Florida Keys Aqueduct Authority

2025 BUDGET

2025 Budget and Financial Plan

WWW.FKAA.COM

This page is intentionally left blank

FLORIDA KEYS AQUEDUCT AUTHORITY

2025

BUDGET AND FINANCIAL PLAN

305.296.2454
1100 Kennedy Drive
Key West, FL 33040

This page is intentionally left blank

INTRODUCTION AND OVERVIEW

TABLE OF CONTENTS

This page is intentionally left blank

Table of Contents

Capital and Debt

Departmental Information

Glossary

FLORIDA KEYS AQUEDUCT AUTHORITY

2025 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

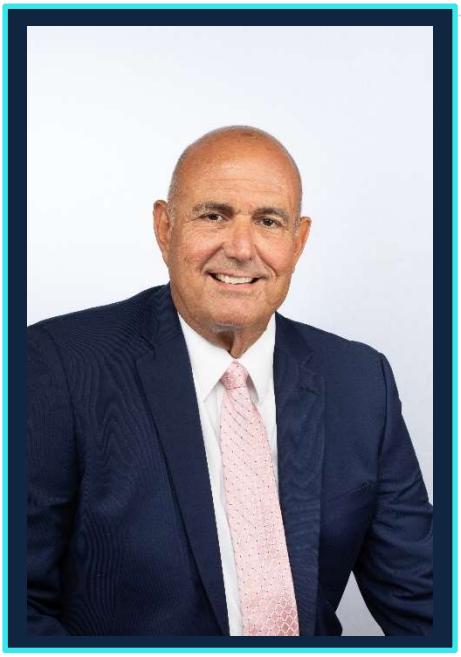
District 5- Current term expires December 31, 2024
Owner, The Law Offices of Nicholas W. Mulick

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, 2025, as adopted by the Board of Directors on August 27, 2024, 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, 2025, 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 3.5% inflation index effective October 1, 2024. Water sales volumes are projected to increase by .5% based on recent trends. Operating expenses are budgeted slightly higher than in the current year due mainly to inflation, additional personnel costs, increased operating costs, and replacement of aging equipment and vehicles. Capital projects are focused on projects that are critical to sustaining continued reliable operations. These projects will be funded through rates and reserves, grants, state and federal appropriations and the Series 2023 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 27, 2024

VISION, MISSION, VALUES AND GUIDING PRINCIPLES

For fiscal year 2025

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 2025

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 2025

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 2025

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.

Profile Of The Florida Keys

For fiscal year 2025

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 2025

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 2025

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 80,000 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 2025

FLORIDA KEYS

ESTIMATED POPULATION

Year	Resident Population
2023	80,614
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

PERCENTAGE OF POPULATION BY AGE

% Under 18 years of age
15.6%

% 65 years of age and over
23.6%

DEMOGRAPHICS

Average household size	2.87
Median household income	$ 79,420
Per capita income	$ 54,630
Persons below the poverty level	13.2%
Total housing units	54,871
Median single family home value	$ 718,600
Median travel time to work (minutes)	19.5

Demographic and Economic Information (continued)

For fiscal year 2025

LOCAL UNEMPLOYMENT

2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
1.7%	1.6%	2.2%	3.8%	1.8%	3.0%	3.2%	3.7%	3.6%	4.0%	5.4%

ANNUAL RAINFALL FOR THE LAST 10 FISCAL YEARS

Fiscal Year	Key West International Airport
2023	33.75
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

AVERAGE MONTHLY TEMPERATURES IN KEY WEST

Month	Average High	Average Low
October	85	76
November	80	72
December	76	67
January	74	64
February	76	66
March	78	68
April	81	72
May	85	76
June	88	79
July	89	80
August	89	80
September	88	78

Demographic and Economic Information (continued)

For fiscal year 2025

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 2025 budget is estimated at .5% 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 usage 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 2025

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, 2023

	2023	Total Gallons Consumed (000)	Total Water Revenues	% of Water Revenue
1	United States Navy	326,091	$ 1,719,339	2.4%
2	City of Key West	66,232	912,219	1.3%
3	Monroe County School Board	42,347	569,932	0.8%
4	Ocean Reef Club Inc	37,063	506,847	0.7%
5	NWCL LLC	33,033	483,694	0.7%
6	Monroe County Detention Center	27,027	373,165	0.5%
7	Keys Hotel Operator	26,282	342,543	0.5%
8	Resort Hotels of Key West	22,471	331,872	0.5%
9	Casa Marina Owner LLC	20,900	318,907	0.4%
10	NHC FL13 LP	20,890	318,742	0.4%

10 largest customers-year ended September 30, 2014

	2014	Total Gallons Consumed (000)	Total Water Revenues	% of Water Revenue
1	United States Navy	320,708	$ 857,104	2.1%
2	Board of County Commissioners	59,584	453,641	1.1%
3	City of Key West	39,177	266,308	0.3%
4	Monroe County Board of Public Instruction	34,709	278,022	0.7%
5	Ocean Reef Club, Inc.	31,179	105,892	0.7%
6	Cheeca Holdings LLC	30,024	222,584	0.6%
7	CHL Partnership	29,898	209,656	0.6%
8	Hawks Cay Resort	28,667	214,113	0.6%
9	Key West Beach Suites, Ltd	27,650	221,284	0.6%
10	Heartland Hotel	25,009	189,153	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 2025

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, contributes 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 2025

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 wastewater treatment facilities in Bay Point, Duck Key, Big Coppitt, Cudjoe Key, Cross Key, and Layton, Florida. In October 2021, Monroe County transferred ownership of their wastewater facilities to the Authority. Monroe County Commissioners adopted a resolution approving the transfer of ownership of county owned wastewater assets located in Big Coppitt, Cudjoe Key, Duck Key and Long Key. Total construction costs of these assets were approximately $260 million.

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 2025

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 are 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/freshwater 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 2025

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 2024 budget year. This was the 18th 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, 2023. This was the 32st 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 2025

Acknowledgements

The preparation of the budget and financial plan for the year ending September 30, 2025, 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.

The remainder of this page is intentionally left blank

Profile of the Authority (continued)

For fiscal year 2025

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 2025

Key Highlights

The 2025 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 .5% over the current year budget. The budget includes a 3.5% rate adjustment for inflation and 5% additional rate increase effective October 1, 2024, 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 4.1% 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 $42,956,150 or about 6.2% higher than the current budget. A cost-of-living salary adjustment of 4.5% is budgeted to go into effect for employees on October 1, 2024. Six new full-time positions are being added to the 2025 budget for a dedicated Valve Division. The purpose of this division is to ensure the Authority's infrastructure remains in optimal condition, thereby reducing preventable leaks.

Budget Highlights, Issues and Priorities (continued)

For fiscal year 2025

Other operating expenses

Operating costs, such as chemicals, transportation expense and consulting services are budgeted to increase, mainly due to inflationary cost increases required for the daily operation of water and wastewater services. 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 $8,750,250, reflecting a 98.7% increase from the current year's budget. These funds are allocated for the replacement of aging vehicles, equipment, and upgrades to the Authority's infrastructure.

Capital Improvement Projects

The capital improvement plan is centered around projects that are critical to sustaining continued reliable operations. The 2025 portion of the plan calls for $96,320,000 in capital expenditures, covering costs for distribution and transmission line replacements in areas identified as vulnerable to breaks. The plan also includes funding for a new reverse osmosis facility on Crawl Key, scheduled for completion in 2028. See a detailed discussion of capital projects under the section entitled Capital and Debt.

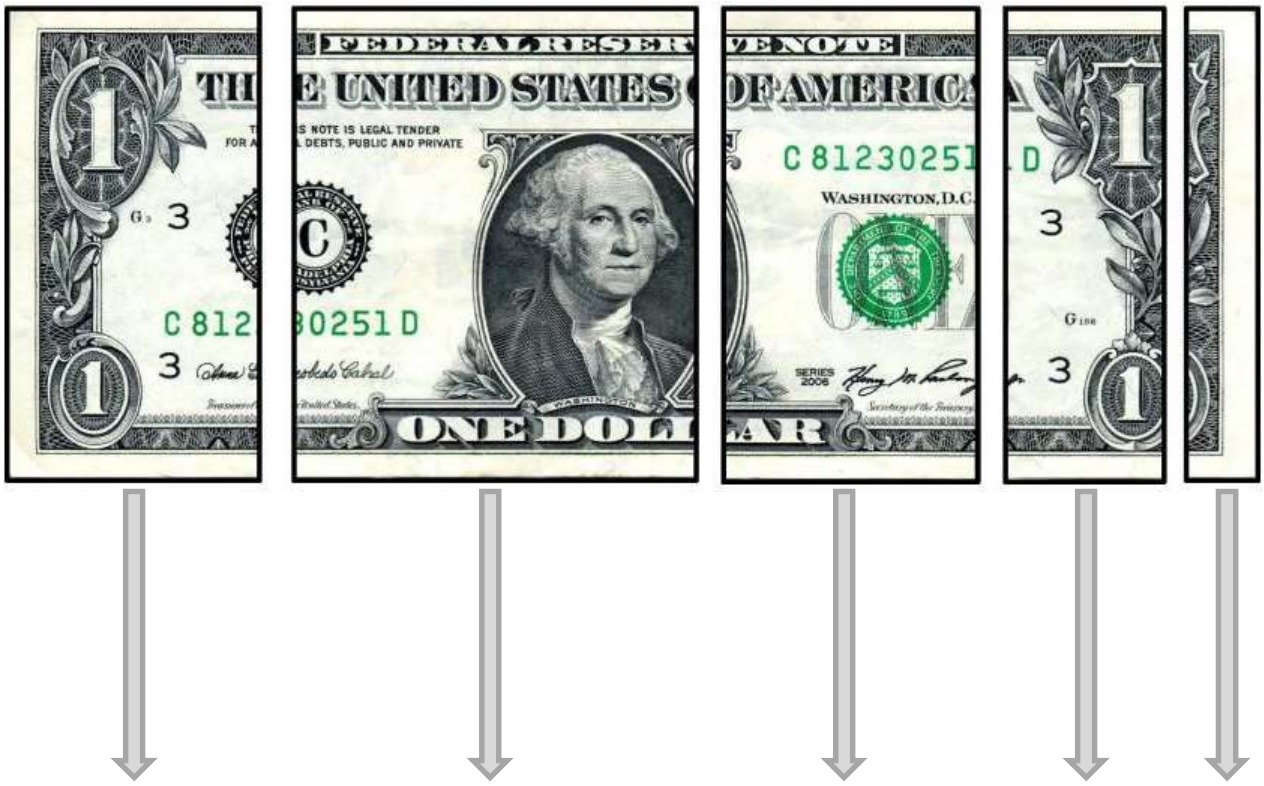
Capital Financing and Debt Service

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 $15.9 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 49%

Other operating expenses 18%

Debt service 8%

Capital equipment 2%

FINANCIAL STRUCTURE, POLICY AND PROCESS

ORGANIZATION CHART

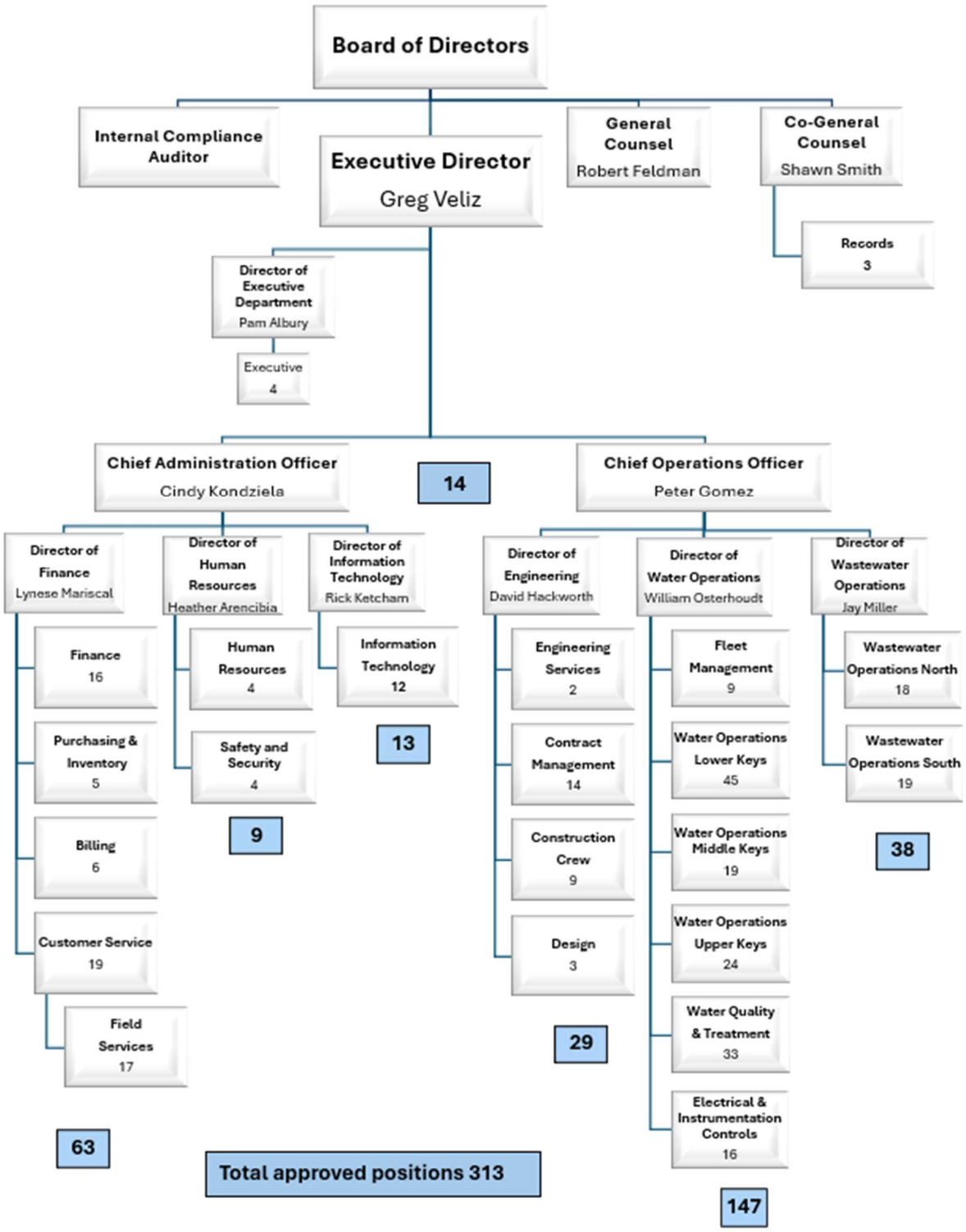
FINANCIAL POLICIES THAT IMPACT THE BUDGET

BUDGET PROCESS

This page is intentionally left blank

ORGANIZATION CHART

FOR FISCAL YEAR 2025



CONTACT INFORMATION

Executive and Director Contacts

Gregory W. Veliz, Executive Director
gveliz@fkaa.com 305-295-2200

Robert Feldman, General Counsel
rfeldman@fkaa.com 305-295-2201

Shawn Smith, Co- General Counsel
ssmith@fkaa.com 305-295-2218

Internal/Compliance Auditor TBD

Peter Gomez, Chief Operating Officer (COO)
pgomez@fkaa.com 305-809-2544

Cindy Kondziela, Chief Administration Officer (CAO)
ckondziela@fkaa.com 305-295-2234

William Osterhoudt, Director of Water Operations
wosterhoudt@fkaa.com 305-809-2560

David Hackworth, Director of Engineering
dhackworth@fkaa.com 305-295-2152

Jay Miller, Director of Wastewater Operations
jmiller@fkaa.com 305-809-2623

Heather Arencibia, Director of Human Resources
harencibia@fkaa.com 305-295-2210

Rick Ketcham, Director of Information Technology
rketcham@fkaa.com 305-295-2124

Lynese Mariscal, Director of Finance
lmariscal@fkaa.com 305-295-2235

Financial Policies That Impact The Budget

For fiscal year 2025

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 departments 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 2025

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 2025

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

The remainder of this page is intentionally left blank

Budget Process

For fiscal year 2025

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 an 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 2025

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 2025

Budget Calendar

Dates for Preparation of the 2025 Budget

Jan-24

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-24

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-24

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-24

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-24

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-24

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-24

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-24

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

This page is intentionally left blank

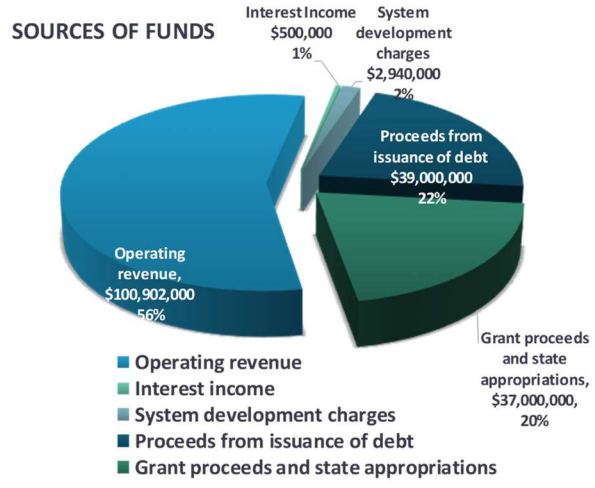
Summary of Budgeted Sources and Uses

For fiscal year 2025

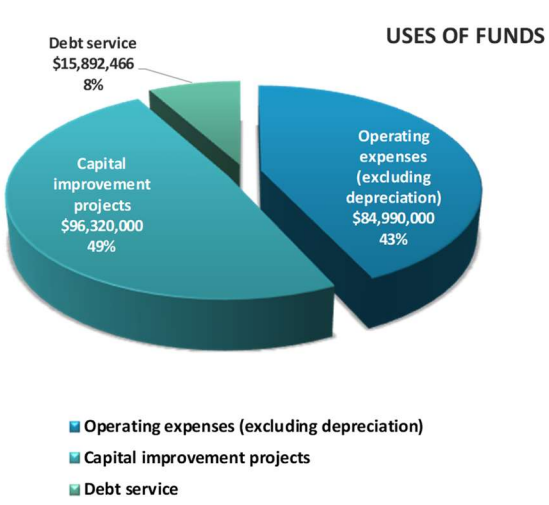
SUMMARY OF BUDGETED SOURCES AND USES

	2023	2024 Budget			2025 budget			
	Actual	Water	Wastewater	Total	Water	Wastewater	Total	% Change
Total budgeted sources of funds								
Utility operating revenue	$ 90,106,347	$ 78,162,000	$ 14,561,000	$ 92,723,000	$ 84,999,000	$ 15,903,000	$ 100,902,000	8.8%
Interest income	2,797,509	200,000	-	200,000	750,000	-	750,000	275.0%
System development fees and other income	5,644,751	2,428,000	500,000	2,928,000	2,440,000	500,000	2,940,000	0.4%
Grant proceeds and state appropriations	6,984,512	33,600,000	-	33,600,000	37,000,000	-	37,000,000	10.1%
Proceeds from issuance of debt, net of issue costs	-	25,000,000	-	25,000,000	39,000,000	-	39,000,000	56.0%
Total budgeted sources of funds	105,533,119	139,390,000	15,061,000	154,451,000	164,189,000	16,403,000	180,592,000	16.9%
Total budgeted uses of funds								
Operating expenditures (excluding depreciation)	65,489,340	64,166,000	13,828,000	77,994,000	70,868,000	14,122,000	84,990,000	9.0%
Capital improvement projects	50,719,098	78,900,000	7,895,000	86,795,000	90,870,000	5,450,000	96,320,000	11.0%
Debt service	13,056,212	12,807,196	433,964	13,241,160	15,458,502	433,964	15,892,466	20.0%
Total budgeted uses of funds	129,264,650	155,873,196	22,156,964	178,030,160	177,196,502	20,005,964	197,202,466	10.8%
Excess (deficit) sources over uses	(23,731,531)	(16,483,196)	(7,095,964)	(23,579,160)	(13,007,502)	(3,602,964)	(16,610,466)	
Adjustments to cash basis from accrual	(6,914,393)	-	-	-	-	-	-	
Change in cash and investments	(30,645,924)	(16,483,196)	(7,095,964)	(23,579,160)	(13,007,502)	(3,602,964)	(16,610,466)	
Beginning cash and investments	68,614,679	50,348,321	(4,491,694)	45,856,627	61,485,559	(11,587,658)	49,897,901	8.8%
Proceed change in actual cash and investments		$27,620,434	-	$27,620,434				
Ending cash and investments	37,968,755	61,485,559	(11,587,658)	49,897,901	48,478,057	(15,190,622)	33,287,435	-33.3%
Reserves and restricted cash and investments	(10,086,703)	(20,250,000)	(71,000)	(20,321,000)	(20,250,000)	(71,000)	(20,321,000)	0.0%
Estimated ending unrestricted cash and investmer	$ 27,882,052	$ 41,235,559	$ (11,658,658)	$ 29,576,901	$ 28,228,057	$ (15,261,622)	$ 12,966,435	-56.2%

Sources of Funds



Uses of Funds



Summary of Revenue Sources

For fiscal year 2025

	2023	2024 Budget			2025 budget				
	Actual	Water	Wastewater	Total	Water	Wastewater	Total	Increase / Decrease	% change from prior budget
Number of locations									
Estimated locations billed	53,933	53,100	11,700		**54,000**	**11,700**			
Volume									
Estimated gallons (000s) billed at retail rates	5,179,497	5,515,000			**5,570,000**				
Estimated gallons (000s) billed to US Navy	326,091	254,000			**254,000**				
Total estimated gallons(000s) sold	5,505,588	5,769,000			**5,824,000**				
Operating revenue									
Fees for service									
Retail water rate revenue	$ 70,276,077	$ 72,478,000		$ 72,478,000	$ **79,159,000**		$ **79,159,000**	$ 6,681,000	9.2%
US Navy water rate revenue	1,719,339	1,610,000		1,610,000	**1,758,000**		**1,758,000**	148,000	9.2%
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	215,621	87,000		87,000	**95,000**		**95,000**	8,000	9.2%
Retail wastewater rate revenue	10,625,817		12,238,000	12,238,000		$ **13,366,000**	**13,366,000**	1,128,000	9.2%
US Navy wastewater revenue	2,432,256		2,323,000	2,323,000		**2,537,000**	**2,537,000**	214,000	9.2%
Total fees for service	87,712,742	76,662,000	14,561,000	91,223,000	**83,499,000**	**15,903,000**	**99,402,000**	8,179,000	9.0%
Other operating revenue	2,393,605	1,500,000	-	1,500,000	**1,500,000**	-	**1,500,000**	-	0.0%
Total operating revenue	90,106,347	78,162,000	14,561,000	92,723,000	**84,999,000**	**15,903,000**	**100,902,000**	8,179,000	8.8%
Non-operating revenue									
Interest income	2,797,509	200,000	-	200,000	**750,000**	-	**750,000**	550,000	275.0%
Grant proceeds	760,238	33,600,000		33,600,000	**37,000,000**		**37,000,000**	3,400,000	-
Charges to other utilities for billing services	986,038	928,000	-	928,000	**940,000**	-	**940,000**	12,000	1.3%
Other income	119,943	500,000	-	500,000	**500,000**	-	**500,000**	-	0.0%
Total non-operating revenue	4,663,728	35,228,000	-	35,228,000	**39,190,000**	-	**39,190,000**	3,962,000	11.3%
Total budgeted revenue	94,770,075	113,390,000	14,561,000	127,951,000	**124,189,000**	**15,903,000**	**140,092,000**	12,141,000	9.5%
System development fees (including assessments)	11,563,491	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	**$ 106,333,566**	**$ 114,390,000**	**$ 15,061,000**	**$ 129,451,000**	**$ 125,189,000**	**$ 16,403,000**	**$ 141,592,000**	**$ 12,141,000**	**9.4%**

Budget assumptions:

Water volume sales increase	**0.5%**	**0.5%**
Rate inflation index	**3.5%**	**3.5%**
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 2025

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, 2023	After October 1, 2024 index
Potable Water Rates		
Base facilities charge		
⅝-inch or ¾-inch	$ 21.09	$ 22.88
1-inch	52.77	57.26
1½-inch	105.49	114.46
2-inch	168.81	183.16
3-inch	316.50	343.40
4-inch	523.68	568.19
6-inch	1,056.98	1,146.82
8-inch	1,687.92	1,831.39
Consumption charge [1]		
Block 1	$ 8.86	$ 9.61
Block 2	12.95	14.05
Block 3	14.52	15.75
Block 4	16.19	17.57
Block 5	17.77	19.28
Reclaimed Water Rates		
Consumption charge [1]		
Block 1	$ 4.43	$ 4.81
Block 2	6.48	7.03
Block 3	7.26	7.88
Block 4	8.10	8.78
Block 5	8.89	9.64

Rate Structure (continued)

For fiscal year 2025

	Rates in effect on October 1, 2023	After October 1, 2024 index
Wastewater Rates		
Base facilities charge		
⅝-inch or ¾-inch	$ 34.07	$ 36.97
1-inch	127.78	138.64
1½-inch	255.57	277.29
2-inch	408.92	443.68
3-inch	766.70	831.87
4-inch	1,277.84	1,386.46
6-inch	2,556.91	2,774.25
8-inch	3,503.66	3,801.47
Flow collection charge		
Residential (up to 10,000 gallons)	$ 12.90	$ 14.00
Non-residential (all consumption)	12.90	14.00

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.

The remainder of this page is intentionally left blank

Operating Expenditure Budget By Expenditure Type

For fiscal year 2025

SCHEDULE OF BUDGETED EXPENDITURES
FOR THE YEAR ENDING SEPTEMBER 30, 2025
Total Company

			BUDGETED 2025				
	2023 Actual	2024 Budget	Water	Wastewater	Total	Increase /Decrease	% change from prior budget
Operating capital expenditures							
Additions to utility plant	$ 5,303,364	$ 3,652,350	$ 7,393,000	$ 280,850	$ 7,673,850	$ 4,021,500	110%
Capitalized salaries	1,208,122	752,600	1,068,400	-	1,068,400	315,800	42%
Capitalized overtime	24,319	-	8,000	-	8,000	8,000	-
Total operating capital expenditures	**6,535,805**	**4,404,950**	**8,469,400**	**280,850**	**8,750,250**	**4,345,300**	**98.7%**
Operating expenses							
Personnel services							
Salaries	23,792,934	27,476,100	25,749,900	3,201,800	28,951,700	1,475,600	5%
Overtime	971,941	672,200	659,000	155,000	814,000	141,800	21%
Retirement	3,646,277	4,390,700	4,116,200	490,600	4,606,800	216,100	5%
Payroll taxes	1,908,437	2,210,900	2,102,600	256,800	2,359,400	148,500	7%
Employee health insurance	5,339,984	5,400,000	5,750,000	-	5,750,000	350,000	6%
Other benefits	294,205	304,100	436,250	38,000	474,250	170,150	56%
Total personnel services	**35,953,778**	**40,454,000**	**38,813,950**	**4,142,200**	**42,956,150**	**2,502,150**	**6.2%**
Other operating expenses							
Electricity	5,342,430	7,410,800	5,707,500	695,100	6,402,600	(1,008,200)	-14%
Fuel for power production	193,969	154,600	240,600	12,300	252,900	98,300	64%
Chemicals	3,638,877	4,519,100	3,880,900	996,800	4,877,700	358,600	8%
Maintenance and materials	6,146,593	5,412,700	4,330,500	1,353,800	5,684,300	271,600	5%
Engineering services	669,911	585,000	360,000	-	360,000	(225,000)	-38%
Accounting and auditing services	107,400	117,000	140,000	-	140,000	23,000	20%
Legal services	150,555	100,000	150,000	-	150,000	50,000	50%
Outsourced operations	2,046,038	2,800,600	2,435,900	307,100	2,743,000	(57,600)	-2%
Other consulting and support services	1,456,321	2,514,800	3,761,400	-	3,761,400	1,246,600	50%
Sludge removal	924,859	3,806,300	1,760,000	287,400	2,047,400	(1,758,900)	-46%
Rental of building - real property	28,068	13,800	29,000	-	29,000	15,200	110%
Rent expense - equipment	37,449	59,250	61,500	6,600	68,100	8,850	15%
Transportation expense	731,533	790,700	1,112,900	500	1,113,400	322,700	41%
Insurance - vehicles	117,178	113,000	138,000	-	138,000	25,000	22%
Insurance - general liabilities	145,651	140,000	205,000	-	205,000	65,000	46%
Insurance - workers' compensation	312,574	300,000	340,000	-	340,000	40,000	13%
Insurance - property and flood	916,975	1,550,000	1,780,000	-	1,780,000	230,000	15%
Advertising	58,578	76,000	76,000	-	76,000	-	0%
Bad debt expense	50,045	81,000	81,000	-	81,000	-	0%
Office supplies	113,331	130,500	131,500	8,300	139,800	9,300	7%
Other utilities and technical services	588,053	720,400	745,000	-	745,000	24,600	3%
Postage	18,825	40,700	39,700	500	40,200	(500)	-1%
Travel	69,708	180,500	198,100	5,300	203,400	22,900	13%
Training	93,900	246,450	216,450	11,700	228,150	(18,300)	-7%
Miscellaneous	250,594	354,300	626,500	4,200	630,700	276,400	78%
Bank charges	957,626	850,000	975,000	-	975,000	125,000	15%
Public information and outreach	47,919	57,000	60,000	-	60,000	3,000	5%
Freight charges	12,089	10,000	12,000	-	12,000	2,000	20%
Total other operating expenses	**25,227,049**	**33,134,500**	**29,594,450**	**3,689,600**	**33,284,050**	**149,550**	**0.5%**
Total operating budget	**$ 61,180,827**	**$ 73,588,500**	**$ 68,408,400**	**$ 7,831,800**	**$ 76,240,200**	**$ 2,651,700**	**3.6%**
Allocation of administrative expenses			**$ (6,009,400)**	**$ 6,009,400**	**$ -**		
Total operating expenses after allocation	**61,180,827**	**73,588,500**	**62,399,000**	**13,841,200**	**76,240,200**	**2,651,700**	**3.6%**
Total operating budget	**$ 67,716,632**	**$ 77,993,450**	**$ 70,868,400**	**$ 14,122,050**	**$ 84,990,450**	**$ 6,997,000**	**9.0%**
Amendments to current year budget		**3,627,650**					
Total operating budget as amended		**$ 81,621,100**			**$ 84,990,450**	**$ 3,369,350**	**4.1%**

Five Year Financial Plan

For fiscal year 2025

PROJECTED CHANGES IN NET POSITION

	2025	2026	2027	2028	2029
Projected operating results					
Operating revenue	$ 100,902,000	$ 110,735,000	$ 121,527,000	$ 133,371,000	$ 142,188,000
Operating expenses (before depreciation)	(84,990,000)	(85,840,000)	(86,698,000)	(87,565,000)	(88,441,000)
Net operating income (before depreciation)	15,912,000	24,895,000	34,829,000	45,806,000	53,747,000
Interest income	750,000	500,000	500,000	500,000	500,000
Other income	1,440,000	1,478,000	1,517,000	1,558,000	1,600,000
Interest expense	(8,128,956)	(7,688,816)	(8,041,572)	(8,003,469)	(7,547,289)
Projected net income before depreciation	**9,973,044**	**19,184,184**	**28,804,428**	**39,860,531**	**48,299,711**
System development fees (including assessments)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Grant proceeds	37,000,000	24,000,000	5,000,000	-	-
Projected increase (decrease) in net position before depreciation	**48,473,044**	**44,684,184**	**35,304,428**	**41,360,531**	**49,799,711**
Projected beginning net position	399,203,664	433,246,708	463,500,892	484,375,320	511,305,851
Projected net position before depreciation	447,676,708	477,930,892	498,805,320	525,735,851	561,105,562
Estimated depreciation	(14,430,000)	(14,430,000)	(14,430,000)	(14,430,000)	(14,430,000)
Projected ending net position after depreciation	**$ 433,246,708**	**$ 463,500,892**	**$ 484,375,320**	**$ 511,305,851**	**$ 546,675,562**

PROJECTED SOURCES AND USES OF FUNDS

	2025	2026	2027	2028	2029
Total projected sources of funds					
Utility operating revenue	$ 100,902,000	$ 110,735,000	$ 121,527,000	$ 133,371,000	$ 142,188,000
Interest income	750,000	500,000	500,000	500,000	500,000
System development fees and other income	2,940,000	2,978,000	3,017,000	3,058,000	3,100,000
Grant proceeds	37,000,000	24,000,000	5,000,000	-	-
Proceeds from issuance of debt, net of issue costs	-	-	-	-	-
Total projected sources of funds	**141,592,000**	**138,213,000**	**130,044,000**	**136,929,000**	**145,788,000**
Total projected uses of funds					
Operating expenditures (excluding depreciation)	84,990,000	85,840,000	86,698,000	87,565,000	88,441,000
Capital improvement projects	96,320,000	104,550,000	53,250,000	43,600,000	27,500,000
Debt service	15,892,466	14,148,816	14,746,572	14,938,469	14,302,749
Total projected uses of funds	**197,202,466**	**204,538,816**	**154,694,572**	**146,103,469**	**130,243,749**
Additions to (uses of) cash	**$ (55,610,466)**	**$ (66,325,816)**	**$ (24,650,572)**	**$ (9,174,469)**	**$ 15,544,251**

Five Year Financial Plan (continued)

For fiscal years 2025-2029

PROJECTED REVENUE AND CONTRIBUTIONS

	2025	2026	2027	2028	2029
Estimated gallons (000s) sold to customers at retail rates	**5,570,000**	**5,598,000**	**5,626,000**	**5,654,000**	**5,682,000**
Estimated gallons (000s) sold to US Navy	**254,000**	**255,000**	**256,000**	**257,000**	**258,000**
Total estimated sales gallons (000s)	**5,824,000**	**5,853,000**	**5,882,000**	**5,911,000**	**5,940,000**
Operating revenue					
Fees for service					
Retail water rate revenue	$ 79,159,000	$ 86,874,000	$ 95,341,000	$ 104,633,000	$ 111,550,000
US Navy water rate revenue	1,758,000	1,929,000	2,117,000	2,323,000	2,477,000
US Navy distribution system charge	2,487,000	2,729,000	2,995,000	3,287,000	3,504,000
Retail reclaimed water rate revenue	95,000	104,000	114,000	125,000	133,000
Retail wastewater rate revenue	13,366,000	14,669,000	16,099,000	17,668,000	18,836,000
US Navy wastewater revenue	2,537,000	2,784,000	3,055,000	3,353,000	3,575,000
Total fees for service	99,402,000	109,089,000	119,721,000	131,389,000	140,075,000
Other operating revenue	1,500,000	1,646,000	1,806,000	1,982,000	2,113,000
Total operating revenue	**100,902,000**	**110,735,000**	**121,527,000**	**133,371,000**	**142,188,000**
Non-operating revenue					
Interest income	750,000	500,000	500,000	500,000	500,000
Grant proceeds	37,000,000	24,000,000	5,000,000	-	-
Charges to other utilities for billing services	940,000	978,000	1,017,000	1,058,000	1,100,000
Other income	500,000	500,000	500,000	500,000	500,000
Total non-operating revenue	**39,190,000**	**25,978,000**	**7,017,000**	**2,058,000**	**2,100,000**
Total budgeted revenue	**140,092,000**	**136,713,000**	**128,544,000**	**135,429,000**	**144,288,000**
System development fees (including assessments)	**1,500,000**	**1,500,000**	**1,500,000**	**1,500,000**	**1,500,000**
Total revenue and contributions	**$ 141,592,000**	**$ 138,213,000**	**$ 130,044,000**	**$ 136,929,000**	**$ 145,788,000**

Budget assumptions					
Water volume growth sales increase	**0.5%**	**0.5%**	**0.5%**	**0.5%**	**0.5%**
Rate index increase	**3.5%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**
Additional water rate increase (decrease)	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**2.0%**
Additional wastewater rate increase (decrease)	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**2.0%**
Average interest rate (applied to average cash balance)	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**
System development fee growth factor	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**

Five Year Financial Plan (continued)

For fiscal years 2025-2029

FIVE YEAR CAPITAL IMPROVEMENT AND CAPITAL FINANCING PLAN

Description	2025	2026	2027	2028	2029	Estimated five-year expenditures
Water Projects						
Water Operations						
J. Robert Dean WTP Painting and Filter Gallery Upgrade	500,000	-	-	-	-	500,000
Kermit H Lewin Reverse Osmosis Facility	5,000,000	-	-	-	-	5,000,000
Crawl Key Reverse Osmosis Facility (with 5MG tank)	10,000,000	25,000,000	25,000,000	10,000,000	-	70,000,000
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)	1,000,000	3,000,000	-	-	-	4,000,000
J. Robert Dean Membrane Treatement (PFAS)	5,000,000	15,000,000	25,000,000	30,000,000	25,000,000	100,000,000
Long Key, Marathon, and Ramrod Pump Station Electrical Upgrades	650,000	2,750,000	-	-	-	3,400,000
Meter gateways	200,000	200,000	200,000	-	-	600,000
Marathon Customer Service	500,000	-	-	-	-	500,000
Transmission						
Transmission Islamorada (MM 79-84)	3,000,000	-	-	-	-	3,000,000
Transmission Windley Key (MM 84-86)	4,000,000	-	-	-	-	4,000,000
Transmission Plantation Key (MM 86-91)	34,000,000	34,000,000	-	-	-	68,000,000
Transmission Terminus Replacement	1,200,000	-	-	-	-	1,200,000
Transmission Marathon (Knights Key)	4,700,000	-	-	-	-	4,700,000
Cathodic Protection System Repair and Improvements	200,000	2,000,000	-	-	-	2,200,000
Transmission Snake Creek Crossing (Directional Drill)	6,300,000	-	-	-	-	6,300,000
Transmission C111 Crossing (Directional Drill)	500,000	5,600,000	-	-	-	6,100,000
Distribution						
Distribution Twin Lakes Key Largo	1,500,000	500,000	-	-		2,000,000
Distribution Upgrades	1,000,000	700,000	750,000	800,000	1,700,000	4,950,000
Distribution Storage Tank Replacement Crawl Key	2,000,000	-	-	-	-	2,000,000
Marathon Pump Station	4,000,000	2,000,000	-	-	-	6,000,000
Desal Storage Tank	1,200,000	-	-	-	-	1,200,000
Coco Plum Drive Distribution(Phase 1)	600,000	-	-	-	-	600,000
Distribution System Valves	300,000	300,000	300,000	300,000	300,000	1,500,000
NAS Key West Boca Chica Field - East Fire Pumping Station	1,300,000	2,500,000	-	-	-	3,800,000
NAS Connection A & B Distribution Boca Chica	-	-	-	500,000	500,000	1,000,000
Total water projects	**$ 90,870,000**	**$ 96,050,000**	**$ 51,250,000**	**$ 41,600,000**	**$ 27,500,000**	**$ 307,270,000**

Five Year Financial Plan (continued)

For fiscal years 2025-2029

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

Description	2025	2026	2027	2028	2029	Estimated five-year expenditures
Wastewater projects						
Big Coppitt Equalization tank	2,500,000	3,500,000	-	-	-	6,000,000
Cudjoe Deep Well Pump Improvements	500,000	2,500,000	-	-	-	3,000,000
Summerland Lift Station Improvements	400,000	1,500,000	-	-	-	1,900,000
Onsite Wastewater project	600,000	-	-	-	-	600,000
Summerland Equalization tank	1,250,000	1,000,000	-	-	-	2,250,000
Big Coppitt Reclaimed Water System Expansion	200,000	-	2,000,000	2,000,000		4,200,000
Total wastewater projects	5,450,000	8,500,000	2,000,000	2,000,000	-	17,950,000
Total capital improvement projects	**$ 96,320,000**	**$ 104,550,000**	**$ 53,250,000**	**$ 43,600,000**	**$ 27,500,000**	**$ 325,220,000**
Funding sources						
Funds from retail rates and cash on hand	$ 19,020,000	$ 26,050,000	$ 28,250,000	$ 27,100,000	$ 27,000,000	$ 127,420,000
Navy water rates	1,300,000	2,500,000	-	500,000	500,000	4,800,000
Federal and state appropriations	37,000,000	24,000,000	5,000,000	-	-	66,000,000
Bond proceeds	39,000,000	52,000,000	20,000,000	16,000,000	-	127,000,000
Total	**$ 96,320,000**	**$ 104,550,000**	**$ 53,250,000**	**$ 43,600,000**	**$ 27,500,000**	**$ 325,220,000**

Five Year Financial Plan (continued)

For fiscal years 2025-2029

PROJECTED NEW DEBT ISSUES AND DEBT SERVICE

	2025	2026	2027	2028	2029
Bond issuance assumptions:					
Projected principal amount of new bonds issued	$ 48,690,000	$ 52,000,000	$ 20,000,000	$ 16,000,000	$ -
Available for construction fund		$ -	$ -	$ -	$ -
Estimated issue costs	$ -	$ 400,000	$ -		
Projected interest rate	2.39%	3.00%	3.00%	3.00%	
Amortization period (years)	30	30	30	30	-
Projected Debt Service					
Principal					
Series 2008 water refunding and revenue bonds	3,170,000	3,320,000	3,465,000	3,595,000	3,785,000
Series 2012 wastewater revenue bonds	-	-	-	-	-
Series 2013A water refunding bonds	-	-	-	-	-
Series 2013B water revenue bonds	400,000	415,000	430,000	445,000	460
Series 2014A water revenue bonds	140,000	145,000	150,000	155,000	160,000
Series 2015A water refunding bonds	1,980,000	-	-	-	-
Series 2015B water refunding bonds	2,090,000	2,135,000	2,195,000	2,260,000	2,310,000
Series 2016 wastewater bonds	310,000	445,000	465,000	480,000	500,000
Series 2019A water revenue bonds	-	-	-	-	-
Series 2021B water revenue bonds	-	-	-		-
Series 2021 WIFIA	-	-	-	-	-
Series 2023 water revenue bonds	-	-	-	-	-
Series 2024 WIFIA	-	-	-	-	-
Future debt projections	-	-	-	-	-
Total principal	**8,090,000**	**6,460,000**	**6,705,000**	**6,935,000**	**6,755,460**
Interest					
Series 2008 water refunding and revenue bonds [1]	1,666,150	1,545,626	1,419,382	1,309,279	1,151,038
Series 2012 wastewater revenue bonds	-	-	-	-	-
Series 2013A water refunding bonds	-	-	-	-	-
Series 2013B water revenue bonds	172,000	159,000	146,000	140,000	86,592
Series 2014A water revenue bonds	60,000	56,000	51,000	50,000	30,272
Series 2015A water refunding bonds	1,231,000	1,136,000	1,037,000	1,020,000	1,037,525
Series 2015B water refunding bonds	335,000	335,000	335,000	335,000	117,936
Series 2016 wastewater bonds	149,000	143,000	139,000	135,000	109,736
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	-	-	-	-
Series 2021 WIFIA	727,306	1,163,690	1,163,690	1,163,690	1,163,690
Series 2024 WIFIA	-	900,000	1,500,000	1,600,000	1,600,000
Future debt projections	-	-	-	-	-
Total interest	**8,128,956**	**7,688,816**	**8,041,572**	**8,003,469**	**7,547,289**
Total projected debt service	**$ 16,218,956**	**$ 14,148,816**	**$ 14,746,572**	**$ 14,938,469**	**$ 14,302,749**

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

Five Year Financial Plan (continued)

For fiscal years 2025-2029

PROJECTED DEBT SERVICE COVERAGE

	Water Operations				
	2025	**2026**	**2027**	**2028**	**2029**
Funds available for debt service					
Operating revenue	$ 84,999,000	$ 93,282,000	$ 102,373,000	$ 112,350,000	$ 119,777,000
Interest income	750,000	500,000	500,000	500,000	500,000
Other income	38,440,000	25,478,000	6,517,000	1,558,000	1,600,000
Less operating expenses	(62,399,000)	(63,023,000)	(63,653,000)	(64,290,000)	(64,933,000)
Net funds available for debt coverage	$ 61,790,000	$ 56,237,000	$ 45,737,000	$ 50,118,000	$ 56,944,000
Debt service requirements	$ 15,759,956	$ 13,560,816	$ 14,142,572	$ 14,323,469	$ 13,693,013
Coverage factor (minimum of 1.10 required)	**3.92**	**4.15**	**3.23**	**3.50**	**4.16**
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)	**3.98**	**4.22**	**3.30**	**3.57**	**4.23**

	Wastewater Operations				
	2025	**2026**	**2027**	**2028**	**2029**
Funds available for debt service					
Operating revenue	$ 15,903,000	$ 17,453,000	$ 19,154,000	$ 21,021,000	$ 22,411,000
Interest income	-	-	-	-	-
Other income	-	-	-	-	-
Less operating expenses	(13,841,200)	(14,048,800)	(14,259,500)	(14,473,400)	(14,690,500)
Net funds available for debt coverage	$ 2,061,800	$ 3,404,200	$ 4,894,500	$ 6,547,600	$ 7,720,500
Debt service requirements	$ 459,000	$ 588,000	$ 604,000	$ 615,000	$ 609,736
System development charges	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000
Coverage factor with system development charges (minimum of 1.20)	**5.58**	**6.64**	**8.93**	**11.46**	**13.48**

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 2025-2029

ESTIMATED RATE ADJUSTMENTS AND AVERAGE MONTHLY BILL

Potable water

	Estimated percentage increase	Average monthly bill (for 4,500 gallons)
Current bill		**$ 60.96**
2025	8.5%	**$ 66.14**
2026	9.0%	**$ 72.09**
2027	9.0%	**$ 78.58**
2028	9.0%	**$ 85.66**
2029	6.0%	**$ 90.79**

Reclaimed water

	Estimated percentage increase	Average monthly bill (for 4,500 gallons)
Current bill		**$ 4.87**
2025	8.5%	$ 5.29
2026	9.0%	$ 5.76
2027	9.0%	$ 6.28
2028	9.0%	$ 6.85
2029	6.0%	$ 7.26

Wastewater

	Estimated percentage increase	Average monthly bill (for 4,500 gallons)
Current bill		**$ 92.12**
2025	8.5%	**$ 99.95**
2026	9.0%	**$ 108.95**
2027	9.0%	**$ 118.75**
2028	9.0%	**$ 129.44**
2029	6.0%	**$ 137.20**

CAPITAL AND DEBT

CAPITAL IMPROVEMENT BUDGET

PROJECT SUMMARIES

CAPITAL OUTLAY BUDGET DETAIL

CAPITAL FINANCING PLAN SUMMARY

DEBT SERVICE REQUIREMENTS

DEBT SERVICE COVERAGE ANALYSIS

This page intentionally left blank

Capital Improvement Budget

For fiscal years 2025-2029

Description	2025	2026	2027	2028	2029	Estimated five-year expenditures
Water Projects						
Water Operations						
J. Robert Dean WTP Painting and Filter Gallery Upgrade	500,000	-	-	-	-	500,000
Kermit H Lewin Reverse Osmosis Facility	5,000,000	-	-	-	-	5,000,000
Crawl Key Reverse Osmosis Facility (with 5MG tank)	10,000,000	25,000,000	25,000,000	10,000,000	-	70,000,000
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)	1,000,000	3,000,000	-	-	-	4,000,000
J. Robert Dean Membrane Treatement (PFAS)	5,000,000	15,000,000	25,000,000	30,000,000	25,000,000	100,000,000
Long Key, Marathon, and Ramrod Pump Station Electrical Upgrades	650,000	2,750,000	-	-	-	3,400,000
Meter gateways	200,000	200,000	200,000	-	-	600,000
Marathon Customer Service	500,000	-	-	-	-	500,000
Transmission						
Transmission Islamorada (MM 79-84)	3,000,000	-	-	-	-	3,000,000
Transmission Windley Key (MM 84-86)	4,000,000	-	-	-	-	4,000,000
Transmission Plantation Key (MM 86-91)	34,000,000	34,000,000	-	-	-	68,000,000
Transmission Terminus Replacement	1,200,000	-	-	-	-	1,200,000
Transmission Marathon (Knights Key)	4,700,000	-	-	-	-	4,700,000
Cathodic Protection System Repair and Improvements	200,000	2,000,000	-	-	-	2,200,000
Transmission Snake Creek Crossing (Directional Drill)	6,300,000	-	-	-	-	6,300,000
Transmission C111 Crossing (Directional Drill)	500,000	5,600,000	-	-	-	6,100,000
Distribution						
Distribution Twin Lakes Key Largo	1,500,000	500,000	-	-		2,000,000
Distribution Upgrades	1,000,000	700,000	750,000	800,000	1,700,000	4,950,000
Distribution Storage Tank Replacement Crawl Key	2,000,000	-	-	-	-	2,000,000
Marathon Pump Station	4,000,000	2,000,000	-	-	-	6,000,000
Desal Storage Tank	1,200,000	-	-	-	-	1,200,000
Coco Plum Drive Distribution(Phase 1)	600,000	-	-	-	-	600,000
Distribution System Valves	300,000	300,000	300,000	300,000	300,000	1,500,000
NAS Key West Boca Chica Field - East Fire Pumping Station	1,300,000	2,500,000	-	-	-	3,800,000
NAS Connection A & B Distribution Boca Chica	-	-	-	500,000	500,000	1,000,000
Total water projects	**$ 90,870,000**	**$ 96,050,000**	**$ 51,250,000**	**$ 41,600,000**	**$ 27,500,000**	**$ 307,270,000**

Capital Improvement Budget

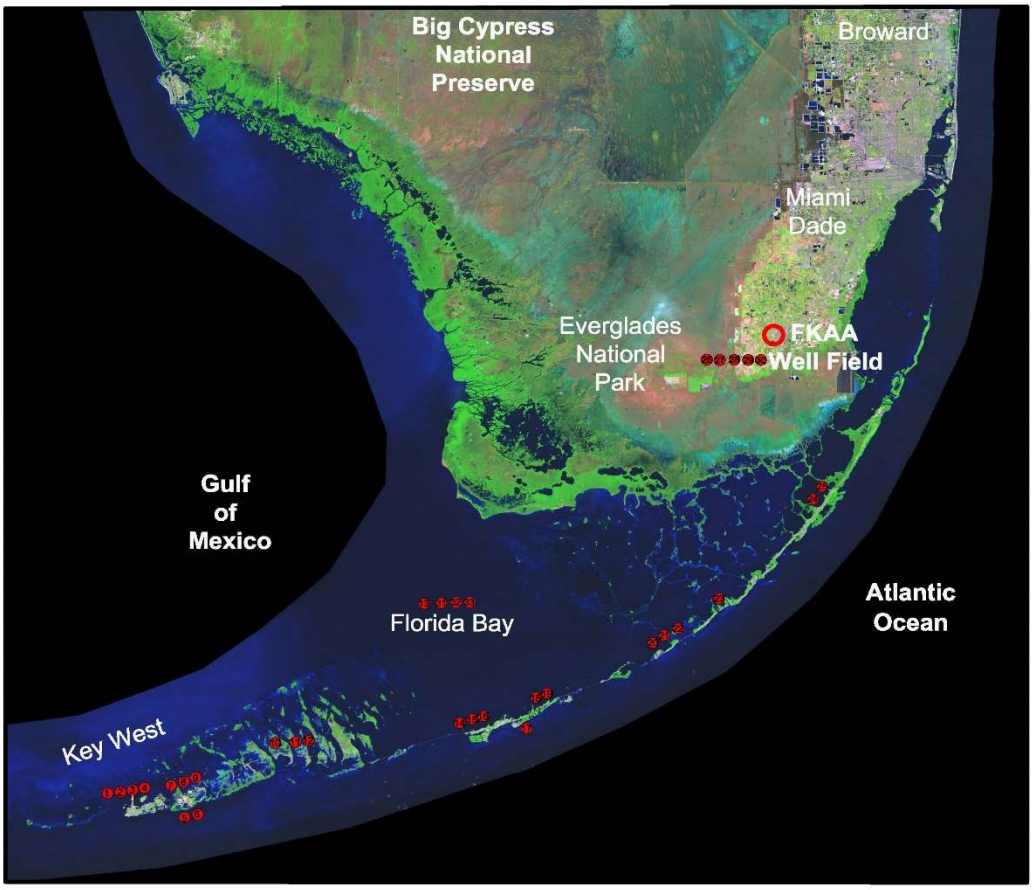
For fiscal years 2025-2029

Description	2025	2026	2027	2028	2029	Estimated five-year expenditures
Wastewater projects						
Big Coppitt Equalization tank	2,500,000	3,500,000	-	-	-	6,000,000
Cudjoe Deep Well Pump Improvements	500,000	2,500,000	-	-	-	3,000,000
Summerland Lift Station Improvements	400,000	1,500,000	-	-	-	1,900,000
Onsite Wastewater project	600,000	-	-	-	-	600,000
Summerland Equalization tank	1,250,000	1,000,000	-	-	-	2,250,000
Big Coppitt Reclaimed Water System Expansion	200,000	-	2,000,000	2,000,000		4,200,000
Total wastewater projects	5,450,000	8,500,000	2,000,000	2,000,000	-	17,950,000
Total capital improvement projects	**$ 96,320,000**	**$ 104,550,000**	**$ 53,250,000**	**$ 43,600,000**	**$ 27,500,000**	**$ 325,220,000**
Funding sources						
Funds from retail rates and cash on hand	$ 19,020,000	$ 26,050,000	$ 28,250,000	$ 27,100,000	$ 27,000,000	$ 127,420,000
Navy water rates	1,300,000	2,500,000	-	500,000	500,000	4,800,000
Federal and state appropriations	37,000,000	24,000,000	5,000,000	-	-	66,000,000
Bond proceeds	39,000,000	52,000,000	20,000,000	16,000,000	-	127,000,000
Total	**$ 96,320,000**	**$ 104,550,000**	**$ 53,250,000**	**$ 43,600,000**	**$ 27,500,000**	**$ 325,220,000**

Project Summaries

For fiscal years 2025-2029

Florida Keys Aqueduct Authority Projects



Project Legend

1 Transmission Terminus Replacement(Key West)	18 Distribution Storgae Tank Replacement Crawl Key
2 Distribution Valve Replacement(Key West)	19 Crawl Key Reverse Osmosis Facility
3 Kermit H. Lewin Reverse Osmosis Facility	20 Islamorada Transmission Line Replacement
4 Distribution Desal Storage Tank	21 Transmission Windley Key(MM 84-86)
5 NAS Boca Chica Field-East Fire Pumping Station	22 Transmission Plantation Key(MM 86-91)
6 NAS Connection A & B Distribution Boca Chica	23 Transmission Snake Creek Crossing
7 Big Coppitt Avenue B Pump Station & Force Main	24 Distribution Twin Lakes Key Largo
8 Big Coppitt Equalization Tank	25 Transmission C111 Crossing
9 Big Coppitt Reclaimed Water System Expansion	26 J. Robert Dean Membrane Treatment Facility(PFAS)
10 Cudjoe Deep Well Pump Improvements	27 J. Robert Dean WTP Painting & Filter Gallery Upgrade
11 Summerland Lift Station Improvements	28 J. Robert Dean WTP Electrical Upgrades-Phase II
12 Summerland Equalization Tank	29 J. Robert Dean WTP Wastewater Forcemain
13 Long Key, Marathon, & Ramrod Pump Station Electrical Upgrades	30 J. Robert Dean WTP Diesel Pump Upgrades
14 Transmission Marathon(Knights Key)	31 Meter Gateways
15 Marathon Customer Service	32 Cathodic Protection System Repair & Improvements
16 Marathon Pump Station	33 Distribution Upgrades
17 Coco Plum Drive(Phase 1)	

Project Summaries (continued)

For fiscal years 2025-2029

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	1185-23
Design Engineer	Justin Dacey
Project Manager	Justin Dacey
Contractor	FKAA
Start Date	2023
Completion Date	2025

Description/Justification:

This project includes concrete repairs to the weeping walls in the filter gallery and improvements to provide wind mitigation, including replacement of the windows and adding shutters.

Status/Recent Developments:

FKAA is currently relocating the electrical conduits with its own staff in anticipation of repairing the concrete walls, which will be performed by a contractor. FKAA is also seeking grant funding for the wind mitigation work.

Financial Information:

Capital Funding:

	Five Year Plan					
	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 500,000					$ 500,000
Total Costs	**$ 500,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 500,000**

Project Summaries (continued)

For fiscal years 2025-2029

Kermit H Lewin Reverse Osmosis Facility

Water Supply and Treatment

Project Information

Location	Stock Island
Project Type	Water Supply and Treatment
Category	Resiliency
Project Number	1150-17A
Design Engineer	Carollo Engineers
Project Manager	David Hackworth
Contractor	TLC Diversified
Start Date	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. The new SIRO will be expanded to provide 4 MGD of capacity.

Status/Recent Developments:

Construction of the new seawater desalination plant is currently in progress. Notice to Proceed was issued on October 27, 2021, with an original completion date of May 25, 2025. Due to delays in the arrival of the transformers and other critical equipment, the plant should be operational by December 31, 2024. The final completion date is scheduled for June 2025.

Financial Information:

Capital Funding:

	Five Year Plan					
	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 5,000,000				$ -	$ 5,000,000
Total Costs	**$ 5,000,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 5,000,000**

Project Summaries (continued)

For fiscal years 2025-2029

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	Emmy Koenig McDowell
Contractor	To be determined
Start Date	2023
Completion Date	2028

Description/Justification:

The existing Marathon Reverse Osmosis is maintenance intensive, lacks reliability, and designed only for emergency use. To provide system reliability, this project will provide 4 million gallons per day of treatment capacity in the Middle 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 completed the design for the site improvements, supply wells and injection well. FKAA has received a permit from FDEP, but is waiting for the permit to construct from the USACE . FKAA is also in the design phase for the pump station, water storage tank, and reverse osmosis facility. These design packages should be completed by October 30, 2024.

Financial Information:

Capital Funding:

	Five Year Plan					
	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 10,000,000	$ 25,000,000	$ 25,000,000	$ 10,000,000	$ -	$ 70,000,000
	-	-	-	-	-	
Total Costs	**$ 10,000,000**	**$ 25,000,000**	**$ 25,000,000**	**$10,000,000**	**$ -**	**$ 70,000,000**

Project Summaries (continued)

For fiscal years 2025-2029

J. Robert Dean WTP Wastewater Forcemain

Water Supply and Treatment

Project Information

Location	J. Robert Dean Water Treatment Plant
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	2022
Completion Date	2025

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 by October 30, 2024.

Financial Information:

Capital Funding:

	Five Year Plan					
	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 720,000		$ -	$ -	$ -	$ 720,000
Total Costs	**$ 720,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 720,000**

Project Summaries (continued)

For fiscal years 2025-2029

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 McDowell
Contractor	To be determined
Start Date	2022
Completion Date	2026

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:

The generator for the electric pumps that was purchased directly by FKAA should arrive in December 2024. FKAA will advertise the remaining project elements (generator installation and pump replacement) in August 2024.

Financial Information:

Capital Funding:

	Five Year Plan					
	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 1,500,000	$ 2,500,000	-	-	-	$ 4,000,000
Total Costs	**$ 1,500,000**	**$ 2,500,000**	**$ -**	**$ -**	**$ -**	**$ 4,000,000**

Project Summaries (continued)

For fiscal years 2025-2029

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 McDowell
Contractor	To be determined
Start Date	2024
Completion Date	2026

Description/Justification:

The electrical switchgear, motor control centers (MCCs), and automatic transfer switch (ATS) 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. This project will also include replacing the Variable Frequency Drives (VFDs), switchboards, and ATS at the Long Key Pump Station.

Status/Recent Developments:

FKAA opened bids for the project on July 16, 2024 and plans to receive approval to award the contract on August 13, 2024.

Financial Information:

Capital Funding:

	Five Year Plan					
	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 1,000,000	$3,000,000				$ 4,000,000
Total Costs	**$ 1,000,000**	**$ 3,000,000**	**$ -**	**$ -**	**$ -**	**$ 4,000,000**

Project Summaries (continued)

For fiscal years 2025-2029

J Robert Dean Membrane Treatment Facility (PFAS)

Water Treatment

Project Information

Location	J. Robert Dean Water Treatment Plant
Project Type	Water
Category	Regulatory Compliance
Project Number	1176-22
Design Engineer	Carollo Engineers
Project Manager	Emmy Koenig McDowell
Contractor	TBD
Start Date	2022
Completion Date	2029

Description/Justification:

In April 2024 the United States Environmental Protection Agency (EPA) announced a final National Primary Drinking Water Regulation (NPDWR) for six per- and polyfluoroalkyl substances (PFAS). Compliance with this regulation will be required five years after the rule appear in the Code of the Federal Register (i.e. by April 2029). This project will install a new treatment process to remove PFAS substances.

Status/Recent Developments:

On July 16, 2024, FKAA issued Notice to Proceed for the design of the project. The project is scheduled to advertise for bid in October 2025.

Financial Information:

Capital Funding:

	Five Year Plan					
	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 5,000,000	$ 15,000,000	$25,000,000	$30,000,000	$ 25,000,000	$ 100,000,000
Total Costs	**$ 5,000,000**	**$ 15,000,000**	**$ 25,000,000**	**$ 30,000,000**	**$ 25,000,000**	**$ 100,000,000**

Project Summaries (continued)

For fiscal years 2025-2029

Marathon, Ramrod and Key West Pump Station Electrical Upgrades

Transmission

Project Information

Location	Marathon, Ramrod and Key West
Project Type	Water
Category	Renewal and Replacement
Project Number	5017-24
Design Engineer	ADS Engineering
Project Manager	Emmy Koenig McDowell
Contractor	To Be Determined
Start Date	2023
Completion Date	2026

Description/Justification:

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

Status/Recent Developments:

FKAA is currently finalizing the design for this project. FKAA will bid this project in September 2024.

Financial Information:

Capital Funding:

	Five Year Plan					
	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	650,000	2,750,000				$3,400,000
Total Costs	**$ 650,000**	**$ 2,750,000**	**$ -**	**$ -**	**$ -**	**$3,400,000**

Project Summaries (continued)

For fiscal years 2025-2029

Meter Gateways

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	2025
Completion Date	2029

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					
	2025	2026	2027	2028	2029	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 2025-2029

Marathon Customer Service

Facility

Project Information

Location	Marathon
Project Type	Facilities
Category	Renewal and Replacement
Project Number	3242-23
Design Engineer	To be determined
Project Manager	Emmy Koenig McDowell
Contractor	To be determined
Start Date	2025
Completion Date	2029

Description/Justification:

This project include construction of a new customer service building and offices on Somerbero Blvd in Marathon. FKAA acquired this property for this purpose in 2004.

Status/Recent Developments:

FKAA is currently in the envronmental permitting phase of this project. Once the environmental permits are obtained, FKAA will begin sitework to prepare the site for future construction.

Financial Information:

Capital Funding:

	Five Year Plan					
	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 500,000					$ 500,000
Total Costs	**$ 500,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 500,000**

Project Summaries (continued)

For fiscal years 2025-2029

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. The contractor has completed installation of the pipeline. The remaining work includes the final tie-ins and pavement restoration.

Financial Information:

Capital Funding:

	Five Year Plan					
	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	3,000,000					$3,000,000
Total Costs	**$ 3,000,000**	**$ -**	**-**	**$ -**	**$ -**	**$3,000,000**

Project Summaries (continued)

For fiscal years 2025-2029

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	Michels
Start Date	2023
Completion Date	2025

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:

By July 2024, the contractor has installed approximately 3,000 LF of the pipeline. The contractor should be completed by February 2025.

Financial Information:

Capital Funding:

	Five Year Plan					
	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	4,000,000					$4,000,000
Total Costs	**$ 4,000,000**	**$ -**	**-**	**$ -**	**$ -**	**$4,000,000**

Project Summaries (continued)

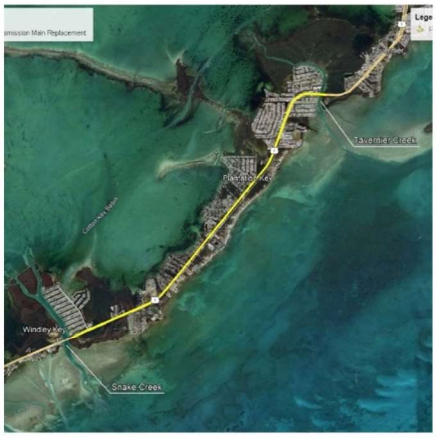
For fiscal years 2025-2029

Transmission Plantation Key (MM 86-91)

Transmission

Project Information

Location	Plantation Key
Project Type	Water
Category	Renewal and Replacement
Project Number	1175-22
Design Engineer	Carollo Engineers
Project Manager	Emmy Koenig McDowell
Contractor	To Be Determined
Start Date	2023
Completion Date	2026



Description/Justification:

This project will replace approximately 6.3 miles of 30-inch ductile iron transmission main with 36-inch carbon steel in the vicinity of Plantation Key extending from the north side of Snake Creek to just north of Tavernier Creek. 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 advertising this project for bid, with a scheduled bid opening in August 2024. The work needs to be completed by September 2026 because FDOT plans to pave that section of US1 at that time.

Financial Information:

Capital Funding:

	Five Year Plan					
	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	34,000,000	34,000,000				$68,000,000
Total Costs	**$ 34,000,000**	**$ 34,000,000**	-	$ -	$ -	**$68,000,000**

Project Summaries (continued)

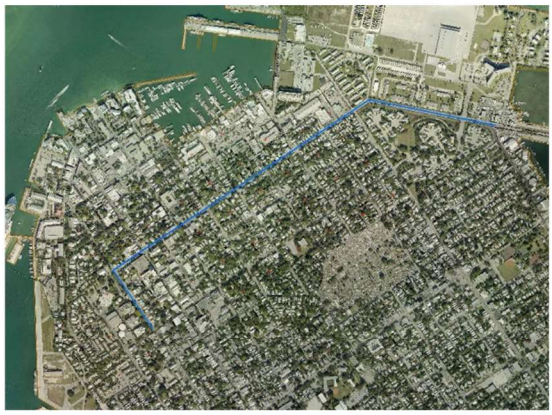
For fiscal years 2025-2029

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	Charlie Toppino and Sons
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 in the construction phase. The Notice to Proceed was issued November 2, 2023 and the scheduled completion date is December 2, 2024.

Financial Information:

Capital Funding:

	Five Year Plan					
	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 1,200,000	-	-	-	-	$ 1,200,000
Total Costs	**$ 1,200,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,200,000**

Project Summaries (continued)

For fiscal years 2025-2029

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 McDowell
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 project should be advertised for bidding in August 2024.

Financial Information:

Capital Funding:

	Five Year Plan					
	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 4,700,000	-	-	-	-	$ 4,700,000
Total Costs	**$ 4,700,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,700,000**

Project Summaries (continued)

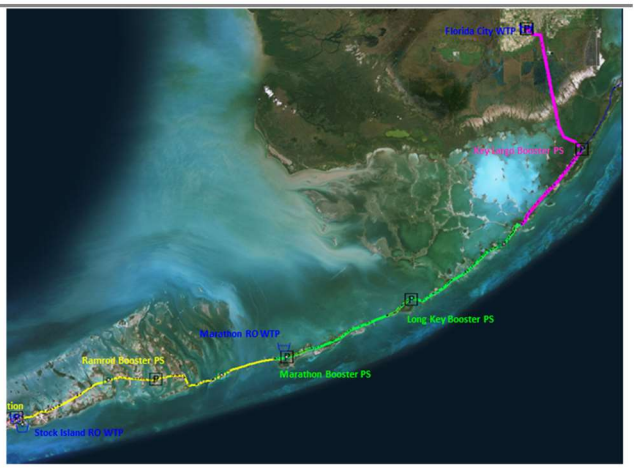
For fiscal years 2025-2029

Cathodic Protection System Repair and Improvements

Transmission

Project Information

Location	Various locations
Project Type	Water
Category	Renewal and Replacement
Project Number	1153-23
Design Engineer	To Be Determined
Project Manager	Justin Dacey
Contractor	To Be Determined
Start Date	2024
Completion Date	2026



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. A portions of the CP system is not working properly and needs to be repaired.

Status/Recent Developments:

This project is currently in the planning phase. Design will begin in FY2025

Financial Information:

Capital Funding:

Five Year Plan

	2025	2026	2027	2028	2029	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 2025-2029

Transmission Snake Creek Crossing (Directional Drill)

Transmission

Project Information

Location	Snake Creek
Project Type	Water
Category	Renewal and Replacement
Project Number	1155-17
Design Engineer	Ardurra
Project Manager	Emmy Koenig McDowell
Contractor	To Be Determined
Start Date	2023
Completion Date	2025

Description/Justification:

The 30-inch water transmission main is a critical part of FKAA's infrastructure. The existing water main crosses under Snake Creek canal immediately south of the draw bridge. To increase system reliability, FKAA will construct a new subaquous crossing under Snake Creek.

Status/Recent Developments:

FKAA is currently in the design phase and plans to bid this project in December 2024. Also, FKAA has recently received a grant that will pay for 75 percent of the project costs.

Financial Information:

Capital Funding:

	Five Year Plan					
	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 6,300,000	-	-	-	-	$ 6,300,000
Total Costs	**$ 6,300,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 6,300,000**

Project Summaries (continued)

For fiscal years 2025-2029

Transmission C111 Crossing (Directional Drill)

Transmission

Project Information

Location	C-111
Project Type	Water
Category	Renewal and Replacement
Project Number	1155-17
Design Engineer	Ardurra
Project Manager	Emmy Koenig McDowell
Contractor	To Be Determined
Start Date	2023
Completion Date	2025

Description/Justification:

The 36-inch water transmission main is a critical part of FKAA's infrastructure. The existing water main crosses under C-111 canal along the 18-mile stretch. To increase system reliability, FKAA will construct a new subaquous crossing under C-111.

Status/Recent Developments:

FKAA is currently in the design phase and plans to bid this project in December 2024. Also, FKAA has recently received a grant that will pay for 75 percent of the project costs.

Financial Information:

Capital Funding:

	Five Year Plan					
	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 500,000	$ 5,600,000	-	-	-	$ 6,100,000
Total Costs	**$ 500,000**	**$ 5,600,000**	**$ -**	**$ -**	**$ -**	**$ 6,100,000**

Project Summaries (continued)

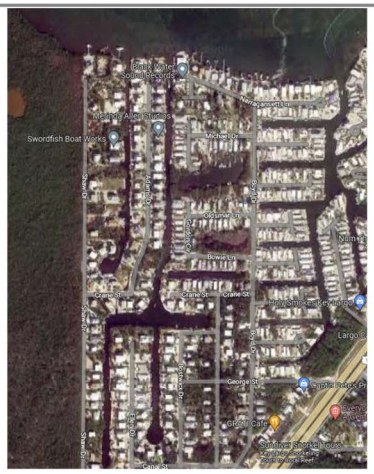
For fiscal years 2025-2029

Distribution Twin Lakes Key Largo

Distribution

Project Information

Location	Key Largo
Project Type	Water
Category	Renewal and Replacement
Project Number	2375-22
Design Engineer	Justin Dacey
Project Manager	Justin Dacey
Contractor	FKAA/Ferriera
Start Date	2022
Completion Date	2026



Description/Justification:

This project will replace 4-inch, 6-inch and 8-inch water mains along Adams Drive, Crane Street, and Shaw Drive. The existing mains have reached the end of its useful life and are in need of replacement. Additionally, Monroe County plans to pave raise the roads and install storm drainage, which will require relocation of the some of the water mains in that area.

Status/Recent Developments:

FKAA has completed the design for replacement of the water mains. The FKAA construction crew will begin replacing the water main along Adams Drive in August 2024. The remaining work will be completed by Ferriera, who is the County's Contractor.

Financial Information:

Capital Funding:

	Five Year Plan					
	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 1,500,000	$ 500,000				$ 2,000,000
	-	-	-	-	-	-
Total Costs	**$ 1,500,000**	**$ 500,000**	**$ -**	**$ -**	**$ -**	**$ 2,000,000**

Project Summaries (continued)

For fiscal years 2025-2029

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	2025
Completion Date	2029

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					
	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 1,000,000	$ 700,000	$ 750,000	$ 800,000	$ 1,700,000	$ 4,950,000
	-	-	-	-	-	-
Total Costs	**$ 1,000,000**	**$ 700,000**	**$ 750,000**	**$ 800,000**	**$ 1,700,000**	**$ 4,950,000**

Project Summaries (continued)

For fiscal years 2025-2029

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 replaced.

Status/Recent Developments:

FKAA is concurrently constructing the water mains needed before the tank can be taken out of service. Once the new mains are installed, FKAA will begin the replacement of the storage tank.

Financial Information:

Capital Funding:

Five Year Plan

	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 2,000,000	-	-	-	-	$ 2,000,000
Total Costs	**$ 2,000,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,000,000**

Project Summaries (continued)

For fiscal years 2025-2029

Marathon Pump Station

Distribution

Project Information

Location	Middle Keys
Project Type	Water
Category	Renewal and Replacement
Project Number	1134-15
Design Engineer	Baxter Woodman
Project Manager	Emmy Koenig McDowell
Contractor	To be determined
Start Date	2023
Completion Date	2026

Description/Justification:

This project will replace the existing distribution pump station with an elevated pump station to protect it against flood damage. The pump station will also be designed with vertical turbine pumps that will allow the storage tanks to be pumped to a lower level, thus increasing the effective storage capacity. Lastly, this project will also replace the offices with larger office space that is elevated above the flood level. Both the pump station and new offices will have stand-by power generation.

Status/Recent Developments:

FKAA is currently advertising this project for bid. FKAA received grant funding, which will pay for 50 percent of the project costs.

Financial Information:

Capital Funding:

	Five Year Plan					
	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 4,000,000	$ 2,000,000				$ 6,000,000
	-	-	-	-	-	
Total Costs	**$ 4,000,000**	**$ 2,000,000**	**$ -**	**$ -**	**$ -**	**$ 6,000,000**

Project Summaries (continued)

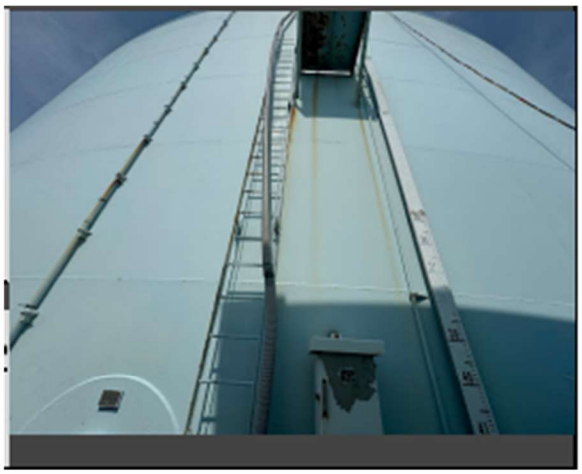
For fiscal years 2025-2029

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	2025



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. The tank cover will also need to be replaced.

Status/Recent Developments:

FKAA has completed the design, but will not bid the project until the new Kermit H Lewin Reverse Osmosis Facility is operational.

Financial Information:

Capital Funding:

	Five Year Plan					
	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 1,200,000	-	-	-	-	$ 1,200,000
	-					-
Total Costs	**$ 1,200,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,200,000**

Project Summaries (continued)

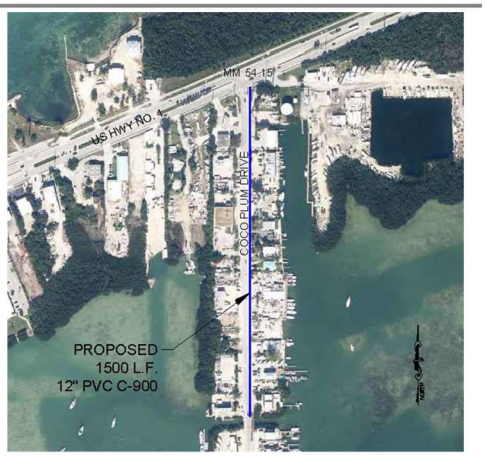
For fiscal years 2025-2029

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	FKAA
Start Date	2023
Completion Date	2025



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. The new water main will be installed by the FKAA construction crew.

Financial Information:

Capital Funding:

Five Year Plan

	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 600,000					$ 600,000
	-	-	-	-	-	
Total Costs	**$ 600,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 600,000**

Project Summaries (continued)

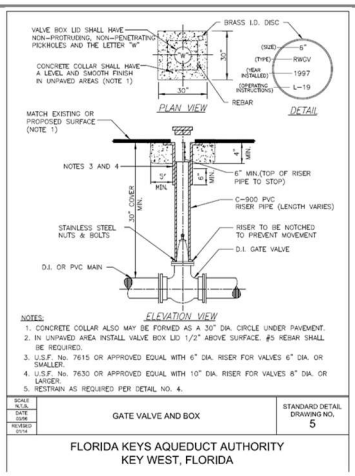
For fiscal years 2025-2029

Distribution System Valves

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	2025
Completion Date	2029



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:

FKAA is currently staffing a crew dedicated to testing and replacing the valves. This budget will fund the material costs.

Financial Information:

Capital Funding:

	Five Year Plan					
	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 300,000	$ 300,000	$ 300,000	$ 300,000	$ 300,000	$ 1,500,000
Total Costs	**$ 300,000**	**$ 300,000**	**$ 300,000**	**$ 300,000**	**$ 300,000**	**$ 1,500,000**

Project Summaries (continued)

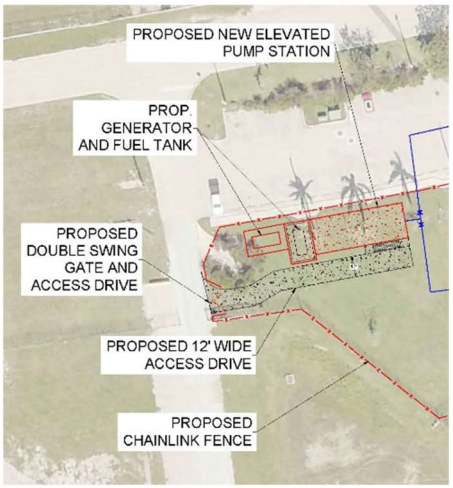
For fiscal years 2025-2029

NAS Key West Boca Chica Field - East Fire Pumping Station

Distribution

Project Information

Location	Boca Chica
Project Type	Navy Water
Category	Renewal and Replacement
Project Number	8037-21
Design Engineer	CPH, Inc
Project Manager	Emmy Koenig McDowell
Contractor	To be determined
Start Date	2021
Completion Date	2026



Description/Justification:

The existing East Fire Pump Station provides fire service to the Boca Chica Airfield and has reached the end of its useful life. The new building will also be elevation to protect the station from flood damage.

Status/Recent Developments:

This final design is currently being reviewed by the Navy. The project is scheduled to be bid in October 2024.

Financial Information:

Capital Funding:

	Five Year Plan					
	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 1,300,000	$ 2,500,000	$ -	$ -	$ -	$ 3,800,000
	-	-	-	-	-	
Total Costs	**$ 1,300,000**	**$ 2,500,000**	**$ -**	**$ -**	**$ -**	**$ 3,800,000**

Project Summaries (continued)

For fiscal years 2025-2029

Big Coppitt Equalization Tank

Wastewater Treatment

Project Information

Location	Big Coppitt
Project Type	Sewer
Category	Regulatory Compliance
Project Number	4103-23
Design Engineer	Ardurra
Project Manager	Emmy Koenig McDowell
Contractor	TBD
Start Date	2023
Completion Date	2026

Description/Justification:

This project includes a new influent headworks facility and equaliation storage tank at the Big Coppitt wastewater treatment plant. The project is needed to store peak wastewater flows during rain events to prevent overflows at the wastewater treatment plant.

Status/Recent Developments:

FKAA is currently in the design phase for this project. The project should be advertised to bid in December 2025.

Financial Information:

Capital Funding:

	Five Year Plan					
	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 2,500,000	$ 3,500,000	$ -	$ -	$ -	$ 6,000,000
	-	-	-	-	-	
Total Costs	**$ 2,500,000**	**$ 3,500,000**	**$ -**	**$ -**	**$ -**	**$ 6,000,000**

Project Summaries (continued)

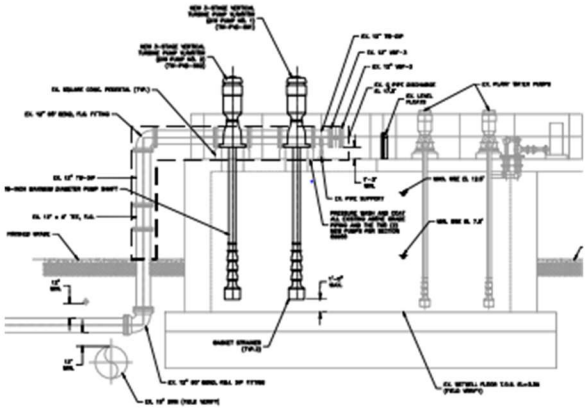
For fiscal years 2025-2029

Cudjoe Deep Well Pump Improvements

Wastewater Treatment

Project Information

Location	Cudjoe Key
Project Type	Sewer
Category	Renewal and Replacement
Project Number	4104-23
Design Engineer	Ardurra
Project Manager	Emmy Koenig McDowell
Contractor	TBD
Start Date	2024
Completion Date	2026



Description/Justification:

This project includes pump upgrades to the Cudjoe Deep Injection Well and installation of a new standby generator.

Status/Recent Developments:

FKAA is currently in the design phase for this project.

Financial Information:

Capital Funding:

Five Year Plan

	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 500,000	$ 2,500,000	$ -	$ -	$ -	$ 3,000,000
	-	-	-	-	-	
Total Costs	**$ 500,000**	**$ 2,500,000**	**$ -**	**$ -**	**$ -**	**$ 3,000,000**

Project Summaries (continued)

For fiscal years 2025-2029

Summerland Lift Station Improvements

Wastewater Conveyance

Project Information

Location	Summerland
Project Type	Sewer
Category	Renewal and Replacement
Project Number	4105-23
Design Engineer	Ardurra
Project Manager	Emmy Koenig McDowell
Contractor	TBD
Start Date	2024
Completion Date	2026

Description/Justification:

This project includes upgrades to pumps at the Summerland pump station in order to increase the pumping capacity.

Status/Recent Developments:

FKAA is currently working on the design of this project.

Financial Information:

Capital Funding:

Five Year Plan

	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 400,000	$ 1,500,000	$ -	$ -	$ -	$ 1,900,000
	-	-	-	-	-	
Total Costs	**$ 400,000**	**$ 1,500,000**	**$ -**	**$ -**	**$ -**	**$ 1,900,000**

Project Summaries (continued)

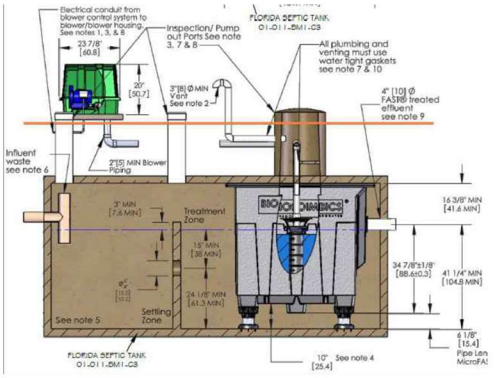
For fiscal years 2025-2029

On-Site Wastewater

Wastewater Treatment

Project Information

Location	Lower Keys
Project Type	Sewer
Category	Regulary Compliance
Project Number	4029-09F
Design Engineer	Baxter Woodman
Project Manager	Emmy Koenig McDowell
Contractor	4029-09F
Start Date	2009



Description/Justification:

In 2009, FKAA received a grant from EPA to install, operate and maintain on-site treatment systems for customers that are not able to connect to the centralized sanitary sewer system. This grant was also to be used to fund the construction of the Cross Key Wastewater Treatment, which utilized all of the remaining funds from the original grant. However, there are still six remaining customers where FKAA made a committment to install on-site systems.

Status/Recent Developments:

FKAA applied for and received another grant to complete the project. The grant will fund 75 percent of the cost, up to $450,000. The construction permits have been be obtained from the Department of Health and the project will be advertised to bid in August 2024.

Financial Information:

Capital Funding:

	Five Year Plan					
	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 600,000		$ -	$ -	$ -	$ 600,000
	-	-	-	-	-	
Total Costs	**$ 600,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 600,000**

Project Summaries (continued)

For fiscal years 2025-2029

Summerland Equalization Tank

Wastewater Conveyance

Project Information

Location	Summerland
Project Type	Sewer
Category	Regulatory Compliance
Project Number	4105-24
Design Engineer	Ardurra
Project Manager	Emmy Koenig McDowell
Contractor	TBD
Start Date	2024
Completion Date	2026

Description/Justification:

This project will convert the existing water storage tank into a wastewater equilization tank. The project includes repairs to the existing tank, a new wastewater forcemain, and new pumps to return the wastewater to the collection system.

Status/Recent Developments:

FKAA is currently in the process of negotiating a contract with the design engineer. The design should begin in September 2024.

Financial Information:

Capital Funding:

Five Year Plan

	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 1,250,000	$ 1,000,000		$ -	$ -	$ 2,250,000
	-	-	-	-	-	
Total Costs	**$ 1,250,000**	**$ 1,000,000**	**$ -**	**$ -**	**$ -**	**$ 2,250,000**

Project Summaries (continued)

For fiscal years 2025-2029

Big Coppitt Reclaimed Water System Expansion

Reclaimed Water

Project Information

Location	Big Coppit
Project Type	Reclaimed Water
Category	Reclaimed Water Supply
Project Number	4091-21
Design Engineer	Thomas Tiffin
Project Manager	Thomas Tiffin
Contractor	FKAA
Start Date	2025
Completion Date	2028

Description/Justification:

This project will install approximately 24,000 LF of reclaimed water mains to serve over 570 customers. This project would be coordinated with the County's project to raise the roads and install new storm water piping in this service area. By coordinating construction with the County, FKAA will realize signigicant cost savings by eliminating the pavement restoration requirements.

Status/Recent Developments:

FKAA will design this project in-house, starting in FY2025. FKAA is also applying for grant funding as an alternative water supply source.

Financial Information:

Capital Funding:

	Five Year Plan					
	2025	2026	2027	2028	2029	Total Cost
Capital Engineering & Construction Costs	$ 200,000		$ 2,000,000	$ 2,000,000	$ -	$ 4,200,000
	-	-	-	-	-	
Total Costs	**$ 200,000**	**$ -**	**$ 2,000,000**	**$ 2,000,000**	**$ -**	**$ 4,200,000**

Capital Outlay Budget Detail

For fiscal year 2025

Additions to Utility Plant 2025 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	950,000			
		Meters and valves (new)	800,000			
		Small meter replacement	840,000			
		Valves and sleeves	500,000			
		Large meter replacement	375,000	3,465,000		
6040	Records	None	-	-		
						3,465,000
	Human Resources					
7010	Human Resources	None	-	-		
7020	Safety, Security and Training	OpenPath Access Control - Florida City	280,000	280,000		
						280,000
	Information Technology					
8010	Information Technology	Application Integration Software	100,000			
		Cooperate Infrastructure Servers	58,200			
		Infrastructure Switch Replacement	31,000			
		Printers (replacements)	20,000			
				209,200		
						209,200
Utility Operations Division						
	Engineering					
2021	General Engineering	None	-	-		
2022	Contract Management	None	-	-		
2024	Design	None	-	-		
2025	Construction Crew	Replace Backhoe (Replacing # 232)	130,000			
		Replacement of equipment storage building	200,000			
		Demolition of existing storage building	20,000			
		Whacker (replacing # 842)	36,000	386,000		
						386,000
	Water Operations					
4001	Operations Office Key West	None	-	-		
4101	Operations Office Stock Island/lower keys	Pump for Trumbo Pump Station (new)	200,000			
		Trailer (replacement - equip # 871)	21,000			
		Ice maker (replacement)	10,500			
		Motor for Desal Pump Station (replacement)	13,500	245,000		

Capital Outlay Budget Detail (continued)

For fiscal year 2025

4102	Distribution/Maintenance-Area I	Vibratory roller (new)	9,100			
		Remote pressure transmitters (5)	25,500	34,600		
4103	Distribution/Maintenance-Area II	Remote pressure transmitters (5)	25,500	25,500		
4104	Distribution Pump Station-Key West	None	-	-		
4105	Distribution Pump Station-Stock Island	None	-	-		
4107	Valve Crew	None	-	-		
4108	Fleet Maintenance-lower keys	Vehicles (see below)	642,600	642,600		
4109	Water Quality	Trailer (new)	5,000	5,000		
4110	Stock Island Reverse Osmosis Plant	None	-	-		
4201	Operations Marathon/Middle keys	Alignment tool for pumps and motors	22,700	22,700		
4202	Distribution/Maintenance-Area III	Plate compactor (replacement)	6,000			
		Recondition pumps and motors at Vaca Cut (2)	20,800			
		Dump trailer (new)	13,000	39,800		
4203	Transmission Maintenance-Area III	Forklift (replace # 846)	71,300			
		Excavator (new)	250,000			
		Vacuum Trailer (replace # 893)	99,000	420,300		
4204	Transmission Pump Station-Marathon	John crane seals (2)	10,600			
		Pump seals (2)	11,000	21,600		
4205	Transmission Pump Station-Ramrod	None	-	-		
4208	Fleet Maintenance-middle keys	None	-			
		Dual AC machine (upgrade)	16,200	16,200		
4210	Reverse Osmosis Plant-Marathon	None	-	-		
4301	Operations Key Largo and upper keys	AC unit for CS field office (replacement)	5,100			
		Tavernier CS roof replacement	310,000			
		Field serivce roof replacement	18,300	333,400		
4302	Distribution Maintenance Area IV	AC units for Islamorada pump house (replacement)	7,200	7,200		
4303	Distribution Maintenance Area V	Gate for Rock Harbor (replacement)	9,500			
		AC Unit for Ocean Reef pump house (replacement)	7,200	16,700		
4304	Transmission Maintenance Areas IV and V	Backhoe (replace # 255)	130,000			
		Side gate for Key Largo yard (replacement)	10,700			
		Front gate for Key Largo yard (replacement)	6,600	147,300		
4308	Fleet Maintenance-upper keys	Vehicles (see below)	252,500			
		Vehicle scanner (new)	11,800	264,300		
5010	Water Treatment Plant-Florida City	VFD drive for K-22 (spare)	14,000	14,000		
5020	Transmission Pump Station-Florida City	16" slanted disc check valve for K-14	40,000			
		John Deere Gator (new)	13,000			
		Sweeping broom for front end loader	23,000	76,000		
5030	Transmission Pump Station-Long Key	Pneumatic valve actuators (2 replacements)	298,000	298,000		
5040	Transmission Pump Station-Key Largo	6" pressure relief valve (replacement)	12,600			
		12" pressure relief valve (replacement)	48,000	60,600		
5050	Florida City RO Plant	None	-	-		
5060	Electrical and Instrumentation Controls	Baypoint control panel upgrade	86,200			
		Storage container	15,000			
		Cudjoe WW transformer upgrade (2)	32,100			
		FL City K3 transformer (spare)	73,800			
		FL City K6 transformer (spare)	78,800			
		FL City server UPS (replacement)	29,000			
		Layton electrical service	23,100			
		Cudjoe WW centrifuge drive (spare)	24,000	362,000		
						3,052,800
	Wastewater Operations					
4112	Bay Point Wastewater Treatment Plant	None	-		-	
4113	Bay Point Collection	None	-		-	
4114	Big Coppitt Wastewater Treatment	Cloth Media for Disk Filters	17,000			
		Replacement Kaeser Blower Motor	8,200			
		4" Hydraulic Pump and Power Unit	12,500		37,700	

Capital Outlay Budget Detail (continued)

For fiscal year 2025

4115	Big Coppitt Collection	None	-	-	
4116	Key Haven Wastewater Treatment	None	-	-	
4117	Key Haven Collection	None	-	-	
4118	Cudjoe Regional Wastewater Treatment	Seepex Cavity Pump	59,500		
		Kaeser Blower Motor (replacement)	8,200		
		Cloth Media for Disk Filters	17,000	84,700	
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	Explosion Proof Grinder Pump LS A1104 (replacement)	7,750	7,750	
4213	Wastewater Treatment Plant-Duck Key	Bard AC replacment for 2nd MCC	13,000	13,000	
4214	Wastewater Operations and Maintenance	Portable Ground Penetrating Radar	33,000		
		Replacement Roof North Mechanic's Office	8,500	41,500	
4216	Duck Key Collection	Mid Indies Grinder Pump (replacement)	5,600	5,600	
4312	Wastewater Treatment Plant-Layton	Vulcan Static Bar Screen (replacement)	25,500	25,500	
4313	Layton Collection	None	-	-	
4314	Cross Key	Influent EQ Mixer (spare)	7,100	7,100	
					287,950
	Total Capital Outlay				**$ 7,680,950**

Fleet details

4108	Fleet Maintenance-lower keys	Dumptruck (replace veh #106)	167,600		
		F150 (replace veh # 183)	42,000		
		F350 w/crane (replace veh # 374)	121,400		
		F550 (replace veh # 325)	88,500		
		F550 Diesel w/crane (replace # 323)	134,600		
		F550 (replace veh # 316)	88,500	642,600	
4308	Fleet Maintenance-upper keys	SUV for Safety Specialist (new)	43,000		
		F350 (replace # 572)	74,900		
		F550 Diesel w/crane (replace # 573)	134,600	252,500	
	Total fleet capital			895,100	

Capital Financing Plan Summary

For fiscal year 2025

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.

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 $48.7 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, existing cash reserve, and grants.

Total projected outstanding debt at the end of budget year 2025 is estimated to be approximately $233.1 million and debt service is approximately $15.9 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 $45,010,000 Series 2019A water revenue bonds with an interest rate of 5%. The proceeds from these bonds will be used to fund the costs of certain capital improvements to the water system. Interest is due March 1 and September 1, and principal will be paid on September 1, 2038-2049.

Capital Financing Plan Summary (continued)

For fiscal year 2025

In March of 2021, the Authority secured future funding of up to $48,690,000 Series 2021A at an interest rate of 2.39% through a low interest government loan program known as the Water Infrastructure Finance and Innovation Act (WIFIA). Up to 49% of total costs may be funded through this agreement for distribution and transmission projects identified by the FKAA. A draw on this loan will occur in 2025.

In August of 2021, the Authority issued $30,915,000 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. Interest is due March 1 and September 1 and paid through fiscal year 2025. This will be paid in full with a draw from a portion of the WIFIA low interest loan in 2025.

In November of 2023, the Authority issued $40,000,000 in Series 2023 water revenue bonds with an interest rate of 4.81%. The proceeds from these bonds will be used to fund the costs of certain capital improvements to the water system. Interest is due March 1 and September 1, and principal will be paid on September 1, 2026.

Water revenue and revenue refunding bonds are issued under the Authority's Resolution No. 03-12, adopted on May 6, 2003. 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.

Capital Financing Plan Summary (continued)

For fiscal year 2025

Wastewater Revenue Bonds (continued)

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.

The remainder of this page is intentionally left blank

Debt Service Requirements

For fiscal year 2025

SUMMARY OF OUTSTANDING PRINCIPAL OF LONG TERM DEBT

	Projected outstanding principal, 10/1/24	2025 proceeds from issuance of debt	2025 budgeted principal payments	Projected outstanding principal, 9/30/25
Series 2008 water refunding and revenue bonds [1]	$ 46,975,000	$ -	$ 3,045,000	$ 43,930,000
Series 2013B water revenue bonds	4,535,000	-	385,000	4,150,000
Series 2014A water revenue bonds	1,585,000	-	135,000	1,450,000
Series 2015A water refunding bonds	30,495,000	-	1,980,000	28,515,000
Series 2015B water refunding bonds	13,360,000	-	-	13,360,000
Series 2016 wastewater revenue bonds	8,370,000	-	290,000	8,080,000
Series 2019A water revenue bonds	45,010,000	-	-	45,010,000
Series 2021B water revenue bonds	30,915,000	-	30,915,000	-
Series 2023 water revenue bonds	40,000,000	-	-	40,000,000
future 2025 debt projection (WIFIA/bond draw)	-	48,690,000	-	48,690,000
Total bonds	**$ 221,245,000**	**$ 48,690,000**	**$ 36,750,000**	**$ 233,185,000**

SUMMARY OF DEBT SERVICE

			Budgeted 2024 debt service			Budgeted 2025 debt service		
	Fixed / Variable		Principal	Interest	Total	Principal	Interest	Total
Series 2008 water refunding and revenue bonds [1]	Variable		$ 3,045,000	$ 1,777,324	$ 4,822,324	$ 3,045,000	$ 1,777,325	$ 4,822,325
Series 2013B water revenue bonds	Fixed	3.52%	385,000	159,632	544,632	385,000	159,632	544,632
Series 2014A water revenue bonds	Fixed	3.52%	135,000	55,792	190,792	135,000	55,792	190,792
Series 2015A water refunding bonds	Fixed	3.375-5.00%	1,980,000	1,136,525	3,116,525	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
Series 2023 water revenue bonds	Fixed	4.81%	-	1,603,333	1,603,333	-	1,924,000	1,924,000
future 2025 debt projection (WIFIA draw)	Fixed	2.39%	-	-	-	-	727,306	727,306
Total bonds			**$ 5,820,000**	**$ 9,014,222**	**$ 14,834,222**	**$ 5,835,000**	**$ 10,057,466**	**$ 15,892,466**

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

Debt Service Coverage Analysis

For fiscal year 2025

	Budgeted 2024		Budgeted 2025	
	Water	Wastewater	Water	Wastewater
	Revenue available for debt service			
Total operating revenue	$ 78,162,000	$ 14,561,000	$ 84,999,000	$ 15,903,000
Interest income-revenue funds	200,000	-	750,000	-
Other revenue available for debt service	35,028,000	-	38,440,000	-
Less operating expenses before depreciation	(61,814,340)	(11,774,160)	(62,399,000)	(13,841,000)
Net funds available for debt coverage	**51,575,660**	**2,786,840**	**61,790,000**	**2,062,000**
Debt service requirements	$ 12,807,195	423,694	$ 15,458,502	433,964
Coverage factor (minimum of 1.10 for water only)	**4.03**		**4.00**	
System development fees	$ 1,000,000	$ 500,000	$ 1,000,000	$ 500,000
Coverage factor with system development fees (minimum of 1.20)	**4.11**	**7.76**	**4.06**	**5.90**

This page is intentionally left blank

DEPARTMENTAL INFORMATION

EXECUTIVE DIVISION SUMMARY

FINANCE DEPARTMENT SUMMARY

CUSTOMER SERVICE DEPARTMENT SUMMARY

HUMAN RESOURCES DEPARTMENT SUMMARY

INFORMATION TECHNOLOGY DEPARTMENT SUMMARY

ENGINEERING DEPARTMENT SUMMARY

CAPITAL PROJECTS DEPARTMENT SUMMARY

OPERATIONS DEPARTMENT SUMMARY

POSITION AND FLEET SUMMARY

OPERATING EXPENDITURE BUDGET BY FUNCTIONAL

EXECUTIVE DEPARTMENT

Executive Director

Gregory W Veliz

Executive
Legal Services
Records

Responsibilities and Budget Issues

The Executive Division represents the executive branch of the organization, including the Executive Director, General Counsel, Internal Auditor, Records, and support staff. The budget supports all external legal services, governmental liaison management, audit costs, and public information activities. Since the department employs several specialized, professional and senior level management positions, salaries constitute a significant portion of its budget.

Executive Division Summary

For fiscal year 2025

Executive Division

KEY DEPARTMENT INDICATORS

	Actual 2023	Budgeted 2024	Budgeted 2025
Key department indicators			
Number of full time department employees budgeted	12	11	14
Positions budgeted last year that are eliminated	-	-	-
Positions transferred in (out)	-	3	-
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

Enhance legislative positions by strengthening partnerships with elected officials on a local, state and national level. This objective will be achieved by increasing the Authority's presence in Tallahassee and Washington DC.

Achieve recognition as a nationally renowned utility. This will be accomplished by maintaining active participation in distinguished state and national committees such as the AMWA Legislative Affairs Committee, AMWA Sustainability Committee, and the FSAWWA Utility Council.

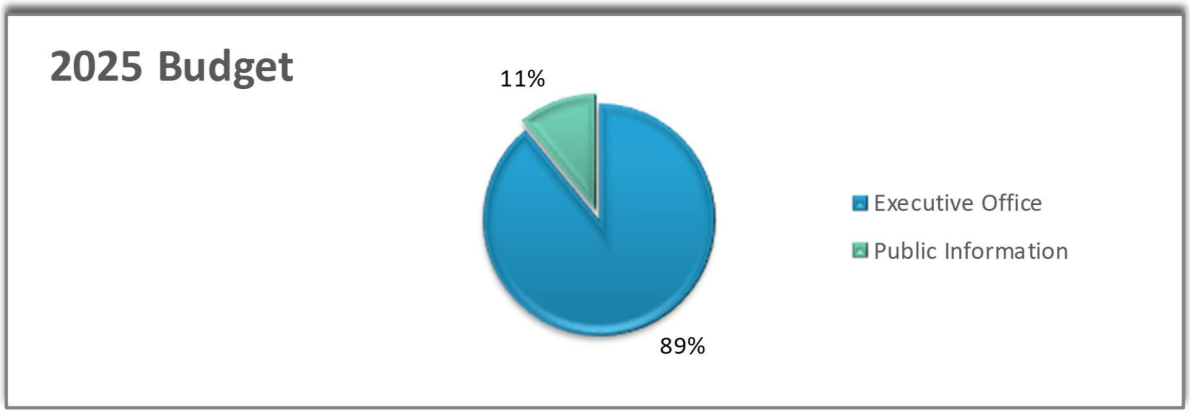
Develop and sustain a risk, resiliency and sustainability program to ensure the Authority's future viability, aligning strategies to capitalize on funding opportunities.

Enhance advocacy for water and wastewater plant resiliency programs by engaging with public figures to emphasize the critical importance of these initiatives and secure necessary funding.

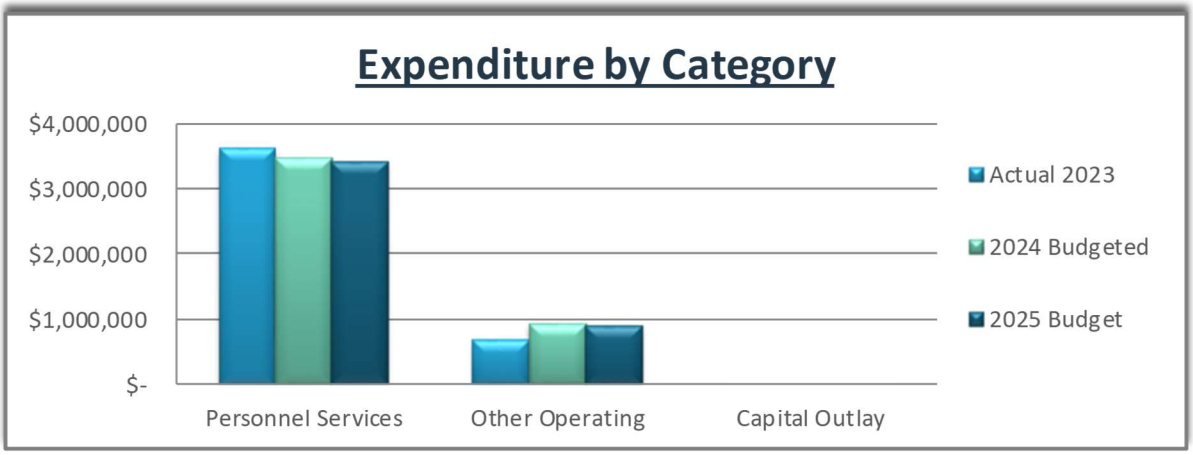
Executive Division Summary (continued)

For fiscal year 2025

Executive



Division	2025 Budget
Executive Office	$ 3,866,750
Public Information	476,000
Total	$ 4,342,750



Expenditure	Actual 2023	2024 Budgeted		2025 Budget
Personnel Services	$ 3,620,429	$ 3,478,600		$ 3,431,400
Other Operating	688,661	937,950		911,350
Capital Outlay	-	-		-
Total	$ 4,309,090	$ 4,416,550		$ 4,342,750

Cindy Kondziela
Chief Administration Officer (CAO)

FINANCE AND CUSTOMER SERVICE DEPARTMENTS

Finance
Billing
Purchasing and Inventory
Customer Service
Field Services

Lynese Mariscal
Director of Finance

Responsibilities and Budget Issues

The Finance department consists of Finance, Purchasing and Inventory, and Billing. The department's budget supports contractual services for banking, investment services, financial and rate consultant fees, and billing.

The Customer Service Department is responsible for establishing accounts, processing payments, researching customer inquiries, collecting meter readings for billing purposes, and handling service calls for the customer. The department's budget provides funding for meters and reading data recorders to accurately capture consumption. The budget also supports salaries and benefits for adequate staff at three strategically located area offices which have been determined to be essential in providing superior customer service in the field, in the offices, electronically, and by telephone.

Finance Department Summary

For fiscal year 2025

Finance Department

KEY DEPARTMENT INDICATORS

	Actual 2023	Budgeted 2024	Budget 2025
Key department indicators			
Number of full time department employees budgeted	26	**30**	**27**
New positions not in prior year's budget	-	**-**	**-**
Positions transferred in (out)	-	**(3)**	**-**
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

Continue to monitor debt structure to identify opportunities for cost savings and ensure adequate rate structure to support existing debt.

Continue to pursue opportunities to capitalize on cost savings and revenue generating prospects.

Improve operational efficiencies through technical enhancements and implementation of electronic workflows.

Utilize automated communications for customer contact regarding account information.

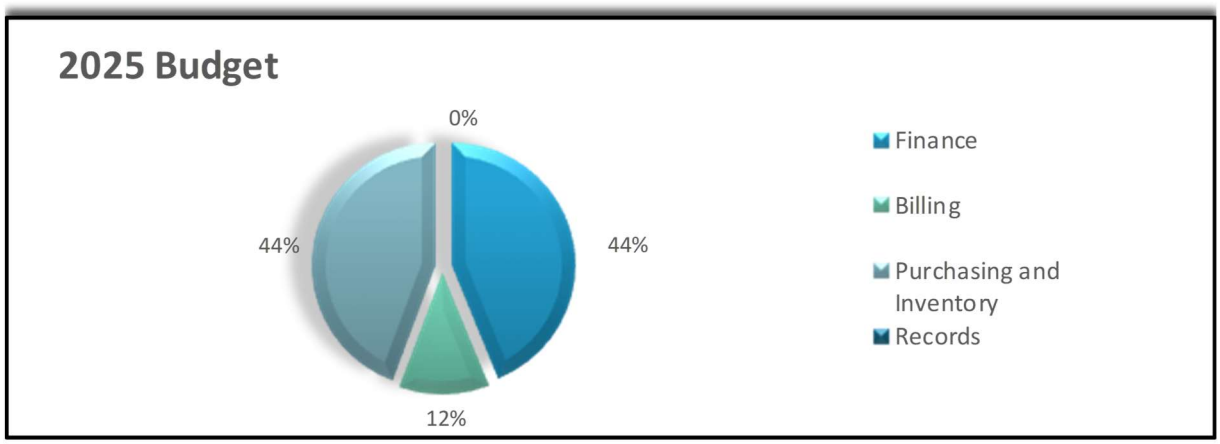
Continue to evaluate options to minimize credit card and bank fees.

Continue to empower employees to access and maintain personal, education, training and financial employment information electronically and implement new beneficial features as available.

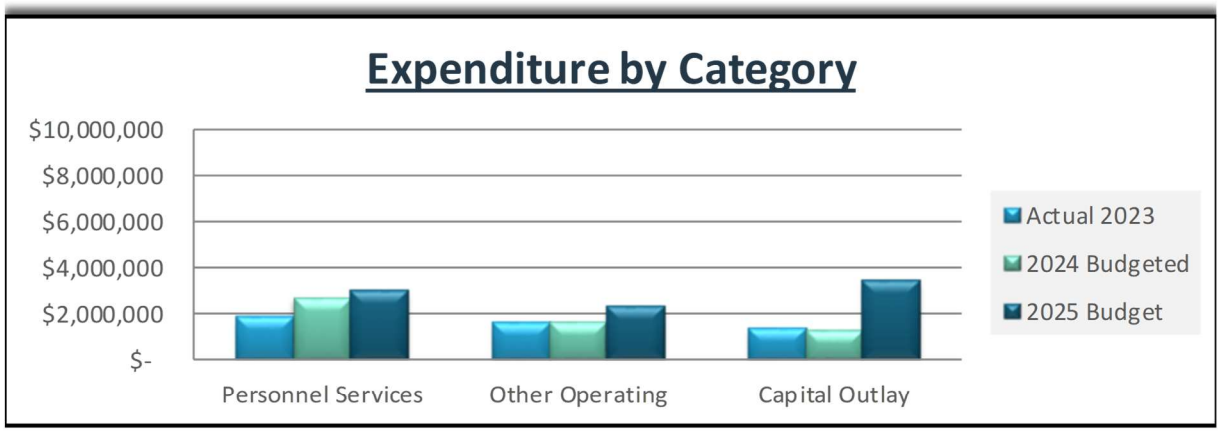
Finance Department Summary (continued)

For fiscal year 2025

Finance



Division	2025 Budget
Finance	3,887,600
Billing	1,041,100
Purchasing and Inventory	3,930,100
Records	-
Total	$ 8,858,800



Expenditure	Actual 2023	2024 Budgeted		2025 Budget
Personnel Services	$ 1,895,873	$ 2,713,300		$ 3,011,400
Other Operating	1,673,489	1,677,500		2,382,400
Capital Outlay	1,430,294	1,300,000		3,465,000
Total	$ 4,999,656	$ 5,690,800		$ 8,858,800

Customer Service Department Summary

For fiscal year 2025

Customer Service Department

KEY DEPARTMENT INDICATORS

	Actual 2023	Budgeted 2024	Budget 2025
Key department indicators			
Number of full time department employees budgeted	35	35	36
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	56,408	90,000	60,000
Number of meters in service	55,166	53,000	57,000
Number of automated read meters	55,166	53,000	57,000
Number of data collection units	62	70	70
Number of delinquent service orders	4,786	6,000	6,000
Number of high consumption investigations	4,265	6,000	5,000
New meter installations (not including replacements)	484	600	600
Total field service orders	33,897	39,000	35,000
Assist Customers	515	1,000	600
Total Number of data extracts performed	2,000	2,000	2,000
Number of zero read investigations	4,801	3,000	5,500
Number of MIU's changes	8,000	8,000	3,500

DEPARTMENTAL GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

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

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

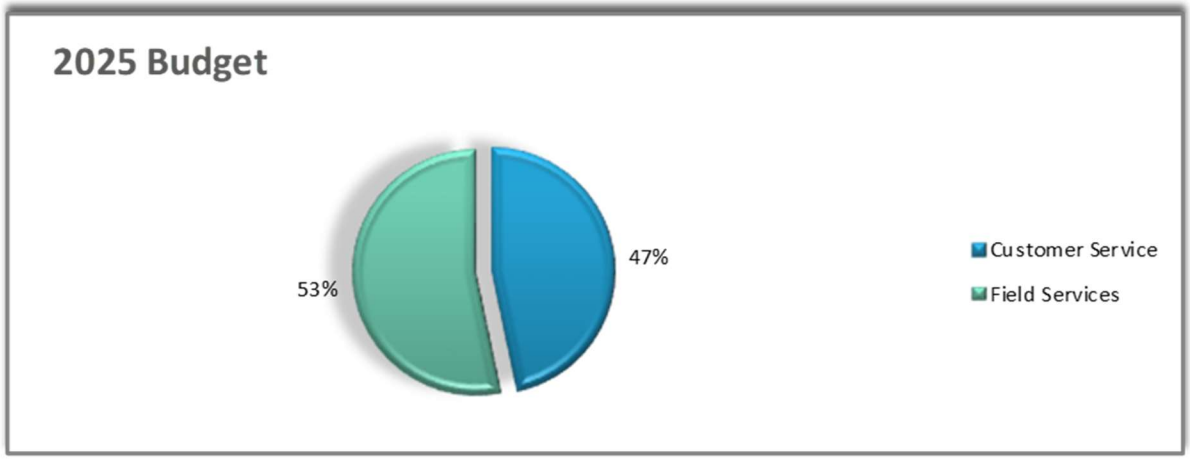
Maintain a highly qualified workforce that is responsive to our customers' needs and provide convenient and safe methods for doing business with FKAA.

Conserve the integrity of metering equipment by keeping up to date with advancements in technology and ensuring all utility property is well maintained.

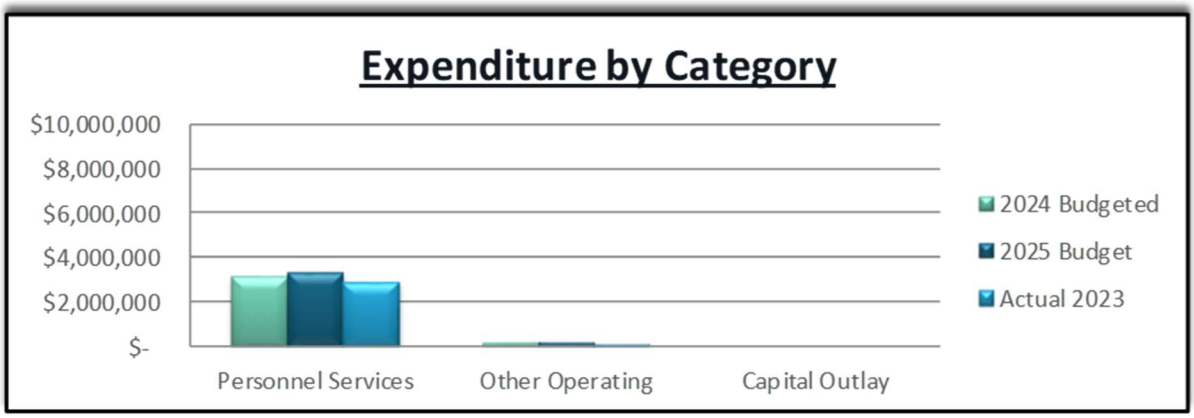
Customer Service Department Summary (continued)

For fiscal year 2025

Customer Service



Division	2025 Budget
Customer Service	1,656,450
Field Services	1,890,000
Total	$ 3,546,450



Expenditure	Actual 2023	2024 Budgeted		2025 Budget
Personnel Services	$ 2,907,492	$ 3,157,400		$ 3,348,750
Other Operating	126,525	179,700		197,700
Capital Outlay	-	-		-
Total	$ 3,034,017	$ 3,337,100		$ 3,546,450

HUMAN RESOURCES DEPARTMENT

Human Resources
Risk Management
Safety and Security

Heather Arencibia

Responsibilities and Budget Issues

The Human Resources Department represents Human Resources, Risk Management, and Safety. The department's budget supports all employee benefits, benefit consultants, and all business insurance programs. The department manages all aspects of employee recruitment, selection, orientation, and retention. Additionally, it administers Risk Management functions, including claims management and coordination with FEMA during disasters. Safety and Security responsibilites include ensuring workplace safety measures, conducting training, and maintaining adherence to safety regulations and standards.

Human Resources Department Summary

For fiscal year 2025

Human Resources Department

KEY DEPARTMENT INDICATORS

Key department indicators			
	Actual 2023	Budgeted 2024	Budget 2025
Number of full time department employees	4	**5**	**9**
Positions budgeted last year that are eliminated	-	**-**	**-**
Positions transferred in (out)	-	**(4)**	**-**
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-friendly format to display important data analytics.

Enhance employee communication and development by providing managers with the necessary tools to monitor trends in recruitment, turnover, employee's career lifecycle within the Authority.

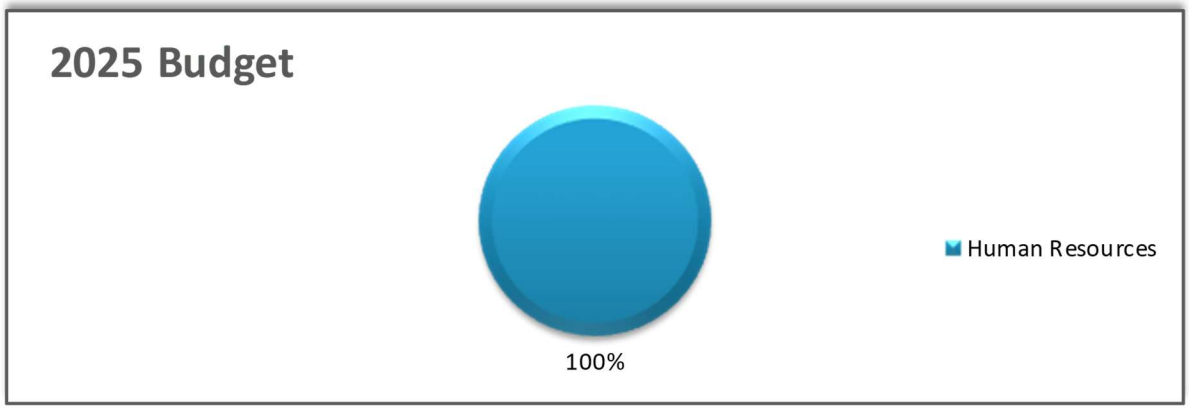
Strengthen leadership development by providing supervisors and managers with tools to facilitate their personal growth and effectiveness.

Foster employee communication and development by encouraging the employees and their supervisor/manager to keep current with job requirements and to record their training and certifications for potential future opportunities within the Authority.

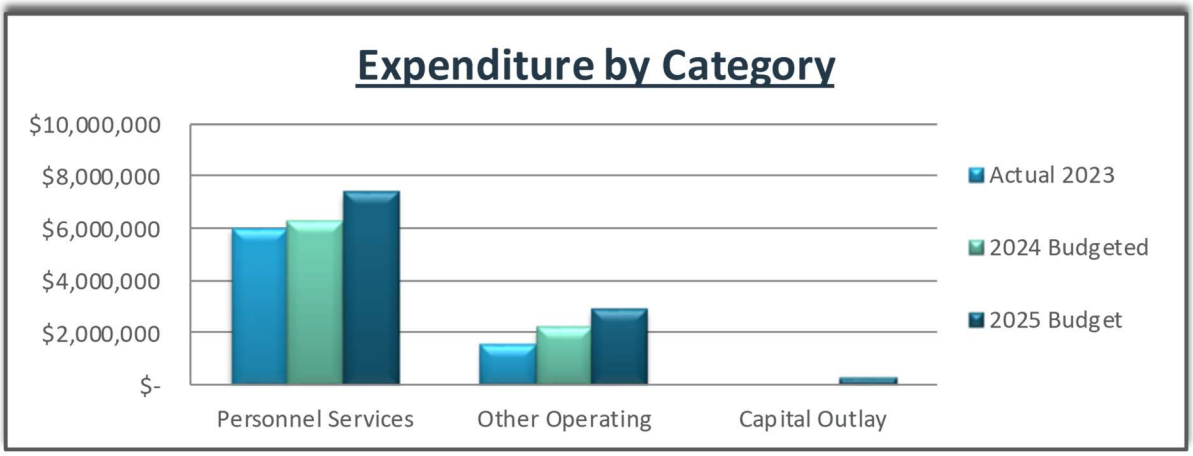
Human Resources Department Summary (continued)

For fiscal year 2025

Human Resources



Division	2025 Budget
Human Resources	$ 9,559,100
Total	$ 9,559,100



Expenditure	Actual 2023	2024 Budgeted		2025 Budget
Personnel Services	$ 6,005,700	$ 6,278,400		$ 7,393,900
Other Operating	1,552,970	2,222,800		2,918,600
Capital Outlay	-	-		280,000
Total	**$ 7,558,670**	**$ 8,501,200**		**$ 10,592,500**

Rick Ketcham

INFORMATION TECHNOLOGY DEPARTMENT

Information Technology

Responsibilities and Budget Issues

Information Technology is responsible for providing the direction and delivery of technical systems and services; including data, applications, hardware, software, networks, security, and cloud based solutions. The department leads the authority in planning, designing, acquiring, building, operating, and maintaining technical infrastructure. The department's budget supports salaries for several specialized positions as well as software licensing and maintenance costs.

Information Technology Department Summary

For fiscal year 2025

Information Technology Department

KEY DEPARTMENT INDICATORS

	Actual 2023	Budgeted 2024	Budget 2025
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

Continue technology refresh by replacing 11% of the computers, 16% of mobile devices, 16% of servers, and 10% of network switches

Continuing to strengthen our cyber security posture by adding additional network monitoring services.

Revise the Information Technology 5-year strategic plan.

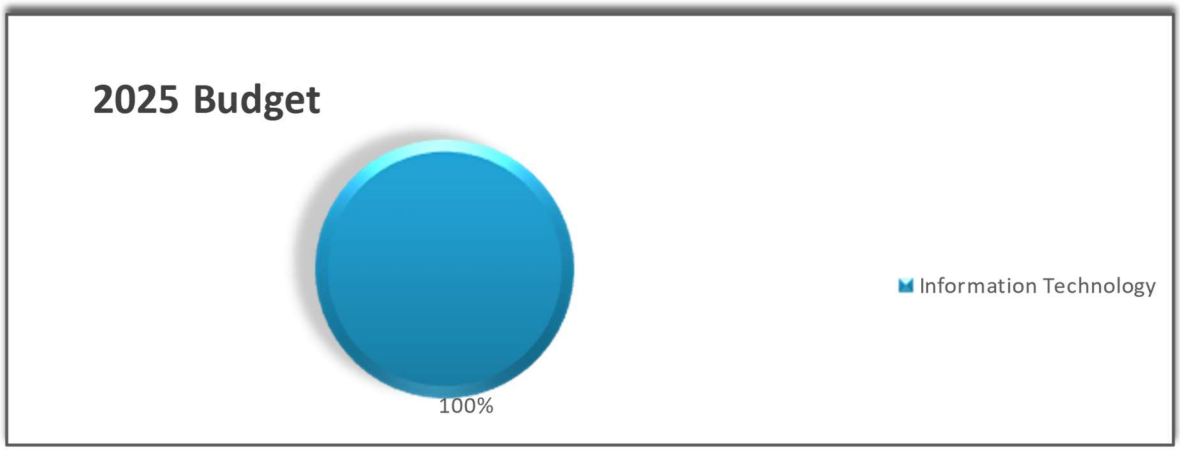
Migrate from third party software integration development to in house.

Continue modernizing network infrastructure locations.

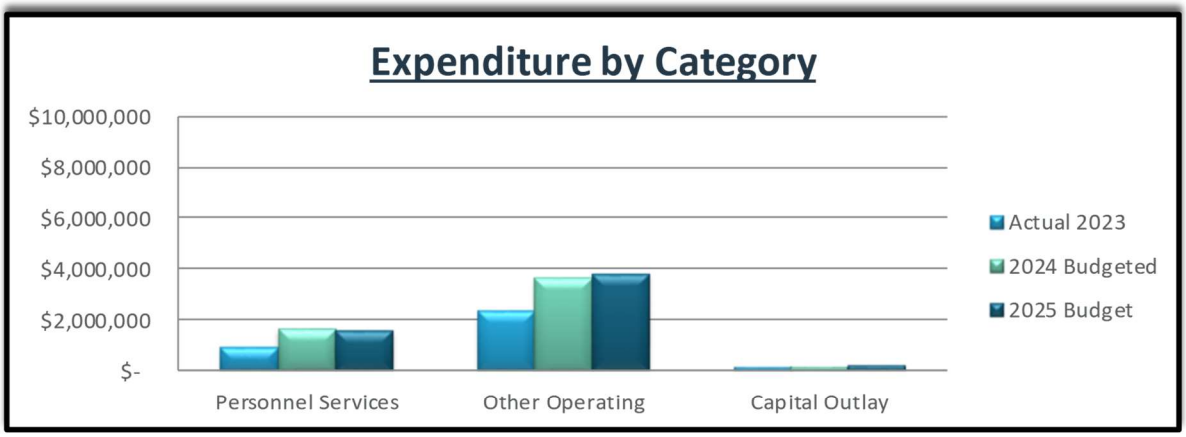
Information Technology Department Summary (continued)

For fiscal years 2025

Information Technology



Division	2025 Budget
Information Technology	$ 5,631,200
Total	$ 5,631,200



Expenditure	Actual 2023	2024 Budgeted	2025 Budget
Personnel Services	$ 947,652	$ 1,666,100	$ 1,612,700
Other Operating	2,347,949	3,663,900	3,809,300
Capital Outlay	168,307	179,000	209,200
Total	**$ 3,463,908**	**$ 5,509,000**	**$ 5,631,200**

ENGINEERING DEPARTMENT

David Hackworth

General Engineering
Design
Contract Management
Construction Crew

Responsibilities and Budget Issues

The Engineering Department consists of General Engineering, Contract Management, In-house Construction Crew, and Project Design. The department's budget supports the development of capital project programs, project inspections, contract compliance, and water/wastewater project design. The department is responsible for designing, coordination and implementing the Authority's capital improvement budget, 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 with a focus on making our system more resilient and reliable.

Engineering Department Summary

For fiscal year 2025

Engineering Department
KEY DEPARTMENT INDICATORS

	Actual 2023	Budgeted 2024	Budget 2025
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**	**24**
Number of general engineering task orders	11	**12**	**10**
Number of fixture reviews	629	**850**	**850**
Number of plan reviews	32	**56**	**60**
Feet of designed distribution	24,165	**11,030**	**12,000**
Number of Fire line/hydrant	42	**62**	**75**
Feet of distribution pipe installed by in-house crew	4,200	**10,000**	**12,000**

DEPARTMENTAL GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

Implement capital improvement projects in the Master Plan within schedule and budget.

Seek alternative funding sources for capital improvement projects.

Begin design of new water treatment plant in Florida City to improve water quality and meet proposed regulatory requirements.

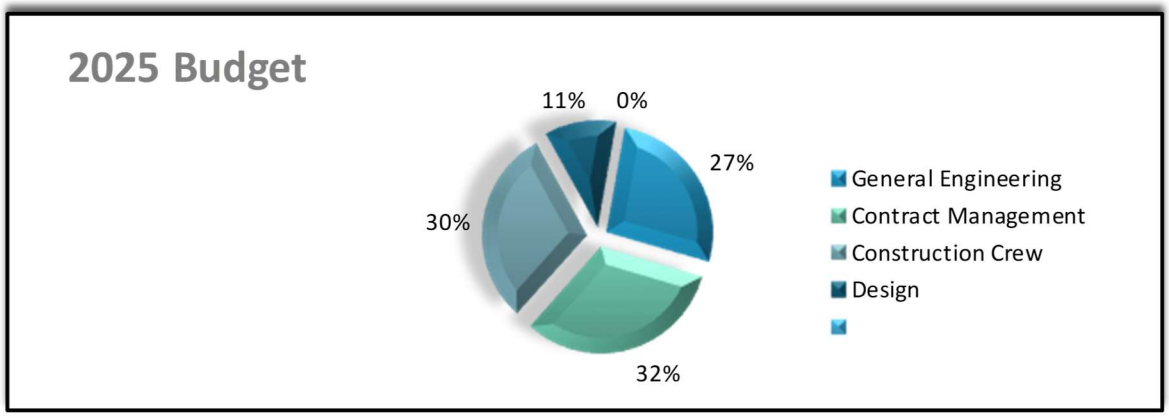
Begin construction of new seawater reverse osmosis plant on Crawl Key to increase water supply and system resiliency.

Build and strengthen a sustainable and resilient utility system.

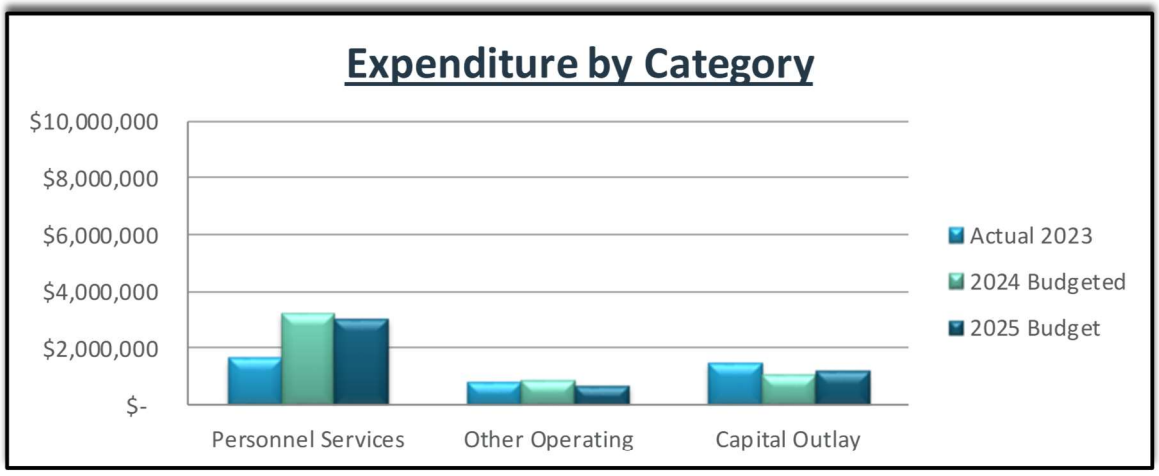
Engineering Department Summary (continued)

For fiscal year 2025

Engineering



Division	2025 Budget
General Engineering	$ 1,322,300
Contract Management	1,589,600
Construction Crew	1,499,600
Design	534,600
Total	$ 4,946,100



Expenditure	Actual 2023	2024 Budgeted	2025 Budget
Personnel Services	$ 1,661,661	$ 3,242,552	$ 3,052,100
Other Operating	847,086	902,400	708,700
Capital Outlay	1,503,567	1,087,600	1,185,300
Total	$ 4,012,314	$ 5,232,552	$ 4,946,100

Peter Gomez
Chief Operations Officer (COO)

WATER OPERATIONS DEPARTMENT

Fleet Management
Water Operations (Lower Keys)
Water Operations (Middle Keys)
Water Operations (Upper Keys)
Water Quality & Treatment
Electrical & Instrumentation Controls

William Osterhoudt
Director of Water Operations

Responsibilities and Budget Issues

The Operations department oversees the operation and maintenance of the Authority's transmission, distribution, water treatment, and wastewater facilities across its 130-mile service area. It manages two seawater reverse osmosis plants, four wastewater treatment plants, fleet vehicles, and heavy equipment. The department's budget supports crew maintenance throughout its service area, focusing on salaries, benefits, electricity for plants and pump stations, chemicals, and non-routine maintenance projects like water tank painting and transmission line tape wrapping. With critical operational tasks, the department maintains several shift and standby workers to ensure minimal response times in emergencies, particularly for major transmission breaks.

Water Operations Department Summary

For fiscal year 2025

Water Operations Department
KEY DEPARTMENT INDICATORS

	Actual 2023	Budgeted 2024	Budget 2025
Key department indicators			
Number of full time department employees	128	**141**	**147**
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.

Efficiently operate two reverse osmosis water treatment plants.

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

Meet and exceed all AWWA regulatory requirements.

Operate U.S. Navy potable water system in accordance with the Navy contract.

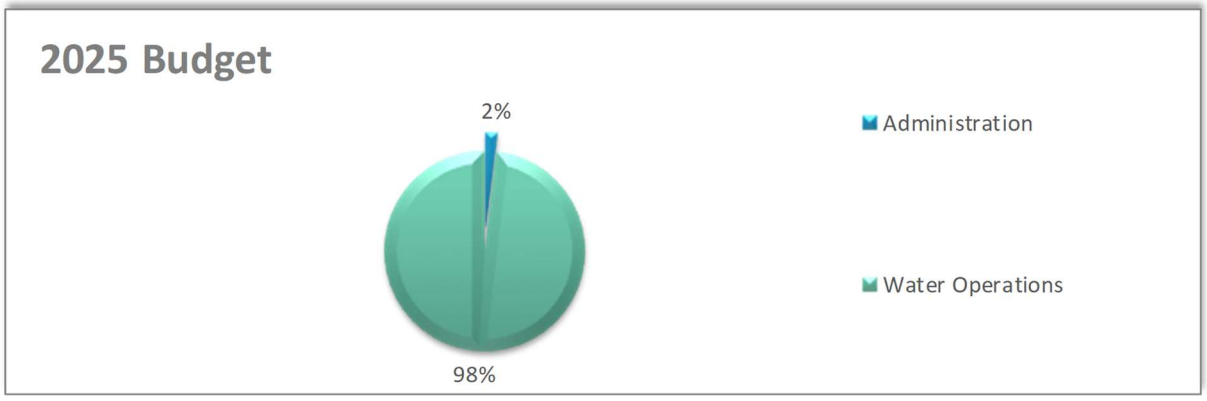
Continue our Valve and Meter cross-training.

Continue utilizing our certified in-house trainers for flexibility in scheduling and cost savings.

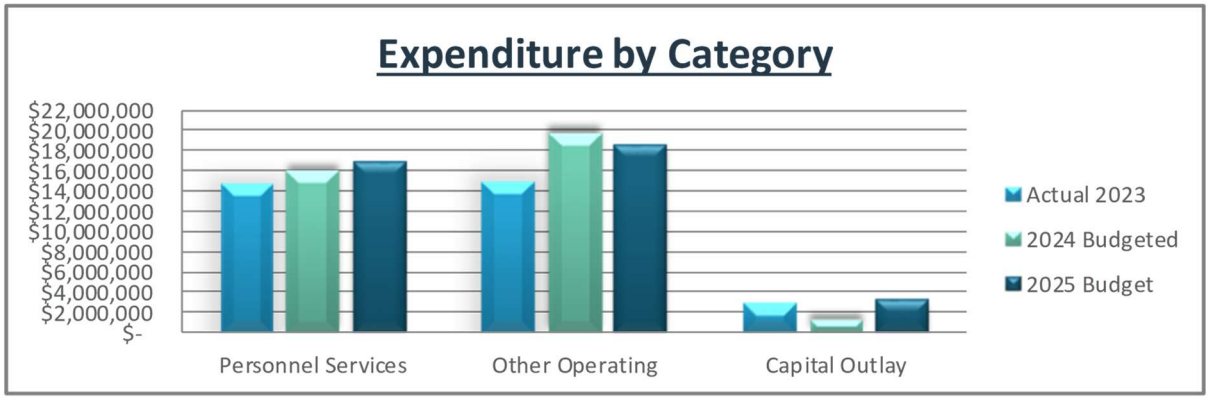
Water Operations Department Summary (continued)

For fiscal years 2025

Water Operations



Division	2025 Budget
Administration	$ 640,000
Water Operations	33,390,100
Total	**$ 34,030,100**



Expenditure	Actual 2023	2024 Budgeted		2025 Budget
Personnel Services	$ 14,701,964	$ 15,953,500		$ 16,887,300
Other Operating	14,932,227	19,778,300		18,666,400
Capital Outlay	2,902,847	1,238,550		3,329,900
Total	**$ 32,537,038**	**$ 36,970,350**		**$ 38,883,600**

Jay Miller

WASTEWATER DEPARTMENT

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

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 Authority to convert it into an effluent that can be safely redistributed or returned to the water cycle with minimal impact on the environment. The budget supports the operation and maintenance of wastewater treatment facilities and collection systems along with training, licensing and salaries for staff.

Wastewater Operations Department Summary

For fiscal year 2025

Wastewater Operations Department
KEY DEPARTMENT INDICATORS

	Actual 2023	Budgeted 2024	Budget 2025
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	**35**	**35**
Wastewater treatment plants operated	5	**6**	**6**
Reclaimed water pump stations operated	2	**2**	**2**

DEPARTMENTAL GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

Adhere to all aspects of the DEP Consent Orders until lifted.

Maintain numbers below FDEP mandated parameters at all wastewater 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.

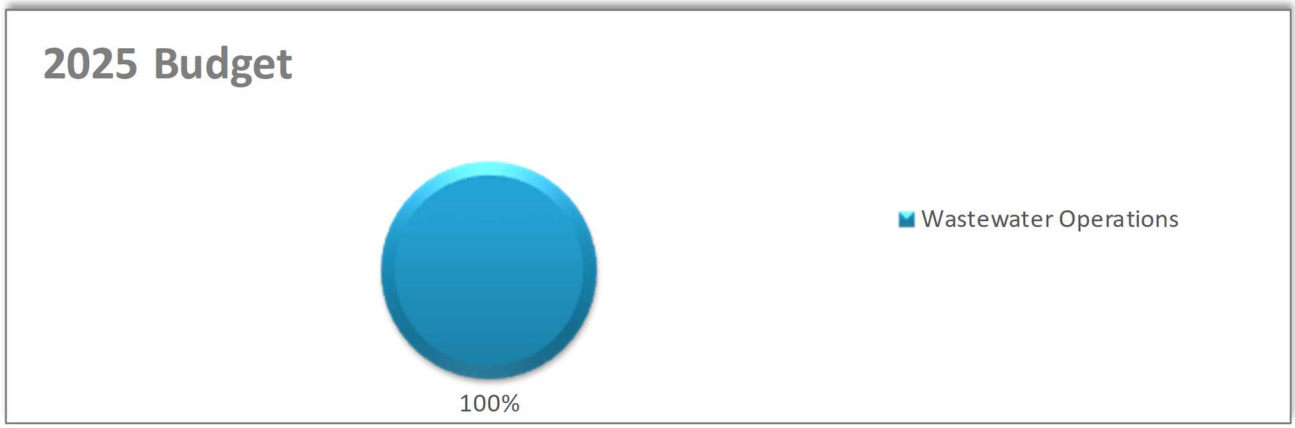
Minimize spills by implementing SCADA and monitoring equipment, alongside necessary system repairs and equipment additions.

Ensure that scheduled installations are completed within two weeks of receiving the work order.

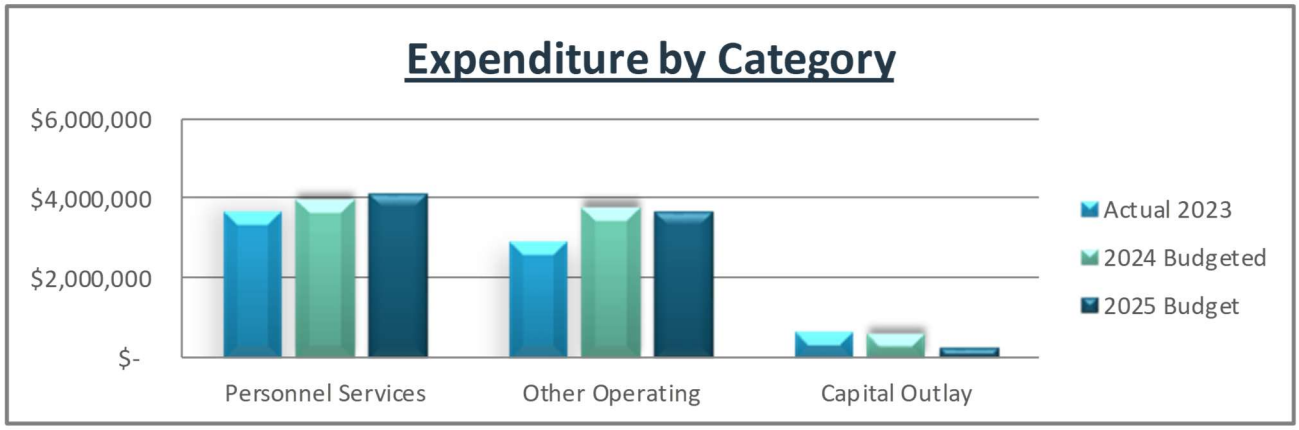
Wastewater Operations Department Summary (continued)

For fiscal years 2025

Wastewater Operations



Division	2025 Budget
Wastewater Operations	8,112,650
Total	**$ 8,112,650**



Expenditure	Actual 2023	2024 Budgeted		2025 Budget
Personnel Services	$ 3,676,863	$ 3,964,100		$ 4,142,200
Other Operating	2,926,249	3,793,350		3,689,600
Capital Outlay	639,993	599,800		280,850
Total	**$ 7,243,105**	**$ 8,357,250**		**$ 8,112,650**

Position and Fleet

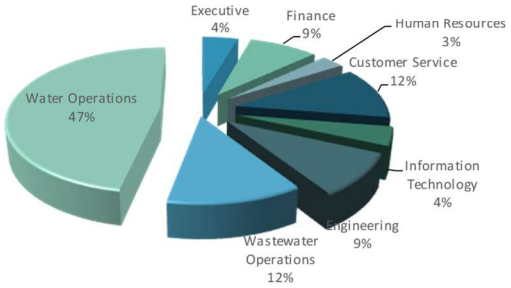
For fiscal years 2025

POSITION AND FLEET SUMMARY 2025

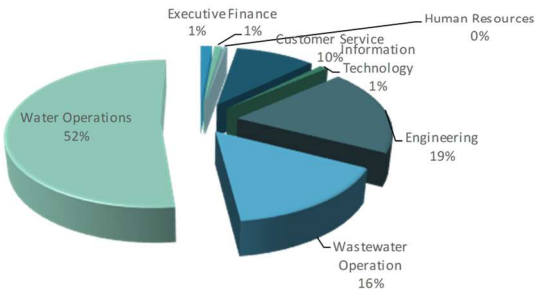
Positions	Executive	Finance	Human Resources	Customer Service	Information Technology	Engineering	Wastewater Operations	Water Operations	Total
Budgeted positions in 2023	11	30	5	35	13	29	38	145	306
New positions									
N/A									
Transferred positions									
Safety and Security Officer			2					(2)	
Safety and Security Admin			1					(1)	
Safety and Security Manager			1					(1)	
Records	3	(3)							
Eliminated positions									
N/A									
Budgeted positions in 2024	14	27	9	35	13	29	38	141	306
New positions									
Valve Maintenance Crew								6	6
Transferred positions									
N/A									
Eliminated positions									
N/A									
Budgeted positions in 2025	14	27	9	36	13	29	38	147	313

Fleet	Executive	Finance	Human Resources	Customer Service	Information Technology	Engineering	Wastewater Operation	Water Operations	Total
Budgeted vehicles in 2023	3	2	-	21	2	40	31	110	209
Added vehicles									
550 Uplifted trucks							2		2
SUV Safety Specialist			1						
Eliminated vehicles									-
None									-
Transferred vehicles									
None									-
Budgeted vehicles in 2024	3	2	1	21	2	40	33	110	212
Added vehicles									
None									-
Eliminated vehicles									-
None									-
Transferred vehicles									-
None									-
Budgeted vehicles in 2025	3	2	1	21	2	40	33	110	212

BUDGETED POSITIONS BY DEPARTMENT



BUDGETED VEHICLES BY DEPARTMENT



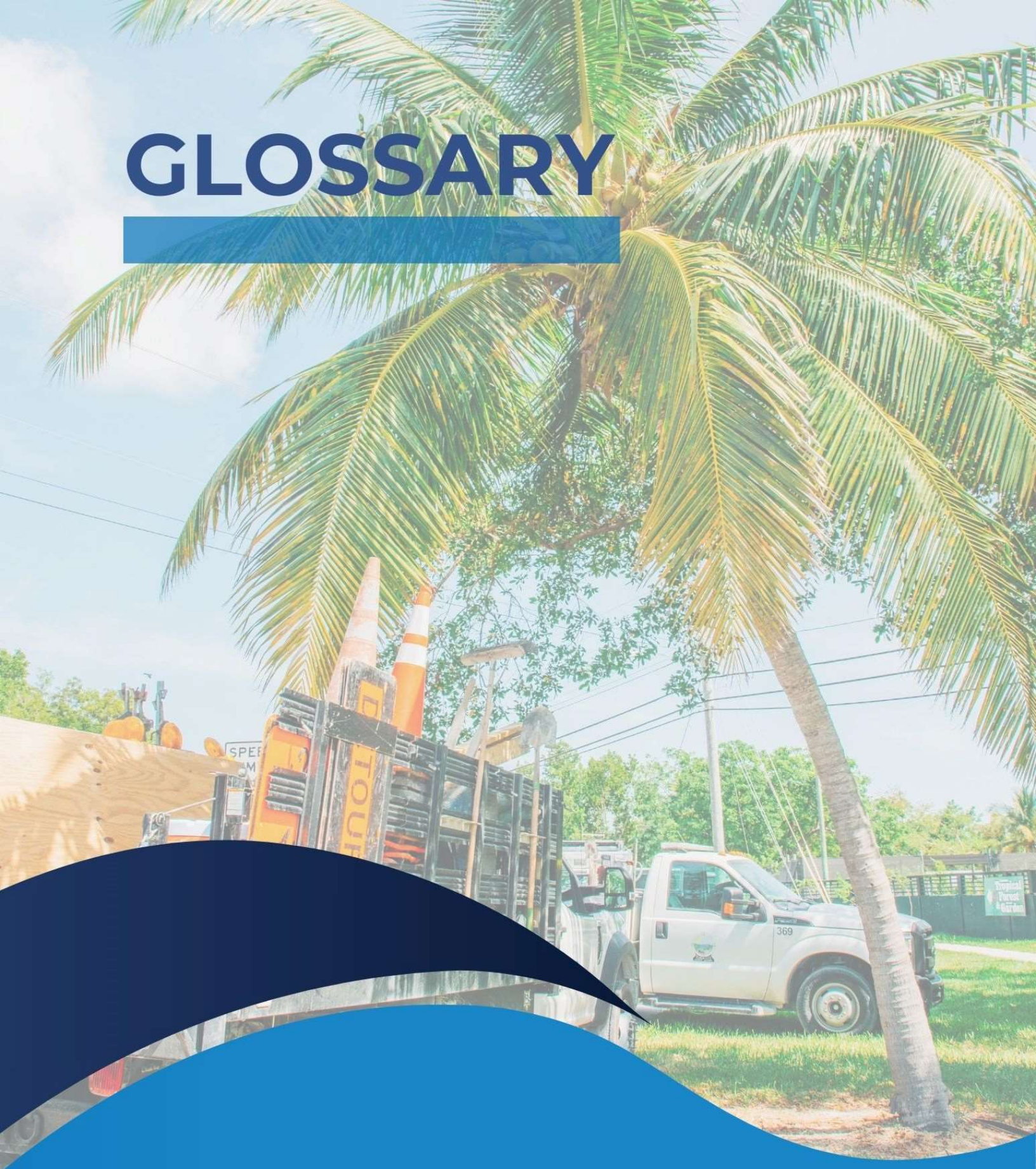
Operating Expenditure By Functional Unit

For fiscal years 2025

2025 Budget Summary

	Actual 2023	Budgeted 2024	2025 Budget	Increase/Decrease Amount	Change from previous year budget
Executive Division					
Executive Office	$ 3,873,797	$ 4,205,450	$ 3,866,750	$ (338,700)	-8%
Public Information	435,293	$ 211,100	476,000	264,900	125%
Totals	**4,309,090**	**4,416,550**	**4,342,750**	**(73,800)**	-1.7%
Finance Department					
Finance	2,473,871	2,729,000	3,887,600	**1,158,600**	42.5%
Billing	667,972	886,200	1,041,100	**154,900**	17.5%
Purchasing and Inventory	1,857,794	1,747,000	3,930,100	**2,183,100**	125.0%
Records	-	328,600	-	**(328,600)**	-100.0%
Totals	**4,999,637**	**5,690,800**	**8,858,800**	**3,168,000**	55.7%
Human Resources Department					
Human Resources	7,558,670	8,501,200	10,592,500	**2,091,300**	24.6%
Totals	**7,558,670**	**8,501,200**	**10,592,500**	**2,091,300**	24.6%
Customer Service Department					
Customer Service	3,034,017	**3,337,100**	**3,622,850**	**285,750**	8.6%
Totals	3,034,017	**3,337,100**	**3,622,850**	**285,750**	8.6%
Information Technology Department					
Information Technology	3,463,908	5,509,000	5,631,200	**122,200**	2.2%
Totals	**3,463,908**	**5,509,000**	**5,631,200**	**122,200**	2.2%
Engineering Department					
General Engineering	1,070,000	1,479,400	1,322,300	**(157,100)**	-10.6%
Design	326,483	460,600	534,600	**74,000**	16.1%
Contract Management	1,467,673	1,507,300	1,589,600	**82,300**	5.5%
Construction	1,191,976	1,785,252	1,499,600	**(285,652)**	-16.0%
Totals	4,056,132	5,232,552	4,946,100	**(286,452)**	-5.5%
Water Operations					
Water Operations	32,493,220	36,970,350	38,883,600	**1,913,250**	5.2%
Totals	**32,493,220**	**36,970,350**	**38,883,600**	**1,913,250**	5.2%
Wastewater Operations					
Wastewater Operations	7,243,105	8,357,250	8,112,650	**(244,600)**	-2.9%
Totals	**7,243,105**	**8,357,250**	**8,112,650**	**(244,600)**	-2.9%
Grand Totals	**$ 67,716,632**	**$ 78,014,802**	**$ 84,990,450**	**$ 6,975,648**	**4.1%**

GLOSSARY



This page is intentionally left blank

Glossary for Terms and Acronyms

For fiscal years 2025

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.

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.

This page is intentionally left blank