor	To be determined
Start Date	2022
Completion Date	2025

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 maxiumum 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 design phase of the project. Also, FKAA will open bids for the generator in July 2023.

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 1,500,000	$ 2,500,000				$ 4,000,000
	-	-	-	-	-	
Total Costs	**$ 1,500,000**	**$ 2,500,000**	**$ -**	**$0**	**$ -**	**$ 4,000,000**

Project Summaries (continued)

For fiscal years 2024-2028

J. Robert Dean WTP Electrical Improvements- (Phase 2)

Water Treatment

Project Information

Location	J. Robert Dean Water Treatment Plant
Project Type	Water
Category	Renewal and Replacement
Project Number	5017-23
Design Engineer	ADS Engineering
Project Manager	Emmy Koenig
Contractor	To be determined
Start Date	2024
Completion Date	2026

Description/Justification:

The electrical switchgear, motor control centers (MCCs), and automatic transfer switches at the J. Robert Dean Water Treatment Plant are reaching the end of their useful lives. An evaluation was performed in 2020, which prioritized the replacement of these electrical components. The high priority electrical equipment is currently being replaced. This project will replace the gear identified in the assessment as having a Medium priority.

Status/Recent Developments:

FKAA is currently in the preliminary design phase for the replacement of the switchgear in the K5 building

Financial Information:

Capital Funding:

Five Year Plan

	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 400,000	$3,200,000	$3,200,000			$ 6,800,000
Total Costs	**$ 400,000**	**$ 3,200,000**	**$ 3,200,000**	**$ -**	**$ -**	**$ 6,800,000**

Project Summaries (continued)

For fiscal years 2024-2028

J. Robert Dean WTP Storage Tank Coatings

Transmission

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	Emmy Koenig McDowell
Contractor	To be determined
Start Date	2023
Completion Date	2024

Description/Justification:

FKAA has three water storage tanks in Florida City. The tanks need to be re-painted to maintain and protect the structural integrity. Two of the tanks that require less work will be done in 2024 and the third tank which requires more work will be done in 2027.

Status/Recent Developments:

FKAA is currently preparing the coating specifications.

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 650,000			$1,350,000	$ -	$ 2,000,000
	-	-	-	-	-	
Total Costs	**$ 650,000**	**$ -**	**$ -**	**$1,350,000**	**$ -**	**$ 2,000,000**

Project Summaries (continued)

For fiscal years 2024-2028

Long Key, Marathon, and Ramrod Pump Station Electrical Upgrades

Transmission

Project Information

Location	Long Key, Marathon and Ramrod
Project Type	Water
Category	Renewal and Replacement
Project Number	5017-23
Design Engineer	ADS Engineering
Project Manager	Emmy Koenig McDowell
Contractor	To Be Determined
Start Date	2023
Completion Date	2025

Description/Justification:

The variable frequency drives and other critical electrical equipment for these three transmission system pump stations have reached the end of their design lives and need to be replaced

Status/Recent Developments:

FKAA is currently in the the preliminary design phase of this project

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	250,000	2,750,000				$3,000,000
Total Costs	**$ 250,000**	**$ 2,750,000**	**-**	**$ -**	**$ -**	**$3,000,000**

Project Summaries (continued)

For fiscal years 2024-2028

Transmission Islamorada (MM 79-84)

Transmission

Project Information

Location	Islamorada
Project Type	Water
Category	Renewal and Replacement
Project Number	1163-18
Design Engineer	Wade Trim
Project Manager	Emmy Koenig McDowell
Contractor	Michels
Start Date	2020
Completion Date	2025

Description/Justification:

This project replaces approximately 22,000 linear feet of 30-inch diameter transmission main in Islamorada that has a history of pipe failures. The new pipe will be 36-inch diameter and constructed of welded steel with cathodic protection.

Status/Recent Developments:

FKAA issued the notice to proceed for the replacement of the pipeline on February 10, 2023, with a final completion date of March 12, 2025.

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	20,000,000					$20,000,000
Total Costs	**$ 20,000,000**	**$ -**	**-**	**$ -**	**$ -**	**$20,000,000**

Project Summaries (continued)

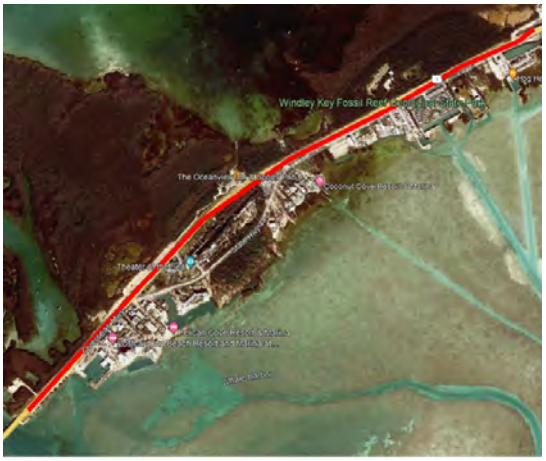
For fiscal years 2024-2028

Transmission Windley Key (MM 84-86)

Transmission

Project Information

Location	Windley Key
Project Type	Water
Category	Renewal and Replacement
Project Number	1183-23
Design Engineer	Wade Trim
Project Manager	Emmy Koenig McDowell
Contractor	To Be Determined
Start Date	2023
Completion Date	2026



Description/Justification:

This project will replace approximately 1.5 miles of 30-inch ductile iron transmission main with 36-inch carbon steel pipe in the vicinity of Windley Key extending from the south side of Snake Creek to just north of Whale Harbor. Replacement of this transmission main is critically needed due to its age, condition, and history of past failures. Construction of a new pipeline will minimize risk of future breaks and provide an opportunity for future redundancy by allowing FKAA to rehabilitate the existing pipeline once this project is completed.

Status/Recent Developments:

FKAA is currently in the the design phase for this project.

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	15,000,000					$15,000,000
Total Costs	**$ 15,000,000**	**$ -**	**-**	**$ -**	**$ -**	**$15,000,000**

Project Summaries (continued)

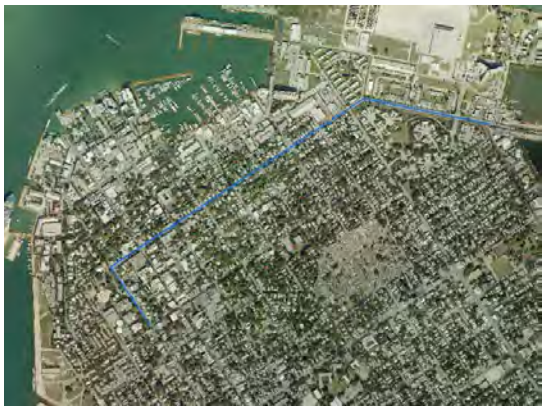
For fiscal years 2024-2028

Transmission Terminus Replacement

Transmission

Project Information

Location	Key West
Project Type	Water
Category	Renewal and Replacement
Project Number	1153-17
Design Engineer	CPH Engineers
Project Manager	Emmy Koenig McDowell
Contractor	To Be Determined
Start Date	2021
Completion Date	2025



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 FKAA's low interest loan through the Water Infrastructure Finance and Innovation Act (WIFIA) and partially funded by a state appropriation grant.

Status/Recent Developments:

The project is currently being designed and should advertised for bid in July 2023.

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 4,000,000	-	-	-	-	$ 4,000,000
Total Costs	**$ 4,000,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,000,000**

Project Summaries (continued)

For fiscal years 2024-2028

Transmission Marathon (Knights Key)

Transmission

Project Information

Location	Marathon
Project Type	Water
Category	Renewal and Replacement
Project Number	1174-22
Design Engineer	Black and Veatch
Project Manager	Emmy Koenig
Contractor	To Be Determined
Start Date	2023
Completion Date	2025

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 3700 LF of the transmission main to a location further from the embankment,

Status/Recent Developments:

FKAA is currently in the design phase of this project. The design should be completed in 2023.

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 600,000	$ 3,000,000				$ 3,600,000
	-	-	-	-	-	
Total Costs	**$ 600,000**	**$ 3,000,000**	**$ -**	**$ -**	**$ -**	**$ 3,600,000**

Project Summaries (continued)

For fiscal years 2024-2028

Transmission Ocean Reef

Transmission

Project Information

Location	Ocean Reef
Project Type	Water
Category	Renewal and Replacement
Project Number	1152-17D
Design Engineer	Carollo Engineers
Project Manager	Emmy Koenig McDowell
Contractor	To Be Determined
Start Date	2023
Completion Date	2025

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, FKAA is unable to maintain the required level of service during the system upgrades. This project will rehabiliated 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:

FKAA will advertise for bid of the replacement pipe outside of Ocean Reef by October 2023.

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 6,000,000	$ 1,500,000	-	-	-	$ 7,500,000
Total Costs	**$ 6,000,000**	**$ 1,500,000**	**$ -**	**$ -**	**$ -**	**$ 7,500,000**

Project Summaries (continued)

For fiscal years 2024-2028

Cathodic Protection System Repair and Improvements

Transmission

Project Information

Location	Various locations
Project Type	Water
Category	Renewal and Replacement
Project Number	To Be Determined
Design Engineer	To Be Determined
Project Manager	Justin Dacey
Contractor	To Be Determined
Start Date	###
Completion Date	###

Description/Justification:

The water transmission system includes 187 miles of high pressure pipe which is primarily made of welded steel and ductile iron. The steel pipe has a series of Cathodic Protection (CP) devices to keep the steel from corrosive deterioration. This CP system not working properly and needs to be repaired.

Status/Recent Developments:

This project is currently in the planning phase. Design will begin in FY2024

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 200,000	$ 2,000,000	-	-	-	$ 2,200,000
Total Costs	**$ 200,000**	**$ 2,000,000**	**$ -**	**$ -**	**$ -**	**$ 2,200,000**

Project Summaries (continued)

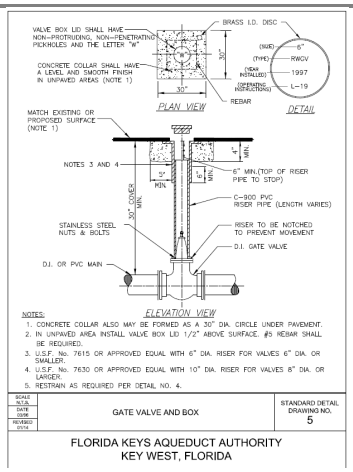
For fiscal years 2024-2028

Distribution Valve Replacement Program

Distribution

Project Information

Location	Key West
Project Type	Water
Category	Renewal and Replacement
Project Number	2336-17
Design Engineer	Justin Dacey
Project Manager	Justin Dacey
Contractor	FKAA
Start Date	2024
Completion Date	2028



Description/Justification:

FKAA has identified distribution valves that are in need of replacement. This project will require the installation of new valves that will be used to isolate sections of main for repair of leaks, maintenance, and leak survey.

Status/Recent Developments:

Staff recently replaced valves in Key West as part of the on-going valve replacement program

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 500,000
Total Costs	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 500,000**

Project Summaries (continued)

For fiscal years 2024-2028

Key West Pump Station Electrical Upgrades

Distribution

Project Information

Location	Key West
Project Type	Water
Category	Renewal and Replacement
Project Number	To be determined
Design Engineer	ADS
Project Manager	Emmy Koenig McDowell
Contractor	To be determined
Start Date	2023
Completion Date	2025

Description/Justification:

The variable frequency drives and other critical electrical equipment for the Key West distribution system pump station have reached the end of their design lives and need to be replaced.

Status/Recent Developments:

FKAA is currently in the design phase of this project

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 30,000	$ 400,000				$ 430,000
	-	-	-	-	-	-
Total Costs	**$ 30,000**	**$ 400,000**	**$ -**	**$ -**	**$ -**	**$ 430,000**

Project Summaries (continued)

For fiscal years 2024-2028

Desal Storage Tank

Distribution

Project Information

Location	Stock Island
Project Type	Water
Category	Renewal and Replacement
Project Number	2378-23
Design Engineer	Tank Engineering
Project Manager	Emmy Koenig McDowell
Contractor	To be determined
Start Date	2023
Completion Date	2024

Description/Justification:

During the last inspection of the storage tank, several deficiencies were noted, including the need to paint the tank, replace the ladder, and repair the areas showing corrosion.

Status/Recent Developments:

FKAA is currently in the preliminary design phase

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 300,000	$ -				$ 300,000
	-	-	-	-	-	-
Total Costs	**$ 300,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 300,000**

Project Summaries (continued)

For fiscal years 2024-2028

Distribution Twin Lakes Key Largo

Distribution

Project Information

Location	Key West
Project Type	Water
Category	Renewal and Replacement
Project Number	2375-22
Design Engineer	To be determined
Project Manager	Emmy Koenig McDowell
Contractor	To be determined
Start Date	2022
Completion Date	2024

Description/Justification:

This project will replace approximately 4,700 LF of 4-inch, 6-inch and 8-inch water mains along Adams Drive, Crane Street, and Shaw Drive. The existing main has reached the end of its useful life and is in need of replacement. Additionally, Monroe County plans to pave raise the roads and install storm drainage in this year.

Status/Recent Developments:

FKAA has completed the design for replacement of the water mains. Due to the coordination required to install the water mains, storm drains and raise the roads, FKAA and Monroe County decided to bid the project together and enter into an Interlocal Agreement. FKAA is currently waiting for Monroe County to bid the project.

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 1,500,000	$ -	-	-	-	$ 1,500,000
	-	-	-	-	-	-
Total Costs	**$ 1,500,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,500,000**

Project Summaries (continued)

For fiscal years 2024-2028

Distribution Upgrades

Distribution System

Project Information

Location	Various
Project Type	Water
Category	Renewal and Replacement
Project Number	Various
Design Engineer	Justin Dacey
Project Manager	Justin Dacey
Contractor	FKAA
Start Date	2024
Completion Date	2028

Description/Justification:

Replacement of several sections of pipes and ancillary components of the water distribution system throughout the entire service area that have reached the end of their useful life and are now prone to unpredictable failure. The five-year costs below include projects that may need to be accelerated due to Florida Department of Transportation and municipal wastewater projects that are scheduled to take place in same rights-of-way.

Status/Recent Developments:

Several distribution system upgrades are currently being designed and constructed for execution following careful evaluation of the cost benefit analysis and prioritization of projects.

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 900,000	$ 1,400,000	$1,500,000	$1,600,000	$ 1,700,000	$ 7,100,000
	-	-	-	-	-	-
Total Costs	**$ 900,000**	**$ 1,400,000**	**$1,500,000**	**$1,600,000**	**$ 1,700,000**	**$ 7,100,000**

Project Summaries (continued)

For fiscal years 2024-2028

Distribution Replacement South Street

Distribution

Project Information

Location	Key West
Project Type	Water
Category	Renewal and Replacemer
Project Number	2218-06
Design Engineer	Emmy Koenig McDowell
Project Manager	Emmy Koenig McDowell
Contractor	FKAA
Start Date	2021
Completion Date	2024

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 FKAA's restoration costs.

Status/Recent Developments:

FKAA has completed the design and is waiting for the City of Key West to perform their paving project.

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 600,000	$ -				$ 600,000
	-	-	-	-	-	-
Total Costs	**$ 600,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 600,000**

Project Summaries (continued)

For fiscal years 2024-2028

Distribution Storage Tank Replacement Crawl Key

Distribution

Project Information

Location	Crawl Key
Project Type	Water
Category	Renewal and Replacement
Project Number	2359-21
Design Engineer	CPH
Project Manager	Emmy Koenig McDowell
Contractor	To be determined
Start Date	2023
Completion Date	2024

Description/Justification:

The existing 500,000 gallon storage tank at Crawl Key has reached the end of its useful life and needs to be replac.e

Status/Recent Developments:

FKAA is curently in the design phase of this project. The project should be advertised for bid in summer of 2023.

Financial Information:

Capital Funding:

Five Year Plan

	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 2,500,000	-	-	-	-	$ 2,500,000
Total Costs	**$ 2,500,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,500,000**

Project Summaries (continued)

For fiscal years 2024-2028

Coco Plum Drive (Phase 1)

Distribution

Project Information

Location	Middle Keys
Project Type	Water
Category	Renewal and Replacement
Project Number	2379-23
Design Engineer	Justin Dacey
Project Manager	Justin Dacey
Contractor	To be determined
Start Date	2023
Completion Date	2024

Description/Justification:

This project will replace approximately 1,500 lineal feet of water distribution mains along Coco Plum Drive between the Overseas Highway to the first bridge. The existing main is 6-inch diameter and does not have sufficient capacity for the current and future water demands.

Status/Recent Developments:

FKAA is currently in the design phase of this project

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 600,000					$ 600,000
	-	-	-	-	-	
Total Costs	**$ 600,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 600,000**

Project Summaries (continued)

For fiscal years 2024-2028

Meter Gateways (Phase III)

Distribution

Project Information

Location	System-wide
Project Type	Water
Category	System Upgrade
Project Number	2337-23
Design Engineer	Justin Dacey
Project Manager	Justin Dacey
Contractor	To be determined
Start Date	2024
Completion Date	2026

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.

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 200,000	$ 200,000	$ 200,000	$ -	$ -	$ 600,000
	-	-	-	-	-	
Total Costs	**$ 200,000**	**$ 200,000**	**$ 200,000**	**$ -**	**$ -**	**$ 600,000**

Project Summaries (continued)

For fiscal years 2024-2028

Key West Storage Tank

Distribution

Project Information

Location	Key West
Project Type	Water
Category	System Upgrade
Project Number	2380-23
Design Engineer	To be determined
Project Manager	Emmy Koenig McDowell
Contractor	To be determined
Start Date	2024
Completion Date	2026

Description/Justification:

This project will replace the existing concrete storage tank at the Key West pump station, which has a capacity of 1 million. This tank has reached the end of its design life and needs to be replaced. During the design phase, the possibility to increase the tank capacity will be investigated.

Status/Recent Developments:

This project is currently in the planning phase.

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 250,000	$ 3,000,000	$ -	$ -	$ -	$ 3,250,000
	-	-	-	-	-	
Total Costs	**$ 250,000**	**$ 3,000,000**	**$ -**	**$ -**	**$ -**	**$ 3,250,000**

Project Summaries (continued)

For fiscal years 2024-2028

City of Key West Wastewater Forcemain (Key Haven)

Wastewater Treatment

Project Information

Location	Big Coppitt
Project Type	Wastewater
Category	Upgrade
Project Number	4090-23
Design Engineer	Baxter Woodman
Project Manager	Emmy Koenig McDowell
Contractor	To be determined
Start Date	2022
Completion Date	2024

Description/Justification:

The City of Key West has agreed to allow FKAA to discharge wastewater from the Big Coppitt Service Area to the City's Richard A. Heyman Environmental Pollution Control Facility. This project will install approximately 8200 LF of 6-inch or 8-inch forcemain between Key Haven and the intersection of Duck Avenue and S. Roosevelt Blvd., allowing FKAA to avoid the need to expand the existing Big Coppitt Wastewater Treatment Plant and provide a capital cost savings of $12 million.

Status/Recent Developments:

FKAA is currently in the design phase of this project

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$2,300,000					$ 2,300,000
Total Costs	**$2,300,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,300,000**

Project Summaries (continued)

For fiscal years 2024-2028

Wastewater On-site Projects

Wastewater Treatment

Project Information

Location	Cudjoe
Project Type	Wastewater
Category	Upgrade
Project Number	4029-09F
Design Engineer	Baxter Woodman
Project Manager	Emmy Koenig McDowell
Contractor	To be determined
Start Date	2022
Completion Date	2024

Description/Justification:

On June 17, 2010, FKAA received a grant from the U.S. Environmental Protection Agency to demonstrate decentralized wastewater treatment in the lower Florida Keys. This project has been implemented in phases over the past several years. This project will complete the remaining eight properties that were included in this program

Status/Recent Developments:

FKAA is currently in the design phase of this project and should be ready to bid by July 2023.

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 500,000					$ 500,000
Total Costs	**$ 500,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 500,000**

Project Summaries (continued)

For fiscal years 2024-2028

Big Coppitt Wastewater Treatment Plant Improvements

Wastewater Treatment

Project Information

Location	Big Coppitt
Project Type	Wastewater
Category	Renewal and Replacement
Project Number	4069-17
Design Engineer	Justin Dacey
Project Manager	David Hackworth
Contractor	To be determined
Start Date	2021
Completion Date	2024

Description/Justification:

The Big Coppitt WWTP has several deficiencies that were going to be corrected during the plant expansion. Since FKAA is no longer going to expand the plant, the following improvements need to be made: 1) Replace headworks piping from underground PVC to overhead (post screen) PVC; 2) Replace bar screen; 3) Replace chemical feed system

Status/Recent Developments:

FKAA is currently in the design phase of this project

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$1,000,000					$ 1,000,000
Total Costs	**$1,000,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,000,000**

Project Summaries (continued)

For fiscal years 2024-2028

Cudjoe/Big Coppitt Wastewater Improvements

Project Information

Location	Big Coppitt and Cudjoe
Project Type	Sewer
Category	Renewal and Replacement
Project Number	4098-23
Design Engineer	Ardurra
Project Manager	Emmy Koenig McDowell
Contractor	TBD
Start Date	2024
Completion Date	2025

Description/Justification:

This project includes a variety of wastewater improvements to reduce overflows within the Big Coppitt and Cudjoe service areas. These improvements include a new influent storage tank at Big Coppitt wastewater treatment plant, pump station and force main improvements in both service areas, and upgrades to the Cudjoe Deep Injection Well pumps.

Status/Recent Developments:

FKAA is currently in the process of negotiating a contract with the design engineer

Financial Information:

Capital Funding:

	Five Year Plan					
	2024	2025	2026	2027	2028	Total Cost
Capital Engineering & Construction Costs	$ 4,095,000	$11,975,000	$ -	$ -	$ -	$ 16,070,000
	-	-	-	-	-	
Total Costs	**$ 4,095,000**	**$11,975,000**	**$ -**	**$ -**	**$ -**	**$ 16,070,000**

Capital Outlay Budget Detail

For fiscal year 2024

Additions to Utility Plant 2024 Budget Detail

			Amount	Water cost centers	Wastewater cost centers	Total
Executive Division						
	Executive					
1011	Executive Office	None	$ -	$ -		
1012	Public Information	None	-	-		
						$ -
Administration Division						
	Customer Service					
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	-	-		
						-
	Finance					
6010	Finance	None	-	-		
6020	Billing	None	-	-		
6030	Purchasing and Inventory	Replacement MIUs	900,000			
		Meters and valves (new)	265,000			
		Small meter replacement	35,000			
		Large meter replacement	100,000	1,300,000		
6040	Records	None	-	-		
						1,300,000
	Human Resources					
7010	Human Resources	None	-	-		
						-
	Information Technology					
8010	Information Technology	Application Integration Software	100,000			
		Cooperate Infrastructure Servers	67,000			
		Printers (replacements)	12,000			
				179,000		
						179,000
Utility Operations Division						
	Engineering					
2021	General Engineering	None	-	-		
2022	Contract Management	None	-	-		
2024	Design	None	-	-		
2025	Construction Crew	Replace Backhoe	115,000			
		Replacement of Equipment Storage Bldg	200,000			
		Demo for exisiting	20,000	335,000		
						335,000
	Water Operations					
4001	Operations Office Key West	None	-	-		
4101	Operations Office Stock Island/lower keys	Desal aggregate bins (replacement)	146,000	146,000		

Capital Outlay Budget Detail (continued)

For fiscal year 2024

4102	Distribution/Maintenance-Area I	Sigsbee pump # 2 (replacement)	26,250			
		Concrete slab for 20yd dumpster	9,300			
		Diesel compactor (replacement)	6,300	41,850		
4103	Distribution/Maintenance-Area II	Upgrade to motorized gate (Summerland tank)	10,500			
		Trailer for Skid steer (new)	9,500	20,000		
4104	Distribution Pump Station-Key West	None	-	-		
4105	Distribution Pump Station-Stock Island	None	-	-		
4108	Fleet Maintenance-lower keys	Vehicles (see below)	-	-		
4109	Water Quality	Portable analyzers (5) (replacements)	31,500	31,500		
4110	Stock Island Reverse Osmosis Plant	None	-	-		
4201	Operations Marathon/Middle keys	AC unit for EIC office (replacement)	6,400	6,400		
4202	Distribution/Maintenance-Area III	None	-	-		
4203	Transmission Maintenance-Area III	Utility cart for hydraulic equipment (new)	9,900	9,900		
4204	Transmission Pump Station-Marathon	Seals for Goulds pumps (2)	10,600	10,600		
4205	Transmission Pump Station-Ramrod	Slanting disc check valve (replacement)	34,000	34,000		
4208	Fleet Maintenance-middle keys	Vehicles (see below)	-	-		
4210	Reverse Osmosis Plant-Marathon	Dual compressor (replacement)	17,000	17,000		
4301	Operations Key Largo and upper keys	AC unit for CS teller line (replacement)	12,000			
		AC unit for CS Hallway/Breakroom (replacement)	6,000	18,000		
4302	Distribution Maintenance Area IV	None	-	-		
4303	Distribution Maintenance Area V	Dump trailer (replace # 258)	16,200			
		Hydaulic cart	10,400			
		Envirosight push camera	12,000	38,600		
4304	Transmission Maintenance Areas IV and V	Backhoe (replace # 255)	83,000			
		Hydraulic pipe cutter (replacement)	27,700			
		New hip roof for KL main shop	13,000			
		New hip roof for KL office building	41,000			
		New flat roof for KL main shop	93,500			
		Ice maker (replacement)	5,500	263,700		
4308	Fleet Maintenance-upper keys	Vehicles (see below)	-	-		
5010	Water Treatment Plant-Florida City	24" flange butterfly valve (replacement)	35,700			
		Actuator for 36" drain valve (replacement)	52,300			
		9" dry lime auger (spare)	12,600	100,600		
5020	Transmission Pump Station-Florida City	Vertical turbine pump (spare)	78,700			
		FL City backflow upgrade	78,700	157,400		
5030	Transmission Pump Station-Long Key	Diesel pump for cooling core (spare)	11,900			
		Generator for cooling core (spare)	7,400	19,300		
5040	Transmission Pump Station-Key Largo	Gen-set control panel (replacement)	23,900			
		AC for electric room # 2 (replacement)	30,500			
		AC for control room (replacement)	5,300	59,700		
5050	Florida City RO Plant	None	-	-		
5060	Electrical and Instrumentation Controls	Duck Key Re-Use VFD replacements (3)	54,400			
		FL City VFD 7 & 8 relay replacements	131,400			
		Layton WW actuator replacements (2)	14,700			
		Emerson calibrator (new)	10,500			
		Woodward simulator (new)	13,100			
		Cudjoe WWTP Blow VFD upgrades (2)	11,600			
		Cudjoe transformer replacement	16,300			
		Ultrasonic flow meter heads (2) - spares	12,000	264,000		
						1,238,550
	Wastewater Operations					
4112	Bay Point Wastewater Treatment Plant	Replacement Standby Generator	50,400			
		Replacement Influent Odor Control Vessel	14,200		64,600	
4113	Bay Point Collection	None	-		-	
4114	Big Coppitt Wastewater Treatment	Screw for Centrifuge Conveyor (replacement)	19,500			
		12" Effluent Butterfly Valve (replacement)	17,000		36,500	

Capital Outlay Budget Detail (continued)

For fiscal year 2024

4115	Big Coppitt Collection	Replacement Portable Generator (replacement)	102,900	102,900	
4116	Key Haven Wastewater Treatment	None	-	-	
4117	Key Haven Collection	None	-	-	
4118	Cudjoe Regional Wastewater Treatment	CL17 Analyzer for Chlorine Residual (replacement)	7,400		
		Centrifuge Oil Cooler Replacement	17,000	24,400	
4119	Cudjoe Regional Collection	Ramrod Key Lift Station 114 HP Pump (replacement)	50,400		
		BPKTS2 Trans Lift Station Pump (replacement)	14,700	65,100	
4120	Navy Wastewater System	None	-	-	
4213	Wastewater Treatment Plant-Duck Key	Wilo mixer (replacement)	10,000		
		CL17 Analyzer for Chlorine Residual (replacement)	7,400		
		Bard AC replacment for MCC/Office	13,700		
		Influent Pump (replacement)	9,200		
		Effluent Pump (replacement)	14,200		
		RAS/WAS Pump (replacement)	9,000	63,500	
4214	Wastewater Operations and Maintenance	Dump Trailer (replacement)	13,200		
		4" Bypass Pump (new)	72,000		
		Confined Space Man Hoist (safety)	8,400	93,600	
4216	Duck Key Collection	40 Lift Station Panel Conversions to Sentry Advisor	111,300		
		Grinder pump replacement Neptune (1)	7,900	119,200	
4312	Wastewater Treatment Plant-Layton	Jet Motive pump (replacement)	15,200	15,200	
4313	Layton Collection	Hydromatic LKSP Main LS Pump (replacement)	7,900		
		Hydromatic Ranger housing pump (replacement)	6,900	14,800	
4314	Cross Key	None	-	-	
					599,800
	Total Capital Outlay				**$ 3,652,350**

Fleet details

4108	Fleet Maintenance-lower keys	None		
			-	
4208	Fleet Maintenance-middle keys	None		
			-	
4308	Fleet Maintenance-upper keys	None		
			-	
	Total fleet capital		-	

Capital Financing Plan Summary

For fiscal year 2024

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

The Authority anticipates up to $25 million in long term debt dependent on grant and appropriation allocations. Water capital projects will be funded using grants, state and federal appropriations, available cash reserves and revenue from a dedicated source such as assessments and rate revenue from the 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 2024 is estimated to be approximately $205.5 million and debt service is approximately $15.2 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 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 2024

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 2024

SUMMARY OF OUTSTANDING PRINCIPAL OF LONG TERM DEBT

	Projected outstanding principal, 10/1/23	2024 proceeds from issuance of debt	2024 budgeted principal payments	Projected outstanding principal, 9/30/24
Series 2008 water refunding and revenue bonds [1]	$ 49,880,000	$ -	$ 3,045,000	$ 46,835,000
Series 2013B water revenue bonds	4,910,000	-	385,000	4,525,000
Series 2014A water revenue bonds	1,715,000	-	135,000	1,580,000
Series 2015A water refunding bonds	32,385,000	-	1,980,000	30,405,000
Series 2015B water refunding bonds	13,360,000	-	-	13,360,000
Series 2016 wastewater revenue bonds	8,645,000	-	290,000	8,355,000
Series 2019A water revenue bonds	45,010,000	-	-	45,010,000
Series 2021B water revenue bonds	30,915,000	-	-	30,915,000
future 2024 debt projection		25,000,000	450,000	24,550,000
Total bonds	**$ 186,820,000**	**$ 25,000,000**	**$ 6,285,000**	**$ 205,535,000**

SUMMARY OF DEBT SERVICE

			Budgeted 2023 debt service			Budgeted 2024 debt service		
	Fixed / Variable		Principal	Interest	Total	Principal	Interest	Total
Series 2008 water refunding and revenue bonds [1]	Variable		$ 2,905,000	$ 1,892,839	$ 4,797,839	$ 3,045,000	$ 1,777,325	$ 4,822,325
Series 2013B water revenue bonds	Fixed	3.52%	375,000	172,832	$ 547,832	385,000	159,632	544,632
Series 2014A water revenue bonds	Fixed	3.52%	130,000	60,368	$ 190,368	135,000	55,792	190,792
Series 2015A water refunding bonds	Fixed	3.375-5.00%	1,890,000	1,231,025	$ 3,121,025	1,980,000	1,136,525	3,116,525
Series 2015B water revenue bonds	Fixed	2.52%	-	336,672	$ 336,672	-	336,672	336,672
Series 2016 wastewater revenue bonds	Fixed	1.72%	275,000	148,694	$ 423,694	290,000	143,964	433,964
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%	-	1,545,750	$ 1,545,750	-	1,545,750	1,545,750
future 2024 debt projection	Fixed	5.00%	-	-	-	450,000	1,500,000	1,950,000
Total bonds			**$ 5,575,000**	**$ 7,638,680**	**$ 13,213,680**	**$ 6,285,000**	**$ 8,906,160**	**$ 15,191,160**

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

Debt Service Coverage Analysis

For fiscal year 2024

	Budgeted 2023		Budgeted 2024	
	Water	Wastewater	Water	Wastewater
	Revenue available for debt service			
Total operating revenue	$ 69,416,000	$ 12,844,000	$ 78,162,000	$ 14,561,000
Interest income-revenue funds	200,000	-	200,000	-
Other revenue available for debt service	32,181,000	-	35,028,000	-
Less operating expenses before depreciation	(50,504,855)	(11,682,000)	(60,360,700)	(13,228,000)
Net funds available for debt coverage	**51,292,145**	**1,162,000**	**53,029,300**	**1,333,000**
Debt service requirements	$ 12,789,986	423,694	$ 14,757,196	433,964
Coverage factor (minimum of 1.10 for water only)	**4.01**		**3.59**	
System development fees	$ 1,000,000	$ 500,000	$ 1,000,000	$ 500,000
Coverage factor with system development fees (minimum of 1.20)	**4.09**	**3.92**	**3.66**	**4.22**

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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

Deputy Executive Director

Gregory W Veliz

Executive

Legal Services

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, governmentalliaison 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.

Executive Division Summary

For fiscal year 2024

Executive Division

KEY DEPARTMENT INDICATORS

	Actual 2022	Budgeted 2023	Budgeted 2024
Key department indicators			
Number of full time department employees budgeted	12	16	16
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	3	3	3

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 FKAA'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.

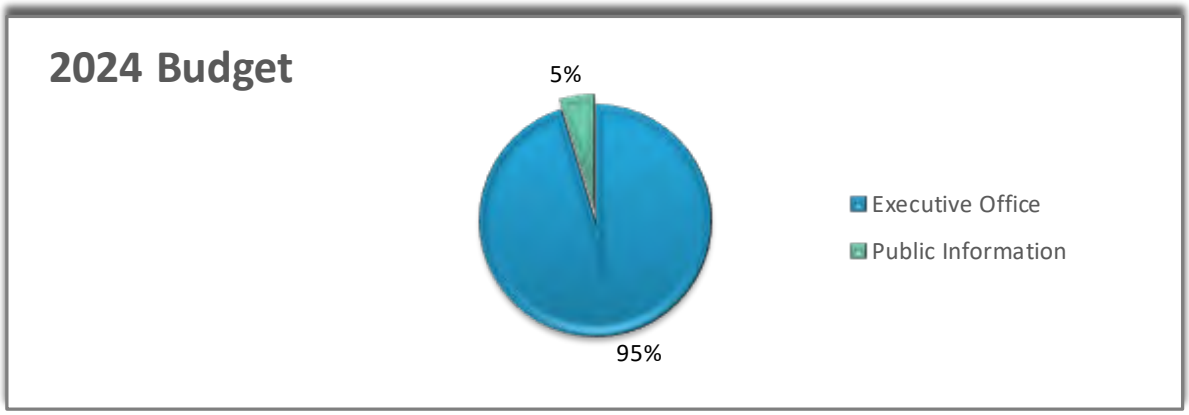
Develop an internal communications strategy.

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

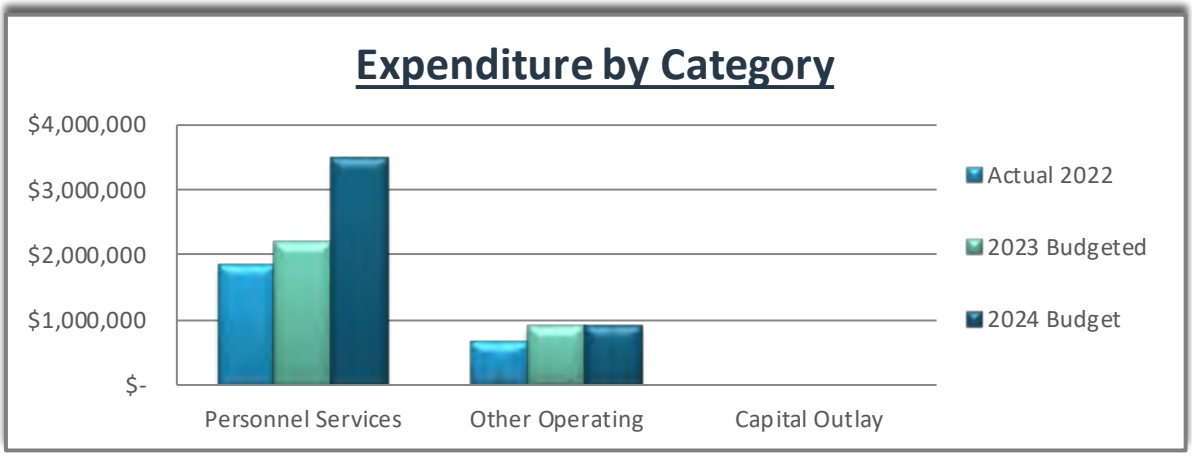
Executive Division Summary (continued)

For fiscal years 2024

Executive



Division	2024 Budget
Executive Office	$ 4,189,050
Public Information	206,100
Total	$ 4,395,150



Expenditure	Actual 2022	2023 Budgeted		2024 Budget
Personnel Services	$ 1,844,293	$ 2,183,100		$ 3,478,600
Other Operating	676,120	896,350		916,550
Capital Outlay	-	-		-
Total	$ 2,520,413	$ 3,079,450		$ 4,395,150

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 2024

Finance Department

KEY DEPARTMENT INDICATORS

	Actual 2022	Budgeted 2023	Budget 2024
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)	-	**-**	**-**
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**	**9,000**
Number of purchase orders	1,648	**1,680**	**1,605**
Number of bids and RFps/RFQ's issued	20	**25**	**30**
Number of warehouses	5	**5**	**5**
Number of stock items	2,186	**2,210**	**1,626**

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.

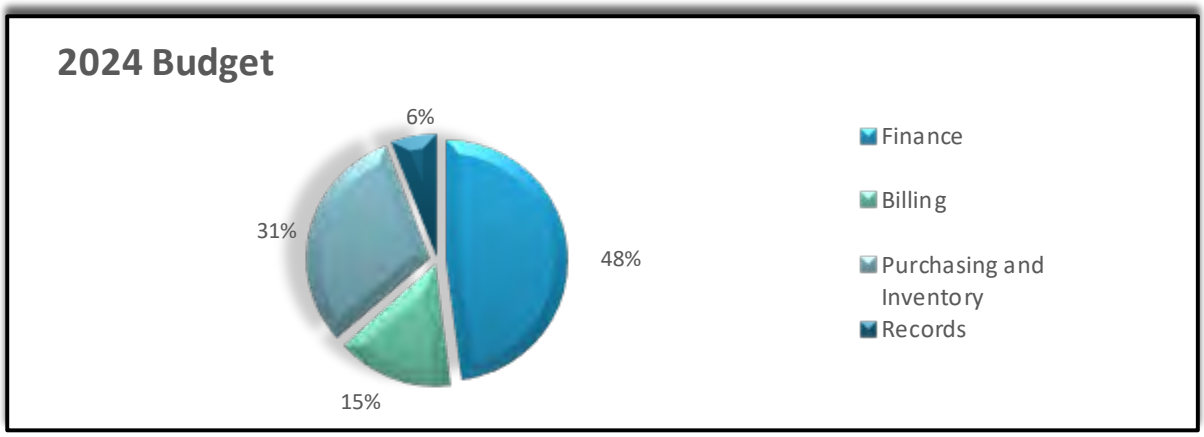
Continue to monitor water and wastewater rates for sufficiency.

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

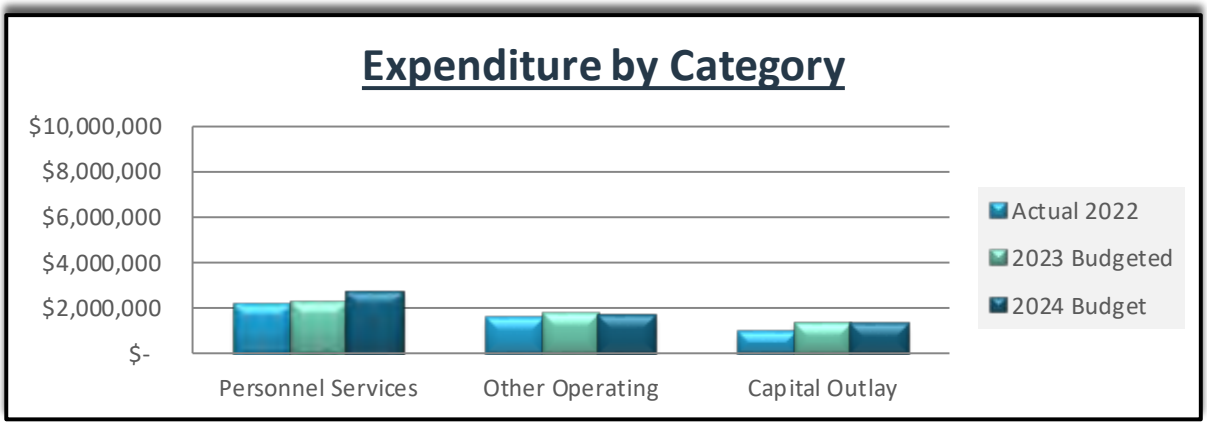
Finance Department Summary (continued)

For fiscal years 2024

Finance



Division	2024 Budget
Finance	2,729,000
Billing	886,200
Purchasing and Inventory	1,747,000
Records	328,600
Total	**$ 5,690,800**



Expenditure	Actual 2022	2023 Budgeted		2024 Budget
Personnel Services	$ 2,148,915	$ 2,283,900		$ 2,713,300
Other Operating	1,538,953	1,723,600		1,677,500
Capital Outlay	932,752	1,350,000		1,300,000
Total	**$ 4,620,620**	**$ 5,357,500**		**$ 5,690,800**

Customer Service Department Summary

For fiscal year 2024

Customer Service Department
KEY DEPARTMENT INDICATORS

	Actual 2022	Budgeted 2023	Budget 2024
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	55,000
Number of automated read meters	53,000	53,000	55,000
Number of data collection units	70	70	70
Number of delinquent service orders	6,500	6,000	7,500
Number of high consumption investigations	6,000	6,000	6,500
New meter installations (not including replacements)	700	600	800
Total field service orders	39,000	39,000	500
Assist Customers	214	1,000	40,000
Total Number of data extracts performed	2,000	2,000	500
Number of zero read investigations	3,431	3,000	2,000
Number of MIU's changes	8,000	8,000	3,500

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.

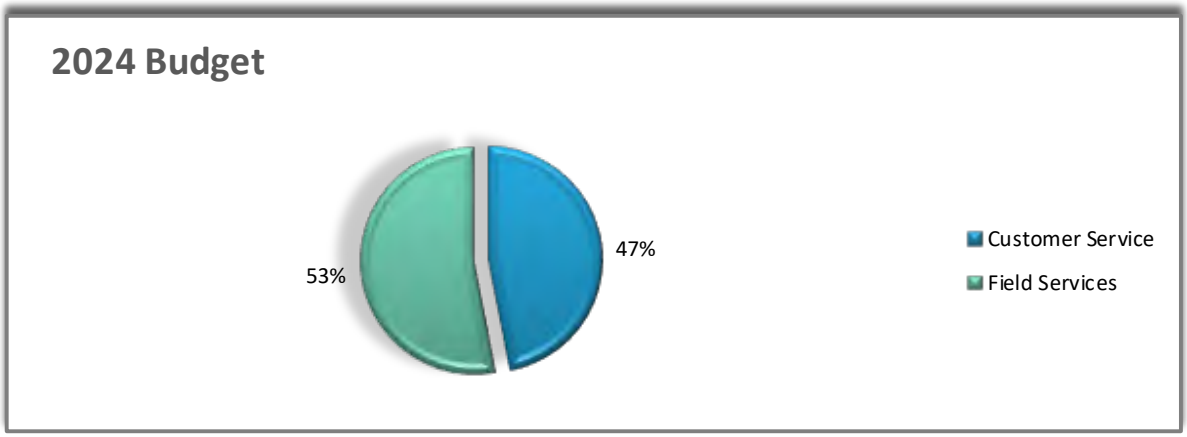
Improve customer satisfaction through friendly, reliable, timely services and improve our customers understanding and confidence in our resources.

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

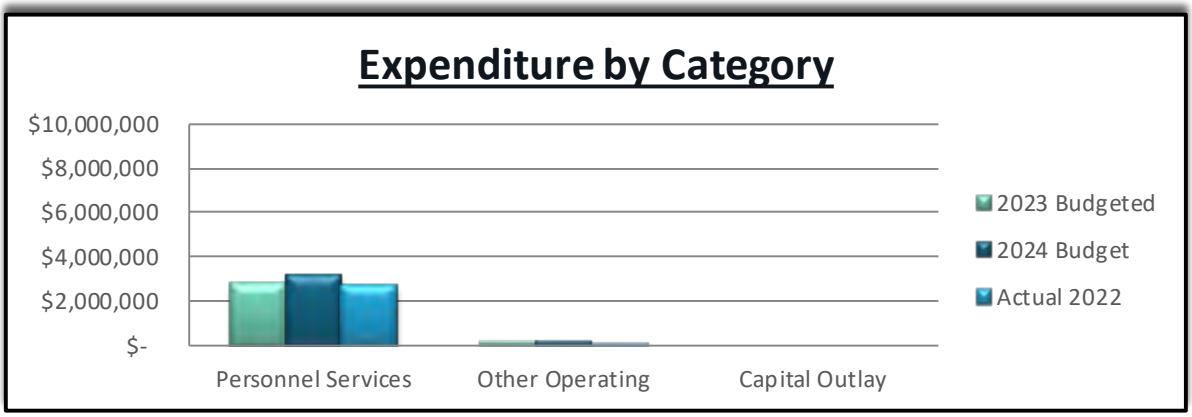
Customer Service Department Summary (continued)

For fiscal years 2024

Customer Service



Division	2024 Budget
Customer Service	1,567,000
Field Services	1,770,100
Total	$ 3,337,100



Expenditure	Actual 2022	2023 Budgeted		2024 Budget
Personnel Services	$ 2,685,841	$ 2,780,100		$ 3,157,400
Other Operating	99,053	145,800		179,700
Capital Outlay	-	-		-
Total	$ 2,784,894	$ 2,925,900		$ 3,337,100

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 2024

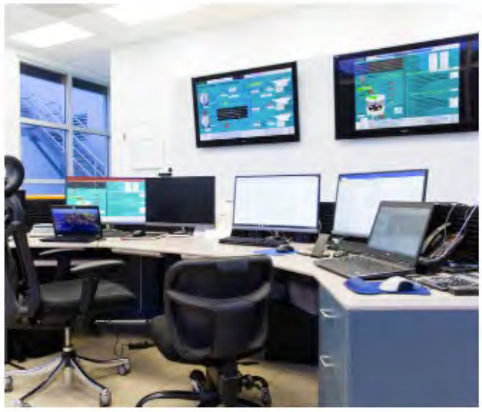
Human Resources Department
KEY DEPARTMENT INDICATORS

Key department indicators			
	Actual 2022	Budgeted 2023	Budget 2024
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.

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



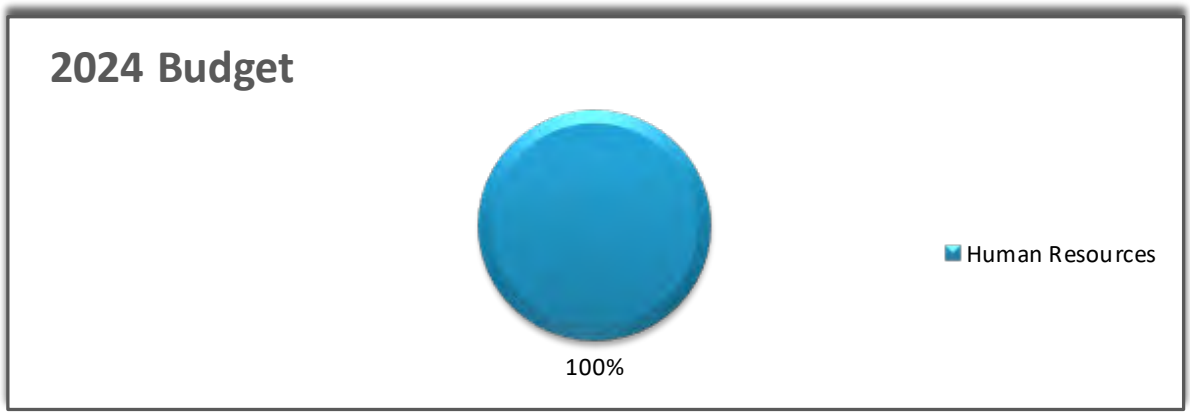
Continue to update our Leadership training program for new and seasoned supervisors and managers throughout the system.

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 tranining and certifications for current and future career advancement.

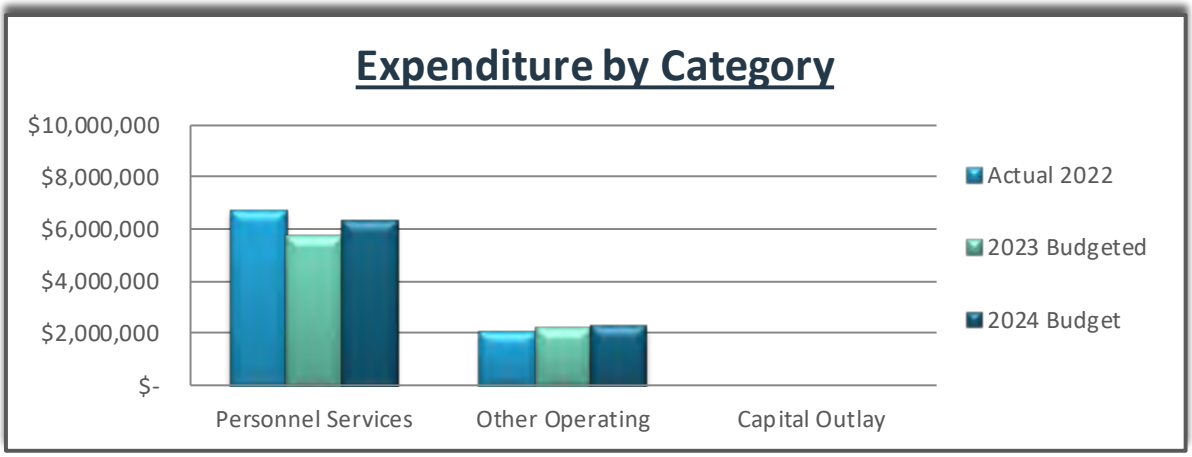
Human Resources Department Summary (continued)

For fiscal year 2024

Human Resources



Division	2024 Budget
Human Resources	$ 8,501,200
Total	$ 8,501,200



Expenditure	Actual 2022	2023 Budgeted		2024 Budget
Personnel Services	$ 6,675,828	$ 5,686,400		$ 6,278,400
Other Operating	2,020,979	2,215,200		2,222,800
Capital Outlay	-	-		-
Total	**$ 8,696,807**	**$ 7,901,600**		**$ 8,501,200**

INFORMATIOON TECHNOLOGY DEPARTMENT

Information Technology

Rick Ketcham

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 2024

Information Technology Department

KEY DEPARTMENT INDICATORS

	Actual 2022	Budgeted 2023	Budget 2024
Key department indicators			
Number of full time department employees	13	**13**	**13**
New positions not in prior year's budget	-		
Positions budgeted last year that are eliminated	-	**-**	**-**
Positions transferred in (out)	-	**-**	**-**
Help desk requests	2,673	**2,400**	**2,600**
Number of work stations/IPads maintained	520	**475**	**400**
Number of servers maintained	86	**105**	**105**
Routers/switches maintained	159	**160**	**170**
PBX switches maintained	-	**-**	**-**
Telephones maintained (includes fax & cell)	134	**175**	**200**
Radios maintained	-	**-**	**-**
PLCs maintained	-	**-**	**-**
Printers	127	**165**	**131**

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.

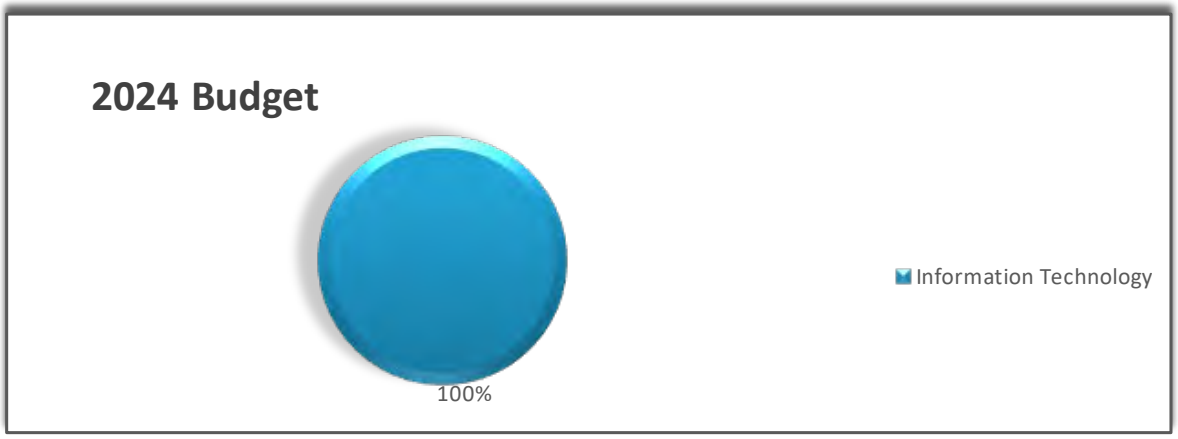
Enhance network security to ensure utility safe operations.

Develop a defensible utility and related infrastructure.

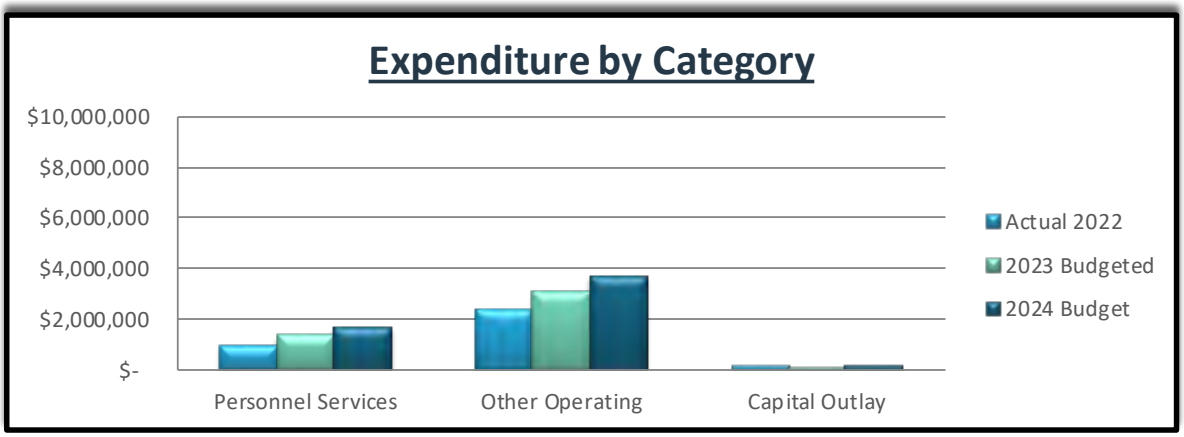
Information Technology Department Summary (continued)

For fiscal years 2024

Information Technology



Division	2024 Budget
Information Technology	$ 5,509,000
Total	$ 5,509,000



Expenditure	Actual 2022	2023 Budgeted		2024 Budget
Personnel Services	$ 947,210	$ 1,368,300		$ 1,666,100
Other Operating	2,348,110	3,097,100		3,663,900
Capital Outlay	168,307	110,000		179,000
Total	**$ 3,463,627**	**$ 4,575,400**		**$ 5,509,000**

David Hackworth

ENGINEERING DEPARTMENT

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

Responsibilities and Budget Issues

The Engineering Department consists of general engineering, water quality, contract management, construction crew and design. 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 2024

Engineering Department
KEY DEPARTMENT INDICATORS

	Actual 2022	Budgeted 2023	Budget 2024
Key department indicators			
Number of full time department employees budgeted	29	**29**	**29**
New positions not in prior year's budget	-	**-**	**-**
Positions budgeted last year that are eliminated	-	**-**	**-**
Positions transferred in (out)	-	**-**	**-**
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 FKAA'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

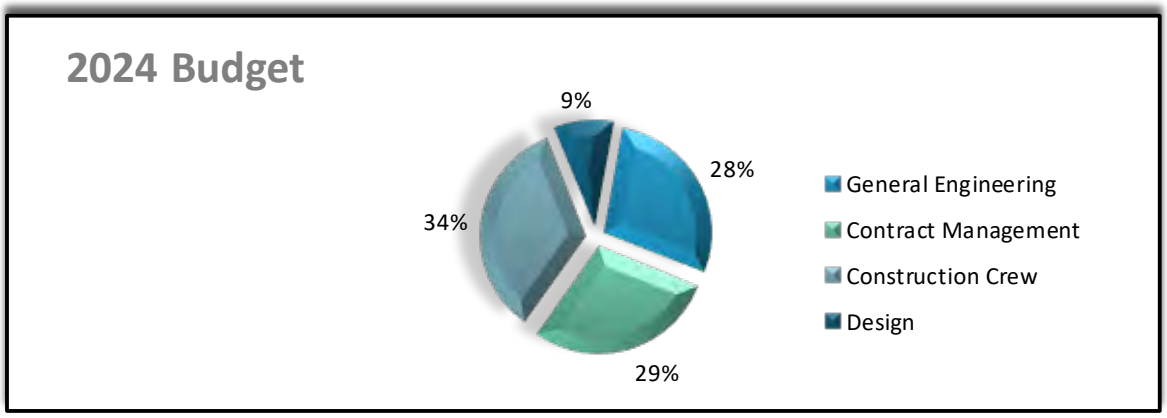
Enhance and provide cost effective services for compliance and protection of drinking water

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

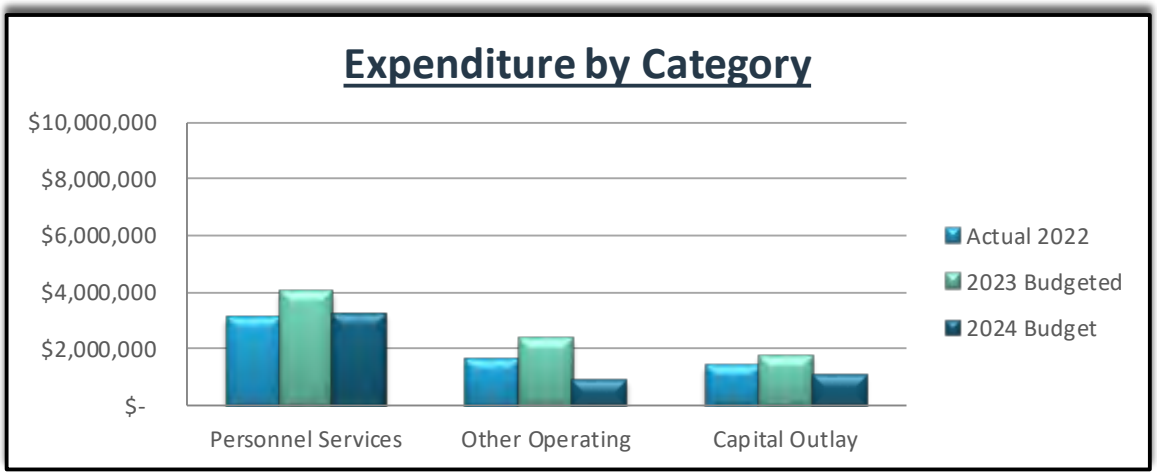
Engineering Department Summary (continued)

Engineering

For fiscal years 2024



Division	2024 Budget
General Engineering	$ 1,479,400
Contract Management	1,507,300
Construction Crew	1,785,252
Design	460,600
Total	**$ 5,232,552**



Expenditure	Actual 2022	2023 Budgeted	2024 Budget
Personnel Services	$ 3,093,519	$ 4,015,914	$ 3,242,552
Other Operating	1,646,487	2,344,500	902,400
Capital Outlay	1,412,927	1,764,400	1,087,600
Total	**$ 6,152,933**	**$ 8,124,814**	**$ 5,232,552**

Peter Gomez

WATER OPERATIONS DEPARTMENT

Area I Distribution System Operations (Key West)
Area 2 Distribution System Operations (Lower Keys)
Area 3 Distribution System Operations (Marathon)
Areas I, 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 2024

Water Operations Department
KEY DEPARTMENT INDICATORS

	Actual 2022	Budgeted 2023	Budget 2024
Key department indicators			
Number of full time department employees	128	**141**	**144**
Positions budgeted last year that are eliminated	-	**-**	**-**
Positions transferred in (out)	-	**-**	**-**
Number of vehicles in the department	119	**121**	**121**
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.

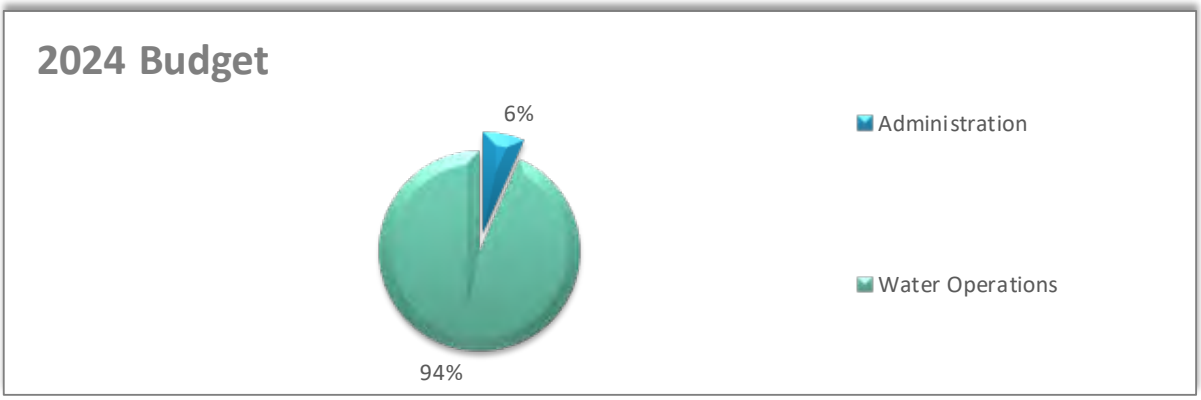
Evaluate impact on operations from proposed Capital Improvement Plan (CIP) projects.

Meet and exceed all SDWA regulatory requirements.

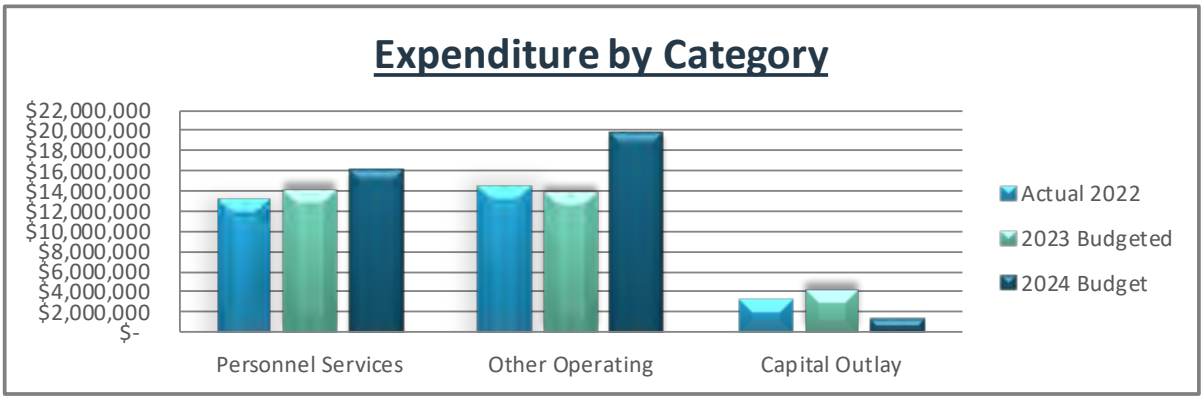
Water Operations Department Summary (continued)

For fiscal years 2024

Water Operations



Division	2024 Budget
Administration	$ 2,122,700
Water Operations	30,615,750
Total	**$ 32,738,450**



Expenditure	Actual 2022	2023 Budgeted		2024 Budget
Personnel Services	$ 13,179,733	$ 14,070,500		$ 15,953,500
Other Operating	14,460,082	13,819,600		19,778,300
Capital Outlay	3,125,003	4,142,000		1,238,550
Total	**$ 30,764,818**	**$ 32,032,100**		**$ 36,970,350**

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 Ntreatment facilities and collection systems along with training, licensing and salaries for staff.

Wastewater Operations Department Summary

For fiscal year 2024

Wastewater Operations Department
KEY DEPARTMENT INDICATORS

	Actual 2022	Budgeted 2023	Budget 2024
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.

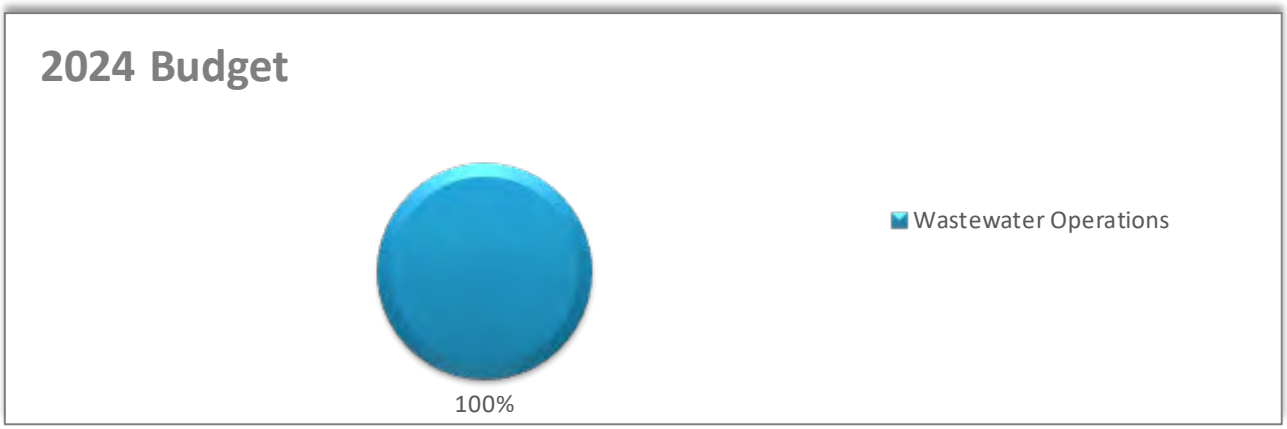
Maintain numbers below FDEP mandated parameters at all wastewater facilities.

Complete the transition to ezDMR reporting for all wastewater facilities.

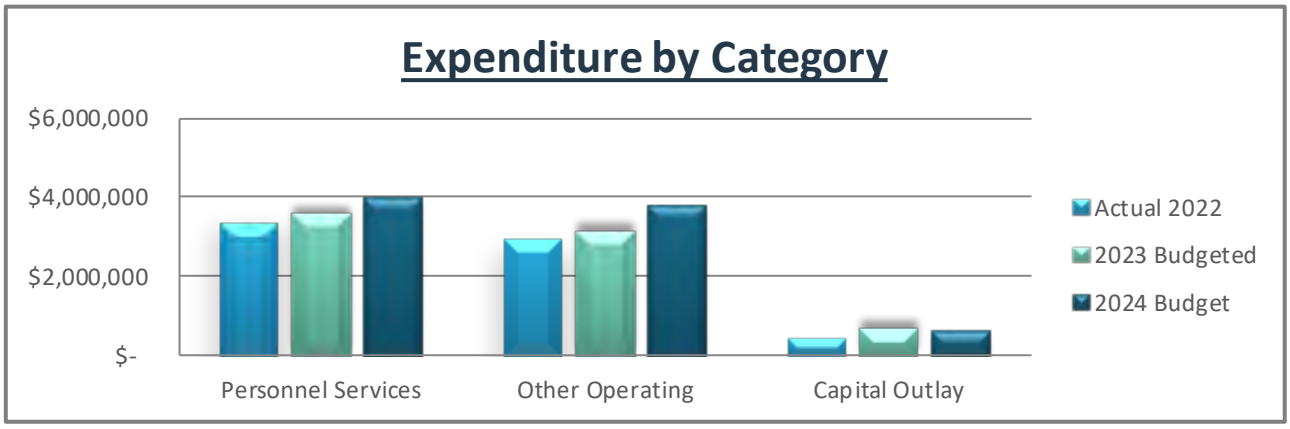
Wastewater Operations Department Summary (continued)

For fiscal years 2024

Wastewater Operations



Division	2024 Budget
Wastewater Operations	8,357,250
Total	$ 8,357,250



Expenditure	Actual 2022	2023 Budgeted		2024 Budget
Personnel Services	$ 3,298,869	$ 3,553,500		$ 3,964,100
Other Operating	2,914,624	3,123,705		3,793,350
Capital Outlay	415,937	680,300		599,800
Total	**$ 6,629,430**	**$ 7,357,505**		**$ 8,357,250**

Position and Fleet

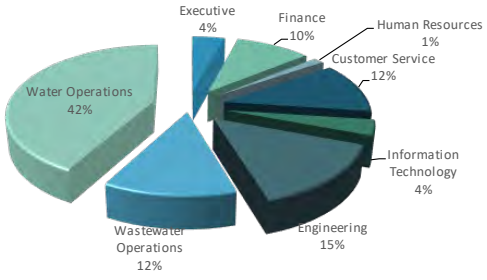
For fiscal years 2024

POSITION AND FLEET SUMMARY 2024

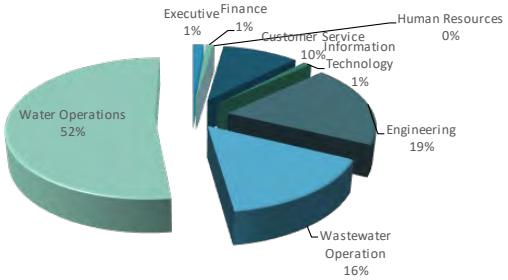
Positions	Executive	Finance	Human Resources	Customer Service	Information Technology	Engineering	Wastewater Operations	Water Operations	Total
Budgeted positions in 2022	13	30	4	36	11	45	35	125	299
New positions									
Diesel Mechanic								1	
Transmission Mechanic								1	
Water Treatment Plant Mechanic								1	
Wastewater Mechanic							3		
Budgeted positions in 2023	13	30	4	36	11	45	38	126	303
New positions									
Safety and Security Officer								2	2
Safety and Security Admon								1	1
Transferred positions									-
N/A									-
Eliminated positions									-
N/A									-
Budgeted positions in 2024	13	30	4	36	11	45	38	129	306

Fleet	Executive	Finance	Human Resources	Customer Service	Information Technology	Engineering	Wastewater Operation	Water Operations	Total
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
Added vehicles									
None									-
Eliminated vehicles									-
None									-
Transferred vehicles									-
None									-
Budgeted vehicles in 2024	3	2	-	21	2	40	33	110	211

BUDGETED POSITIONS BY DEPARTMENT



BUDGETED VEHICLES BY DEPARTMENT



Operating Expenditure By Functional Unit

For fiscal years 2024

2024 Budget Summary

	2022 Actual	2022 Budget	2024 Budget	Increase/Decrease Amount	Change from previous year budget
Executive Division					
Executive Office	$ 2,352,945	$ 2,847,350	$ 4,189,050	$ 1,341,700	**47%**
Public Information	167,468	$ 232,100	206,100	(26,000)	**-11%**
Totals	**2,520,413**	**3,079,450**	**4,395,150**	**1,315,700**	**42.7%**
Finance Department					
Finance	2,167,615	2,232,500	2,729,000	**496,500**	**22.2%**
Billing	748,676	824,800	886,200	**61,400**	**7.4%**
Purchasing and Inventory	1,517,469	2,034,100	1,747,000	**(287,100)**	**-14.1%**
Records	186,841	266,100	328,600	**62,500**	**23.5%**
Totals	**4,620,601**	**5,357,500**	**5,690,800**	**333,300**	**6.2%**
Human Resources Department					
Human Resources	8,696,807	7,901,600	8,501,200	**599,600**	**7.6%**
Totals	**8,696,807**	**7,901,600**	**8,501,200**	**599,600**	**7.6%**
Customer Service Department					
Customer Service	2,784,894	**2,925,900**	**3,337,100**	**411,200**	**14.1%**
Totals	2,784,894	**2,925,900**	**3,337,100**	**411,200**	**14.1%**
Information Technology Department					
Information Technology	3,463,627	4,575,400	5,509,000	**933,600**	**20.4%**
Totals	**3,463,627**	**4,575,400**	**5,509,000**	**933,600**	**20.4%**
Engineering Department					
General Engineering	2,313,835	2,644,300	1,479,400	**(1,164,900)**	**-44.1%**
Water Quality	1,025,652	1,120,700	-	**(1,120,700)**	**-100.0%**
Design	480,659	502,800	460,600	**(42,200)**	**-8.4%**
Contract Management	1,442,955	2,393,271	1,507,300	**(885,971)**	**-37.0%**
Construction	889,832	1,463,743	1,785,252	**321,509**	**22.0%**
Totals	6,152,933	8,124,814	5,232,552	**(2,892,262)**	**-35.6%**
Water Operations					
Water Operations	30,764,818	32,032,100	36,970,350	**4,938,250**	**15.4%**
Totals	**30,764,818**	**32,032,100**	**36,970,350**	**4,938,250**	**15.4%**
Wastewater Operations					
Wastewater Operations	6,629,430	7,357,505	8,357,250	**999,745**	**13.6%**
Totals	**6,629,430**	**7,357,505**	**8,357,250**	**999,745**	**13.6%**
Grand Totals	**$ 65,633,542**	**$ 71,354,269**	**$ 77,993,450**	**$ 6,639,133**	**5.4%**

GLOSSARY

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Glossary fo Terms and Acronyms

For fiscal years 2024

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 contaminates.

Glossary fo Terms and Acronyms (continued)

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

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

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.

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