FLORIDA KEYS AQUEDUCT AUTHORITY

2026 BUDGET

2026 Budget and Financial Plan

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FLORIDA KEYS AQUEDUCT AUTHORITY

2026

BUDGET AND FINANCIAL PLAN

305.296.2454
1100 Kennedy Drive
Key West, FL 33040

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INTRODUCTION AND OVERVIEW

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FLORIDA KEYS AQUEDUCT AUTHORITY

2026 Board of Directors

RICHARD J. TOPPINO CHAIRMAN

District 2- Current term expires December 31, 2026

Treasurer, Charley Toppino & Sons, Inc.

Vice President, Monroe Concrete Products, Inc.

J. ROBERT DEAN VICE CHAIRMAN

District 3- Current term expires December 31, 2024

Owner and Director, Dean-Lopez Funeral Home

CARA HIGGINS SECRETARY/ TREASURER

District 1- Current term expires December 31, 2026

Owner, Cara Higgins Law

NICHOLAS W. MULICK BOARD MEMBER

District 5- Current term expires December 31, 2028

Owner, The Law Offices of Nicholas W. Mulick

LUIS GONZALEZ SR. BOARD MEMBER

District 4- Current term expires December 31, 2028

Owner, Gonzalez Brothers Landscaping, Inc.

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, 2026, as adopted by the Board of Directors on August 5, 2025, 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, 2026, 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 3.1% inflation index effective October 1, 2025. 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 increased personnel costs and increased operating costs. Capital projects are focused on projects that are critical to sustaining continued reliable operations. These projects will be funded through a combination of rates and reserves, grants, state and federal appropriations, and Water Infrastructure Finance and Innovation Act (WIFIA) financing.

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 5, 2025

Vision, Mission, Values and Guiding Principles

For fiscal year 2026

MISSION

The Florida Keys Aqueduct Authority is a nationally recognized, community-oriented, and publicly owned utility committed to delivering reliable, safe, and efficient water and wastewater services. We operate with fiscal responsibility and environmental sustainability at the core of our mission, ensuring the health and well-being of our community and the protection of our natural resources. Our highly trained, professional, and dedicated employees are committed to upholding the highest standards of service, integrity, and excellence in every aspect of our operations.

VISION

The Florida Keys Aqueduct Authority strives to be a nationally recognized leader in delivering safe, reliable, and innovative water and wastewater services. By embracing advanced technology and fostering operational efficiencies, we are dedicated to enhancing the customer experience while promoting sustainability and environmental stewardship. Our commitment to continuous innovation, resource protection, and community partnership will set the standard for excellence—ensuring a resilient, sustainable future for our community and environment.

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 (continued)

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.

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.

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.

OPERATIONAL OPTIMIZATION

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

CUSTOMER SATISFACTION

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

WATER SUPPLY AVAILABILITY

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

Vision, Mission, Values and Guiding Principles (continued)

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.

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 2026

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

The Florida Keys

The Florida Keys are a chain-like cluster of about 1,700 islands in the southeast United States. They begin at the southeastern tip of the Florida peninsula, about 15 miles south of Miami, and extend in a gentle arc south to southwest to Key West, the southernmost city in the contiguous United States. The islands lie along the Florida Straits, dividing the Atlantic Ocean to the east from the Gulf of Mexico to the west, and defining one edge of Florida Bay. At the nearest point, the southern tip of Key West is just 89 miles from Cuba. The total land area is approximately 137 square miles and the county-wide population is about 84,000. Much of the population is concentrated in a few areas of much higher density, such as the city of Key West, which has 32% of the entire population of the Keys.

Early History

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

Profile of The Florida Keys (continued)

For fiscal year 2026

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 2026

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.

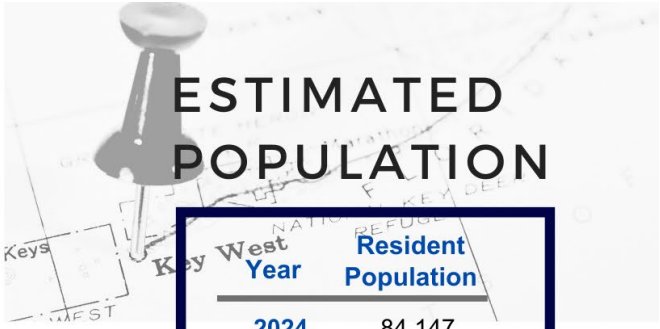
Local Economy and Demand Trends

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 2026

FLORIDA KEYS



ESTIMATED POPULATION

Year	Resident Population
2024	84,147
2023	84,511
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

PERCENTAGE OF POPULATION BY AGE

Under 18 years of age
15.4%

65 years of age and over
25.4%

DEMOGRAPHICS

Average household size	2.32
Median household income	$ 82,430
Per capita income	$ 57,683
Persons below the poverty level	10.0%
Total housing units	55,692
Median single family home value	$ 723,800
Median travel time to work (minutes)	19.0

Demographic and Economic Information (continued)

For fiscal year 2026

LOCAL UNEMPLOYMENT

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
2.3%	1.9%	2.1%	3.3%	8.5%	1.8%	3.0%	3.2%	3.7%	3.6%	4.0%

ANNUAL RAINFALL FOR THE LAST 10 FISCAL YEARS

Fiscal Year	Key West International Airport
2024	49.11
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	91	70
November	85	67
December	85	55
January	81	55
February	80	58
March	85	69
April	87	68
May	93	73
June	92	75
July	92	75
August	96	76
September	94	76

Demographic and Economic Information (continued)

For fiscal year 2026

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 2026

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.

Ten Largest Customers **Fiscal years ended September 30, 2024, and 2015**

10 largest customers-year ended September 30, 2024

	2024	Total Gallons Consumed (000)	Total Water Revenues	% of Water Revenue
1	United States Navy	326,242	$ 1,925,084	2.4%
2	Ocean Reef Club Inc	55,560	846,230	1.1%
3	City of Key West	43,467	670,260	0.8%
4	Monroe County School Board	42,356	646,035	0.8%
5	NWCL LLC	38,712	642,894	0.8%
6	Keys Hotel Operator	25,672	390,449	0.5%
7	Resort Hotels of Key West	21,737	371,750	0.5%
8	Monroe County Detention Center	21,574	368,853	0.5%
9	BCORE Key West TRS LLC	25,513	366,796	0.5%
10	MHC Operating LP	18,201	308,910	0.4%

10 largest customers-year ended September 30, 2015

	2015	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

For fiscal year 2026

SYSTEM OVERVIEW

1 LIME SOFTENING WATER TREATMENT PLANT (24 MGD)

10 BISCAYNE AQUIFER SUPPLY WELLS

5 FLORIDAN AQUIFER SUPPLY WELLS

1 BRACKISH WATER REVERSE OSMOSIS PLANT (6 MGD)

2 SEAWATER REVERSE OSMOSIS PLANTS (5 MGD TOTAL CAPACITY)

OVER 200 MILES OF STEEL AND DUCTILE IRON TRANSMISSION MAIN (18"-36") AT UP TO 250 PSI

6 TRANSMISSION BOOSTER AND BACK PUMP STATIONS

42 BRIDGE CROSSINGS

29 STORAGE TANKS (46 MG TOTAL CAPACITY)

OVER 600 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 2026

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 2026

Water production and treatment facilities, continued

The Authority also maintains seawater reverse osmosis facilities in Stock Island and Marathon capable of producing 4 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 2026

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 2026

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 fiscal year beginning October 1, 2024. 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. The Distinguished Budget Presentation Award is valid for a period of one year only. We believe that our budget and financial plan for the fiscal year ending September 30, 2026, continues to meet the award's requirements and will be submitted 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 Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024. This was the 34rd 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 Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024, 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 2026

Acknowledgements

The preparation of the budget and financial plan for the year ending September 30, 2026, was made possible by the dedicated service of the entire staff of the Florida Keys Aqueduct Authority. Each participant has our sincere appreciation for the contributions made in support of this effort.

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Profile of the Authority (continued)

For fiscal year 2026

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

The 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

The 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.

Profile of the Authority (continued)

For fiscal year 2026

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.

2025

The Authority completed construction of a new 4 mgd reverse osmosis facility in Stock Island. The existing SIRO was damaged during Hurricane Irma and the Authority recognized the need to replace it with a new 4 mgd system to serve the needs of the Lower Keys in the event of disruption of water supply from Florida City. The New Kermit H. Lewin Stock Island Reverse Osmosis Facility will provide a reliable alternative resource in the southernmost portion of the FKAA service area to increase the Authority's ability to become more resilient.

Budget Highlights, Issues and Priorities

For fiscal year 2026

Key Highlights

The 2026 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's budget. The budget includes a 3.1% rate adjustment for inflation and a 5% additional rate increase effective October 1, 2025, 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 2.7% 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 $44,391,610 or about 3.3% higher than the current budget. A cost-of-living salary adjustment is budgeted to go into effect for employees on October 1, 2025. The annual adjustment amount is negotiated with the Authority's bargaining unit employee union every three years. Negotiations are ongoing at the time of this publication. No new positions were added in the 2026 Budget.

Budget Highlights, Issues and Priorities (continued)

For fiscal year 2026

Other operating expenses

Operating costs, such as fuel for power production, chemicals, other utilities and technical services, are budgeted to increase, mainly due to the utilization of the new Reverse Osmosis Facility in Stock Island and services related to wastewater regulatory compliance. Consulting and support services are also budgeted to increase due to the transition to a cloud-based financial system designed to streamline operations and enhance long-term sustainability.

Capital outlay

Capital outlay is budgeted at $6,499,459, reflecting a 15% decrease 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 2026 portion of the plan calls for $82,250,000 in capital expenditures, including funding for distribution and transmission line replacements in areas identified as vulnerable to breaks, as well as improvements to the wastewater system. The plan also includes funding for key projects such as the new Crawl Key Reverse Osmosis Facility and upgrades to the J. Robert Dean Water Treatment Plant designed to meet EPA PFAS regulations. 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 $15.6 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.

Budget Highlights, Issues and Priorities (continued)

For fiscal year 2026

How Each Dollar of The Budget Will Be Spent

FINANCIAL STRUCTURE, POLICY AND PROCESS

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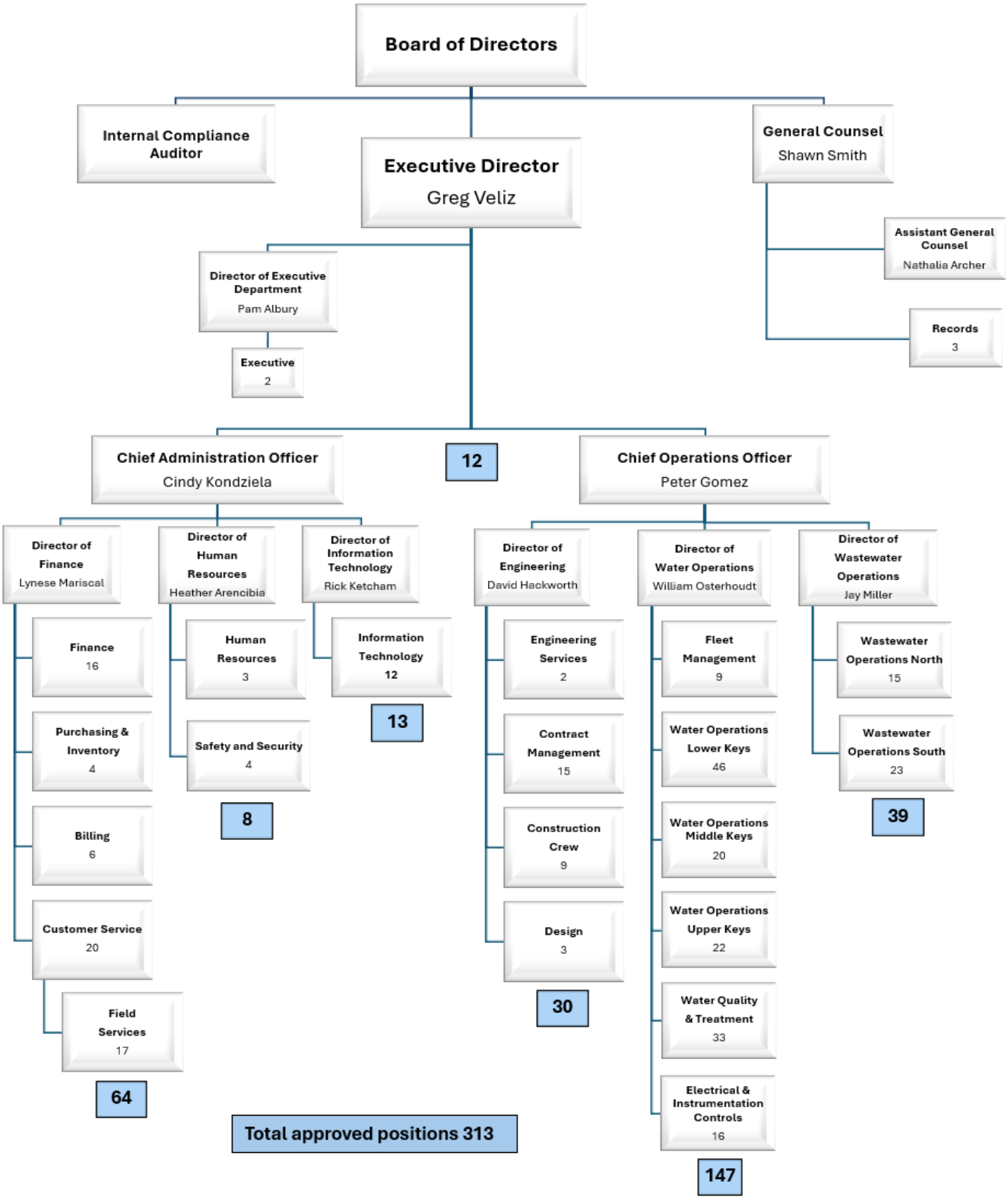
Organization Chart

For fiscal year 2026



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Financial Policies That Impact The Budget

For fiscal year 2026

Performance Measurement Policies

The Authority operates within a single enterprise fund and will revise its strategic plan annually during the budget process to outline key strategic initiatives.

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 2026

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 2026

Surplus Policies

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

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

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Budget Process

For fiscal year 2026

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 2026

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 2026

Budget Calendar

Dates for Preparation of the 2026 Budget

Jan-25

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-25

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-25

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-25

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-25

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-25

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-25

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-25

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

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

FINANCIAL SUMMARIES

SUMMARY OF BUDGET SOURCES AND USES

SUMMARY OF REVENUE SOURCES

RATE STRUCTURE

OPERATING BUDGET BY EXPENDITURE TYPE

FIVE-YEAR FINANCIAL PLAN

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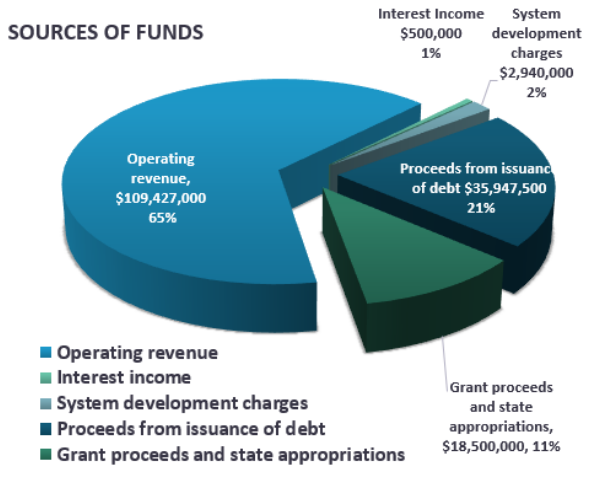
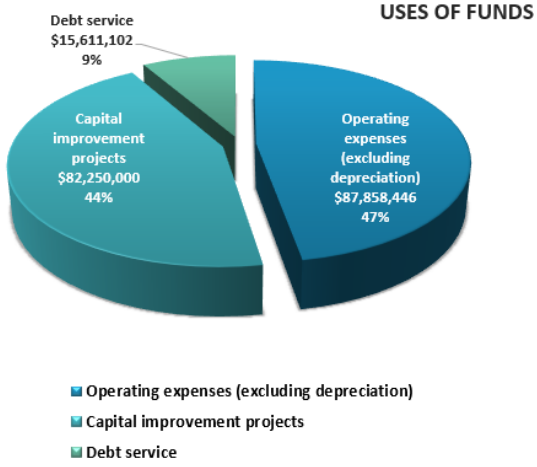
Summary of Budgeted Sources and Uses

For fiscal year 2026

	2024	2025 Budget			2026 Budget			
	Actual	Water	Wastewater	Total	Water	Wastewater	Total	% Change
Total budgeted sources of funds								
Utility operating revenue	$ 99,544,494	$ 84,999,000	$ 15,903,000	$ 100,902,000	$ 92,125,000	$ 17,302,000	$ 109,427,000	8.5%
Interest income	3,920,034	750,000	-	750,000	1,000,000	-	1,000,000	33.3%
System development fees and other income	2,931,865	2,440,000	500,000	2,940,000	2,440,000	500,000	2,940,000	0.0%
Grant proceeds and state appropriations	32,651,191	37,000,000	-	37,000,000	18,500,000	-	18,500,000	-50.0%
Proceeds from issuance of debt, net of issue costs	40,000,000	39,000,000	-	39,000,000	35,947,500	-	35,947,500	-7.8%
Total budgeted sources of funds	179,047,584	164,189,000	16,403,000	180,592,000	150,012,500	17,802,000	167,814,500	-7.1%
Total budgeted uses of funds								
Operating expenditures (excluding depreciation)	65,060,624	70,868,000	14,122,000	84,990,000	72,216,989	15,641,457	87,858,446	3.4%
Capital improvement projects	65,782,200	90,870,000	5,450,000	96,320,000	75,750,000	6,500,000	82,250,000	-14.6%
Debt service	14,465,515	15,458,502	433,964	15,892,466	15,477,458	133,644	15,611,102	-1.8%
Total budgeted uses of funds	145,308,339	177,196,502	20,005,964	197,202,466	163,444,447	22,275,101	185,719,548	-5.8%
Excess (deficit) sources over uses	33,739,245	(13,007,502)	(3,602,964)	(16,610,466)	(13,431,947)	(4,473,101)	(17,905,048)	
Adjustments to cash basis from accrual	(6,917,557)	-	-	-	-	-	-	
Change in cash and investments	26,821,688	(13,007,502)	(3,602,964)	(16,610,466)	(13,431,947)	(4,473,101)	(17,905,048)	
Beginning cash and investments	37,968,755	61,485,559	(11,587,658)	49,897,901	64,478,057	(15,190,622)	49,287,435	-1.2%
Proceed change in actual cash and investments		16,000,000	-	16,000,000				
Ending cash and investments	64,790,443	64,478,057	(15,190,622)	49,287,435	51,046,110	(19,663,723)	31,382,387	-36.3%
Reserves and restricted cash and investments	(26,191,352)	(20,250,000)	(71,000)	(20,321,000)	(20,250,000)	(71,000)	(20,321,000)	0.0%
Estimated ending unrestricted cash and investments	$ 38,599,091	$ 44,228,057	$ (15,261,622)	$ 28,966,435	$ 30,796,110	$ (19,734,723)	$ 11,061,387	-61.8%





Summary of Revenue Sources

For fiscal year 2026

SUMMARY OF REVENUE SOURCES

	2024	2025 Budget			2026 Budget				
	Actual	Water	Wastewater	Total	Water	Wastewater	Total	Increase / Decrease	% change from prior budget
Number of locations									
Estimated locations billed	54,216	54,000	11,700		54,000	11,700			
Volume									
Estimated gallons (000s) billed at retail rates	5,057,721	5,570,000			5,626,000				
Estimated gallons (000s) billed to US Navy	326,241	254,000			254,000				
Total estimated gallons(000s) sold	5,383,962	5,824,000			5,880,000				
Operating revenue									
Fees for service									
Retail water rate revenue	$ 77,520,404	$ 79,159,000		$ 79,159,000	$ 86,122,000		$ 86,122,000	$ 6,963,000	8.8%
US Navy water rate revenue	1,832,232	1,758,000		1,758,000	1,913,000		1,913,000	155,000	8.8%
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	235,274	95,000		95,000	103,000		103,000	8,000	8.4%
Retail wastewater rate revenue	11,886,471		13,366,000	13,366,000		$ 14,542,000	14,542,000	1,176,000	8.8%
US Navy wastewater revenue	2,576,956		2,537,000	2,537,000		2,760,000	2,760,000	223,000	8.8%
Total fees for service	96,494,969	83,499,000	15,903,000	99,402,000	90,625,000	17,302,000	107,927,000	8,525,000	8.6%
Other operating revenue	3,049,525	1,500,000	-	1,500,000	1,500,000	-	1,500,000	-	0.0%
Total operating revenue	99,544,494	84,999,000	15,903,000	100,902,000	92,125,000	17,302,000	109,427,000	8,525,000	8.5%
Non-operating revenue									
Interest income	3,920,034	750,000	-	750,000	1,000,000	-	1,000,000	250,000	33.3%
Funding from federal and state agencies	1,057,340	37,000,000		37,000,000	18,500,000		18,500,000	(18,500,000)	-
Charges to other utilities for billing services	1,116,658	940,000	-	940,000	940,000	-	940,000	-	0.0%
Other income	152,306	500,000	-	500,000	500,000	-	500,000	-	0.0%
Total non-operating revenue	6,246,338	39,190,000	-	39,190,000	20,940,000	-	20,940,000	(18,250,000)	-46.6%
Total budgeted revenue	105,790,832	124,189,000	15,903,000	140,092,000	113,065,000	17,302,000	130,367,000	(9,725,000)	-6.9%
System development fees (including assessments)	34,398,988	1,000,000	500,000	1,500,000	1,000,000	500,000	1,500,000	-	0.0%
State appropriations and grants	-	-	-	-	-	-	-	-	0.0%
Total revenue and system development fees	$ 140,189,820	$ 125,189,000	$ 16,403,000	$ 141,592,000	$ 114,065,000	$ 17,802,000	$ 131,867,000	$ (9,725,000)	-6.9%

Budget assumptions:		
Water volume sales increase	**0.5%**	**0.5%**
Rate inflation index	**3.1%**	**3.1%**
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 2026

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, 2024	After October 1, 2025 index
Potable Water Rates		
Base facilities charge		
⅝-inch or ¾-inch	$ 22.88	$ 24.74
1-inch	57.26	61.89
1½-inch	114.46	123.73
2-inch	183.16	197.99
3-inch	343.40	371.22
4-inch	568.19	614.22
6-inch	1,146.82	1,239.72
8-inch	1,831.39	1,979.74
Consumption charge [1]		
Block 1	$ 9.61	$ 10.39
Block 2	14.05	15.19
Block 3	15.75	17.03
Block 4	17.57	18.99
Block 5	19.28	20.84
Reclaimed Water Rates		
Consumption charge [1]		
Block 1	$ 4.81	$ 5.20
Block 2	7.03	7.59
Block 3	7.88	8.52
Block 4	8.78	9.49
Block 5	9.64	10.42

Rate Structure (continued)

For fiscal year 2026

	Rates in effect on October 1, 2024	After October 1, 2025 index
Wastewater Rates		
Base facilities charge		
⅝-inch or ¾-inch	$ 36.97	$ 39.96
1-inch	138.64	149.87
1½-inch	277.29	299.75
2-inch	443.68	479.62
3-inch	831.87	899.25
4-inch	1,386.46	1,498.76
6-inch	2,774.25	2,998.96
8-inch	3,801.47	4,109.39
Flow collection charge		
Residential (up to 10,000 gallons)	$ 14.00	$ 15.13
Non-residential (all consumption)	14.00	15.13

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

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Operating Expenditure Budget By Expenditure Type

For fiscal year 2026

SCHEDULE OF BUDGETED EXPENDITURES
FOR THE YEAR ENDING SEPTEMBER 30, 2026
Total Company

			BUDGETED 2026				
	2024 Actual	2025 Budget	Water	Wastewater	Total	Increase /Decrease	% change from prior budget
Operating capital expenditures							
Additions to utility plant	6,077,235	$ 7,673,850	$ 5,805,139	$ 694,320	$ 6,499,459	$ (1,174,391)	-15%
Capitalized salaries	1,234,948	1,068,400	2,179,000	-	2,179,000	1,110,600	104%
Capitalized overtime	66,672	8,000	33,000	-	33,000	25,000	313%
Total operating capital expenditures	7,378,855	8,750,250	8,017,139	694,320	8,711,459	(38,791)	-0.4%
Operating expenses							
Personnel services							
Salaries	25,783,718	28,951,700	25,835,500	3,511,300	29,346,800	395,100	1%
Overtime	1,123,261	814,000	771,500	155,000	926,500	112,500	14%
Retirement	4,370,506	4,606,800	4,547,200	546,100	5,093,300	486,500	11%
Payroll taxes	2,081,308	2,359,400	2,204,900	280,500	2,485,400	126,000	5%
Employee health insurance	5,410,294	5,750,000	6,000,000	-	6,000,000	250,000	4%
Other benefits	620,070	474,250	501,610	38,000	539,610	65,360	14%
Total personnel services	39,389,157	42,956,150	39,860,710	4,530,900	44,391,610	1,435,460	3.3%
Other operating expenses							
Electricity	4,557,915	6,402,600	5,674,600	607,300	6,281,900	(120,700)	-2%
Fuel for power production	199,824	252,900	715,500	12,300	727,800	474,900	188%
Chemicals	3,996,646	4,877,700	4,341,400	1,030,600	5,372,000	494,300	10%
Maintenance and materials	6,367,230	5,684,300	4,594,330	1,512,500	6,106,830	422,530	7%
Engineering services	342,030	360,000	260,000	-	260,000	(100,000)	-28%
Accounting and auditing services	118,414	140,000	140,000	-	140,000	-	0%
Legal services	99,684	150,000	150,000	-	150,000	-	0%
Outsourced operations	1,652,086	2,743,000	2,385,125	405,900	2,791,025	48,025	2%
Other consulting and support services	3,026,948	3,761,400	4,004,699	-	4,004,699	243,299	6%
Sludge removal	1,864,104	2,047,400	1,656,000	312,300	1,968,300	(79,100)	-4%
Rental of building - real property	38,386	29,000	9,000	-	9,000	(20,000)	-69%
Rent expense - equipment	16,837	68,100	76,400	6,400	82,800	14,700	22%
Transportation expense	788,237	1,113,400	1,089,700	500	1,090,200	(23,200)	-2%
Insurance - vehicles	56,165	138,000	140,000	-	140,000	2,000	1%
Insurance - general liabilities	116,454	205,000	205,000	-	205,000	-	0%
Insurance - workers' compensation	259,818	340,000	350,000	-	350,000	10,000	3%
Insurance - property and flood	434,134	1,780,000	1,780,000	-	1,780,000	-	0%
Advertising	54,892	76,000	75,000	-	75,000	(1,000)	-1%
Bad debt expense	64,002	81,000	81,000	-	81,000	-	0%
Office supplies	90,097	139,800	133,000	8,900	141,900	2,100	2%
Other utilities and technical services	661,826	745,000	717,000	275,000	992,000	247,000	33%
Postage	19,513	40,200	41,100	500	41,600	1,400	3%
Travel	81,760	203,400	192,100	5,300	197,400	(6,000)	-3%
Training	86,087	228,150	238,875	8,100	246,975	18,825	8%
Miscellaneous	361,290	630,700	436,148	8,800	444,948	(185,752)	-29%
Bank charges	861,999	975,000	1,000,000	-	1,000,000	25,000	3%
Public information and outreach	42,967	60,000	60,000	-	60,000	-	0%
Freight charges	7,870	12,000	15,000	-	15,000	3,000	25%
Total other operating expenses	26,267,215	33,284,050	30,560,977	4,194,400	34,755,377	1,471,327	4.4%
Total operating budget	$ 65,656,372	$ 76,240,200	$ 70,421,687	$ 8,725,300	$ 79,146,987	$ 2,906,787	3.8%
Allocation of administrative expenses			$ (6,221,837)	$ 6,221,837	$ -		
Total operating expenses after allocation	65,656,372	76,240,200	64,199,850	14,947,137	79,146,987	2,906,787	3.8%
Total operating budget	$ 73,035,227	$ 84,990,450	$ 72,216,989	$ 15,641,457	$ 87,858,446	$ 2,867,996	3.4%
Amendments to current year budget		597,884					
Total operating budget as amended		$ 85,588,334			$ 87,858,446	$ 2,270,112	2.7%

Five Year Financial Plan

For fiscal year 2026-2030

Projected Changes in Net Position

	2026	2027	2028	2029	2030
Projected operating results					
Operating revenue	$ 109,427,000	$ 118,937,000	$ 129,275,000	$ 140,509,000	$ 148,356,000
Operating expenses (before depreciation)	(87,858,446)	(88,737,000)	(89,624,000)	(90,520,000)	(91,425,000)
Net operating income (before depreciation)	21,568,554	30,200,000	39,651,000	49,989,000	56,931,000
Interest income	1,000,000	500,000	500,000	500,000	500,000
Other income	1,440,000	1,468,000	1,497,000	1,527,000	1,558,000
Interest expense	(9,596,102)	(8,636,164)	(9,592,333)	(10,367,464)	(10,135,521)
Projected net income before depreciation	**14,412,452**	**23,531,836**	**32,055,667**	**41,648,536**	**48,853,479**
System development fees (including assessments)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Grant proceeds	18,500,000	18,187,500	-	-	-
Projected increase (decrease) in net position before depreciation	**34,412,452**	**43,219,336**	**33,555,667**	**43,148,536**	**50,353,479**
Projected beginning net position	399,203,664	419,186,116	447,975,452	467,101,119	495,819,655
Projected net position before depreciation	433,616,116	462,405,452	481,531,119	510,249,655	546,173,134
Estimated depreciation	(14,430,000)	(14,430,000)	(14,430,000)	(14,430,000)	(14,430,000)
Projected ending net position after depreciation	**$ 419,186,116**	**$ 447,975,452**	**$ 467,101,119**	**$ 495,819,655**	**$ 531,743,134**

Projected Sources and Uses of Funds

	2026	2027	2028	2029	2030
Total projected sources of funds					
Utility operating revenue	$ 109,427,000	$ 118,937,000	$ 129,275,000	$ 140,509,000	$ 148,356,000
Interest income	1,000,000	500,000	500,000	500,000	500,000
System development fees and other income	2,940,000	2,968,000	2,997,000	3,027,000	3,058,000
Grant proceeds	18,500,000	18,187,500	-	-	-
Proceeds from issuance of debt, net of issue costs	35,947,500	39,071,500	38,490,000	34,000,000	-
Total projected sources of funds	**167,814,500**	**179,664,000**	**171,262,000**	**178,036,000**	**151,914,000**
Total projected uses of funds					
Operating expenditures (excluding depreciation)	87,858,446	88,737,000	89,624,000	90,520,000	91,425,000
Capital improvement projects	82,250,000	81,970,000	64,000,000	56,000,000	2,300,000
Debt service	15,611,102	15,341,164	16,527,333	17,582,464	17,875,521
Total projected uses of funds	**185,719,548**	**186,048,164**	**170,151,333**	**164,102,464**	**111,600,521**
Additions to (uses of) cash	**$ (17,905,048)**	**$ (6,384,164)**	**$ 1,110,667**	**$ 13,933,536**	**$ 40,313,479**

Five Year Financial Plan (continued)

For fiscal years 2026-2030

Projected Revenue and Contributions

	2026	2027	2028	2029	2030
Estimated gallons (000s) sold to customers at retail rates	5,626,000	5,654,000	5,682,000	5,710,000	5,739,000
Estimated gallons (000s) sold to US Navy	254,000	255,000	256,000	257,000	258,000
Total estimated sales gallons (000s)	5,880,000	5,909,000	5,938,000	5,967,000	5,997,000
Operating revenue					
Fees for service					
Retail water rate revenue	$ 86,122,000	$ 93,607,000	$ 101,742,000	$ 110,584,000	$ 116,760,000
US Navy water rate revenue	1,913,000	2,079,000	2,260,000	2,456,000	2,593,000
US Navy distribution system charge	2,487,000	2,703,000	2,938,000	3,193,000	3,371,000
Retail reclaimed water rate revenue	103,000	112,000	122,000	133,000	140,000
Retail wastewater rate revenue	14,542,000	15,806,000	17,180,000	18,673,000	19,716,000
US Navy wastewater revenue	2,760,000	3,000,000	3,261,000	3,544,000	3,742,000
Total fees for service	107,927,000	117,307,000	127,503,000	138,583,000	146,322,000
Other operating revenue	1,500,000	1,630,000	1,772,000	1,926,000	2,034,000
Total operating revenue	109,427,000	118,937,000	129,275,000	140,509,000	148,356,000
Non-operating revenue					
Interest income	1,000,000	500,000	500,000	500,000	500,000
Grant proceeds	18,500,000	18,187,500	-	-	-
Charges to other utilities for billing services	940,000	968,000	997,000	1,027,000	1,058,000
Other income	500,000	500,000	500,000	500,000	500,000
Total non-operating revenue	20,940,000	20,155,500	1,997,000	2,027,000	2,058,000
Total budgeted revenue	130,367,000	139,092,500	131,272,000	142,536,000	150,414,000
System development fees (including assessments)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Total revenue and contributions	$ 131,867,000	$ 140,592,500	$ 132,772,000	$ 144,036,000	$ 151,914,000

Budget assumptions					
Water volume growth sales increase	0.5%	0.5%	0.5%	0.5%	0.5%
Rate index increase	3.1%	3.0%	3.0%	3.0%	3.0%
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 2026-2030

Five Year Capital Improvement and Capital Financing Plan

Description	2026	2027	2028	2029	2030	Estimated five-year expenditures
Water Projects						
Water Operations						
Kermit H Lewin Reverse Osmosis Rehabilitation (original)	1,000,000	-	-	-	-	1,000,000
Crawl Key Reverse Osmosis Facility (with 5MG tank)	10,000,000	25,000,000	25,000,000	15,000,000	-	75,000,000
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)	4,000,000	-	-	-	-	4,000,000
J. Robert Dean Membrane Treatment (PFAS)	5,000,000	25,000,000	30,000,000	35,000,000	-	95,000,000
Marathon, Ramrod and Key West Pump Station Electrical Upgrades	750,000	750,000	-	-	-	1,500,000
Meter gateways	200,000	200,000	200,000	-	-	600,000
Marathon Customer Service	500,000	-	-	-	-	500,000
Transmission						
Transmission Plantation Key (MM 86-91)	30,000,000	-	-	-	-	30,000,000
Transmission Marathon (Knights Key)	1,000,000	-	-	-	-	1,000,000
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
Transmission Lower Matecumbe Key (MM 73-79)	1,000,000	-	-	-	-	1,000,000
Transmission Subaqueous Crossings (MM72-79)	1,000,000	-	-	-	-	1,000,000
Cathodic Protection System Repair and Improvements	200,000	2,000,000	-	-	-	2,200,000
Distribution						
Distribution Twin Lakes Key Largo	500,000	-	-	-	-	500,000
Distribution Upgrades	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	7,500,000
Distribution Storage Tank Replacement Crawl Key	2,000,000	-	-	-	-	2,000,000
Marathon Pump Station	2,600,000	1,500,000	-	-	-	4,100,000
Desal Storage Tank	1,200,000	-	-	-	-	1,200,000
Ocean Reef Tank Rehabilitation	500,000	-	-	-	-	500,000
Key West Storage Tank Replacement	1,000,000	4,000,000	1,000,000	-	-	6,000,000
Distribution System Valves	800,000	800,000	800,000	800,000	800,000	4,000,000
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	1,400,000	1,400,000	-	-	-	2,800,000
Total water projects	**$ 75,750,000**	**$ 73,470,000**	**$ 58,500,000**	**$52,300,000**	**$2,300,000**	**$262,320,000**

Five Year Financial Plan (continued)

For fiscal years 2026-2030

Five Year Capital Improvement and Capital Financing Plan (cont.)

Description	2026	2027	2028	2029	2030	Estimated five-year expenditures
Wastewater projects						
Big Coppitt Equalization Tank	2,500,000	3,500,000	-	-	-	6,000,000
Summerland Pump Station Improvements	750,000	-	-	-	-	750,000
Baypoint WWTP Decommissioning	600,000	2,000,000	3,000,000	3,000,000	-	8,600,000
On-Site Wastewater	150,000	-	-	-	-	150,000
Summerland Equalization Tank	1,000,000	1,000,000	-	-	-	2,000,000
Big Coppitt Wastewater Manhole Improvements Phase I	-	250,000	500,000	700,000	-	1,450,000
Big Pine Key Manhole Improvements	-	250,000	800,000	-	-	1,050,000
Big Coppitt Reclaimed Water System Expansion	1,500,000	1,500,000	1,200,000	-	-	4,200,000
Total wastewater projects	**$ 6,500,000**	**$ 8,500,000**	**$ 5,500,000**	**$ 3,700,000**	**$ -**	**$ 24,200,000**
Total capital improvement projects	**$ 82,250,000**	**$ 81,970,000**	**$ 64,000,000**	**$ 56,000,000**	**$2,300,000**	**$ 286,520,000**
Funding sources						
Funds from retail rates and cash on hand	$ 25,102,500	$ 20,811,000	$ 25,510,000	$ 22,000,000	$2,300,000	$ 95,723,500
Navy water rates	2,700,000	3,900,000	-	-	-	6,600,000
Federal and state appropriations	18,500,000	18,187,500	-	-	-	36,687,500
Bond proceeds	35,947,500	39,071,500	38,490,000	34,000,000	-	147,509,000
Total	**$ 82,250,000**	**$ 81,970,000**	**$ 64,000,000**	**$ 56,000,000**	**$2,300,000**	**$ 286,520,000**

Five Year Financial Plan (continued)

For fiscal years 2026-2030

Projected New Debt Issues and Debt Service

	2026	2027	2028	2029	2030
Bond issuance assumptions:					
Projected principal amount of new bonds issued	$ 35,947,500	$ 39,071,500	$ 38,490,000	$ 34,000,000	$ -
Available for construction fund	$ -	$ -	$ -	$ -	$ -
Estimated issue costs	$ -	$ 400,000	$ -		
Projected interest rate	3.00%	3.00%	3.00%	3.00%	
Amortization period (years)	30	30	30	30	-
Projected Debt Service					
Principal					
Series 2008 water refunding and revenue bonds	3,320,000	3,465,000	3,595,000	3,785,000	3,960,000
Series 2013B water revenue bonds	415,000	430,000	445,000	460,000	475,000
Series 2014A water revenue bonds	145,000	150,000	155,000	160,000	165,000
Series 2015A water refunding bonds	-	-	-	-	-
Series 2015B water refunding bonds	2,135,000	2,195,000	2,260,000	2,310,000	2,370,000
Series 2016 wastewater bonds	-	465,000	480,000	500,000	770,000
Series 2019A water revenue bonds	-	-	-	-	-
Series 2021A WIFIA water revenue bonds	-	-	-		-
Series 2023 water revenue bonds	-	-	-	-	-
Series 2025 WIFIA (or interim funding)	-	-	-	-	-
Future debt projections	-	-	-	-	-
Total principal	6,015,000	6,705,000	6,935,000	7,215,000	7,740,000
Interest					
Series 2008 water refunding and revenue bonds [1]	1,545,626	1,419,382	1,309,279	1,151,038	1,007,431
Series 2013B water revenue bonds	132,000	117,392	102,256	86,292	70,400
Series 2014A water revenue bonds	46,112	41,008	35,728	30,272	24,640
Series 2015A water refunding bonds	1,037,525	1,037,000	1,037,000	1,037,000	1,037,000
Series 2015B water refunding bonds	284,004	230,202	174,888	117,936	59,724
Series 2016 wastewater bonds	133,644	125,990	117,992	109,736	101,136
Series 2019A water revenue bonds	2,250,500	2,250,500	2,250,500	2,250,500	2,250,500
Series 2021A WIFIA water revenue bonds	1,163,691	1,163,690	1,163,690	1,163,690	1,163,690
Series 2024 water revenue bonds	1,924,000	-	-	-	-
Series 2025 WIFIA (or interim funding)	1,079,000	2,251,000	3,401,000	4,421,000	4,421,000
Total interest	9,596,102	8,636,164	9,592,333	10,367,464	10,135,521
Total projected debt service	$ 15,611,102	$ 15,341,164	$ 16,527,333	$ 17,582,464	$ 17,875,521

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

Five Year Financial Plan (continued)

For fiscal years 2026-2030

Projected Debt Service Coverage

Water Operations

	2026	2027	2028	2029	2030
Funds available for debt service					
Operating revenue	$ 92,125,000	$ 100,131,000	$ 108,834,000	$ 118,292,000	$ 124,898,000
Interest income	1,000,000	500,000	500,000	500,000	500,000
Other income	19,940,000	19,655,500	1,497,000	1,527,000	1,558,000
Less operating expenses	(64,199,850)	(64,842,000)	(65,490,000)	(66,145,000)	(66,806,000)
Net funds available for debt coverage	$ 48,865,150	$ 55,444,500	$ 45,341,000	$ 54,174,000	$ 60,150,000
Debt service requirements	$ 15,477,458	$ 14,750,174	$ 15,929,341	$ 16,972,728	$ 17,004,385
Coverage factor (minimum of 1.10 required)	**3.16**	**3.76**	**2.85**	**3.19**	**3.54**
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)	**3.22**	**3.83**	**2.91**	**3.25**	**3.60**

Wastewater Operations

	2026	2027	2028	2029	2030
Funds available for debt service					
Operating revenue	$ 17,302,000	$ 18,806,000	$ 20,441,000	$ 22,217,000	$ 23,458,000
Interest income	-	-	-	-	-
Other income	-	-	-	-	-
Less operating expenses	(14,947,137)	(15,171,300)	(15,398,900)	(15,629,900)	(15,864,300)
Net funds available for debt coverage	$ 2,354,863	$ 3,634,700	$ 5,042,100	$ 6,587,100	$ 7,593,700
Debt service requirements	$ 133,644	$ 590,990	$ 597,992	$ 609,736	$ 871,136
System development charges	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000
Coverage factor with system development charges (minimum of 1.20)	**21.36**	**7.00**	**9.27**	**11.62**	**9.29**

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 2026-2030

Estimated Rate Adjustments and Average Monthly Bill

Potable water

	Estimated percentage increase	Average monthly bill (for 4,500 gallons)
Current bill		$ 66.14
2026	8.1%	$ 71.50
2027	8.0%	$ 77.22
2028	8.0%	$ 83.40
2029	8.0%	$ 90.07
2030	5.0%	$ 94.57

Reclaimed water

	Estimated percentage increase	Average monthly bill (for 1,100 gallons)
Current bill		$ 5.29
2026	8.1%	$ 5.72
2027	8.0%	$ 6.17
2028	8.0%	$ 6.67
2029	8.0%	$ 7.20
2030	5.0%	$ 7.56

Wastewater

	Estimated percentage increase	Average monthly bill (for 4,500 gallons)
Current bill		$ 99.95
2026	8.1%	$ 108.05
2027	8.0%	$ 116.69
2028	8.0%	$ 126.03
2029	8.0%	$ 136.11
2030	5.0%	$ 142.91

CAPITAL AND DEBT

CAPITAL IMPROVEMENT BUDGET

PROJECT SUMMARIES

CAPITAL OUTLAY BUDGET DETAIL

CAPITAL FINANCING PLAN SUMMARY

DEBT SERVICE REQUIREMENTS

DEBT SERVICE COVERAGE ANALYSIS

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Capital Improvement Budget

For fiscal years 2026-2030

Description	2026	2027	2028	2029	2030	Estimated five-year expenditures
Water Projects						
Water Operations						
Kermit H Lewin Reverse Osmosis Rehabilitation (original)	1,000,000	-	-	-	-	1,000,000
Crawl Key Reverse Osmosis Facility (with 5MG tank)	10,000,000	25,000,000	25,000,000	15,000,000	-	75,000,000
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)	4,000,000	-	-	-	-	4,000,000
J. Robert Dean Membrane Treatment (PFAS)	5,000,000	25,000,000	30,000,000	35,000,000	-	95,000,000
Marathon, Ramrod and Key West Pump Station Electrical Upgrades	750,000	750,000	-	-	-	1,500,000
Meter gateways	200,000	200,000	200,000	-	-	600,000
Marathon Customer Service	500,000	-	-	-	-	500,000
Transmission						
Transmission Plantation Key (MM 86-91)	30,000,000	-	-	-	-	30,000,000
Transmission Marathon (Knights Key)	1,000,000	-	-	-	-	1,000,000
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
Transmission Lower Matecumbe Key (MM 73-79)	1,000,000	-	-	-	-	1,000,000
Transmission Subaqueous Crossings (MM72-79)	1,000,000	-	-	-	-	1,000,000
Cathodic Protection System Repair and Improvements	200,000	2,000,000	-	-	-	2,200,000
Distribution						
Distribution Twin Lakes Key Largo	500,000	-	-	-	-	500,000
Distribution Upgrades	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	7,500,000
Distribution Storage Tank Replacement Crawl Key	2,000,000	-	-	-	-	2,000,000
Marathon Pump Station	2,600,000	1,500,000	-	-	-	4,100,000
Desal Storage Tank	1,200,000	-	-	-	-	1,200,000
Ocean Reef Tank Rehabilitation	500,000	-	-	-	-	500,000
Key West Storage Tank Replacement	1,000,000	4,000,000	1,000,000	-	-	6,000,000
Distribution System Valves	800,000	800,000	800,000	800,000	800,000	4,000,000
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	1,400,000	1,400,000	-	-	-	2,800,000
Total water projects	**$ 75,750,000**	**$ 73,470,000**	**$ 58,500,000**	**$52,300,000**	**$2,300,000**	**$262,320,000**

Capital Improvement Budget

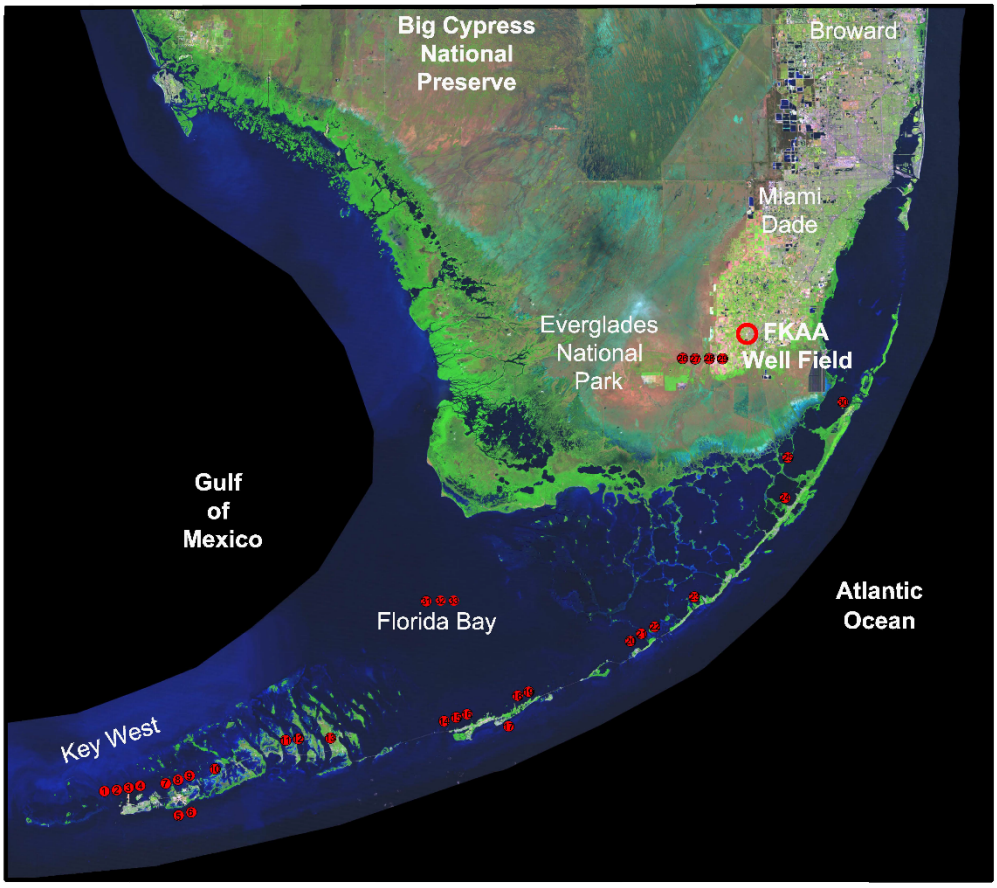
For fiscal years 2026-2030

Description	2026	2027	2028	2029	2030	Estimated five-year expenditures
Wastewater projects						
Big Coppitt Equalization Tank	2,500,000	3,500,000	-	-	-	6,000,000
Summerland Pump Station Improvements	750,000	-	-	-	-	750,000
Baypoint WWTP Decommissioning	600,000	2,000,000	3,000,000	3,000,000	-	8,600,000
On-Site Wastewater	150,000	-	-	-	-	150,000
Summerland Equalization Tank	1,000,000	1,000,000	-	-	-	2,000,000
Big Coppitt Wastewater Manhole Improvements Phase I	-	250,000	500,000	700,000	-	1,450,000
Big Pine Key Manhole Improvements	-	250,000	800,000	-	-	1,050,000
Big Coppitt Reclaimed Water System Expansion	1,500,000	1,500,000	1,200,000	-	-	4,200,000
Total wastewater projects	**$ 6,500,000**	**$ 8,500,000**	**$ 5,500,000**	**$ 3,700,000**	**$ -**	**$ 24,200,000**
Total capital improvement projects	**$ 82,250,000**	**$ 81,970,000**	**$ 64,000,000**	**$ 56,000,000**	**$2,300,000**	**$ 286,520,000**

Project Summaries

For fiscal years 2026-2030

Florida Keys Aqueduct Authority Projects



Project Legend

Key West Storage Tank	Distribution Storage Tank Replacement Crawl Key
Distribution Valve Replacement(Key West)	Crawl Key Reverse Osmosis Facility
Kermit H. Lewin Reverse Osmosis Facility	Transmission Subaqueous Crossing(MM 72-79)
Distribution Desal Storage Tank	Transmission Lower Matecumbe(MM 73-79)
NAS Boca Chica Field-East Fire Pumping Station	Transmission Plantation Key(MM 86-91)
NAS Connection A & B Distribution Boca Chica	Transmission Snake Creek Crossing
Big Coppitt WW Manhole Improvement(Phase 1)	Distribution Twin Lakes Key Largo
Big Coppitt Equalization Tank	Transmission C111 Crossing
Big Coppitt Reclaimed Water System Expansion	J. Robert Dean Membrane Treatment Facility(PFAS)
Bay Point WWTP Decommissioning	J. Robert Dean WTP Electrical Upgrades-Phase II
Summerland Pump Station Improvements	J. Robert Dean WTP Wastewater Forcemain
Summerland Equalization Tank	J. Robert Dean WTP Diesel Pump Upgrades
Big Pine Key Manhole Improvements	Ocean Reef Tank Rehabilitation
Long Key, Marathon, & Ramrod Pump Station Electrical Upgrades	Meter Gateways
Transmission Marathon(Knights Key)	Cathodic Protection System Repair & Improvements
Marathon Customer Service	Distribution Upgrades
Marathon Pump Station	

Project Summaries (continued)

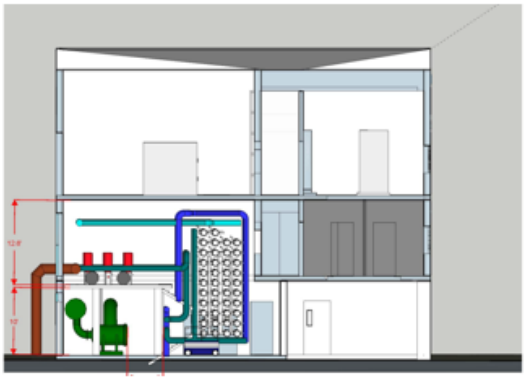
For fiscal years 2026-2030

Kermit H Lewin Reverse Osmosis Rehabilitation

Water Supply and Treatment

Project Information

Location	Stock Island
Project Type	Water Supply and Treatment
Category	Resiliency
Project Number	1190-25
Design Engineer	To be determined
Project Manager	Emmy Koenig McDowell
Contractor	To be determined
Start Date	2026
Completion Date	2029



Description/Justification:

To provide system reliability, this project will provide an additional 2 million gallons per day of treatment capacity in the Lower Keys during emergency conditions as well as providing capacity for future water demands. The existing reverse osmosis facility will be rehabilitated and intergrated with the new 4 mgd reverse osmosis facility at Stock Island that was recently commissioned in 2025. This project will also include replacement of the three diesel tanks

Status/Recent Developments:

FKAA completed a study to examine the feasibility of replacing the reverse osmosis equipment in the existing building with a new system above the flood elevation.

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	Total Cost
Capital Engineering & Construction Costs	$ 1,000,000	$ -	$ -	$ -	$ -	$ 1,000,000
	-	-	-	-	-	
Total Costs	**$ 1,000,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,000,000**

Project Summaries (continued)

For fiscal years 2026-2030

Marathon (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 Crawl Key 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 90% of the facility design and obtained all applicable permits. On July 2, 2025, FKAA awarded the construction contract for the tank and pump station and will issue the Notice to Proceed in August 2025.

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	Total Cost
Capital Engineering & Construction Costs	$ 10,000,000	$ 25,000,000	$ 25,000,000	$ 15,000,000	$ -	$ 75,000,000
	-	-	-	-	-	
Total Costs	**$ 10,000,000**	**$ 25,000,000**	**$ 25,000,000**	**$15,000,000**	**$ -**	**$ 75,000,000**

Project Summaries (continued)

For fiscal years 2026-2030

J. Robert Dean WTP Wastewater Forcemain

Water Supply and Treatment

Project Information

Location	J. Robert Dean Water Treatment
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 Department.

Status/Recent Developments:

The project is currently being designed by FKAA staff and should bid by September 30, 2026.

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	Total Cost
Capital Engineering & Construction Costs	$ -	$ 720,000	$ -	$ -	$ -	$ 720,000
Total Costs	**$ -**	**$ 720,000**	**$ -**	**$ -**	**$ -**	**$ 720,000**

Project Summaries (continued)

For fiscal years 2026-2030

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:

On May 8, 2025 FKAA received four (4) bids for the J. R. Dean WTP Emergency Diesel Pump Upgrades. Due to the unexpectedly high cost to connect the generator to the existing transfer pumps, FKAA is updating the bid specifications to reduce the project cost.

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	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 2026-2030

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	Eau Gallie Electric
Start Date	2023
Completion Date	2027

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 issued notice to proceed on September 5, 2024, with a final completion date of April 3, 2026.

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	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 2026-2030

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					
	2026	2027	2028	2029	2030	Total Cost
Capital Engineering & Construction Costs	$ 5,000,000	$25,000,000	$30,000,000	$35,000,000	$ -	$ 95,000,000
Total Costs	**$ 5,000,000**	**$ 25,000,000**	**$ 30,000,000**	**$ 35,000,000**	**$ -**	**$ 95,000,000**

Project Summaries (continued)

For fiscal years 2026-2030

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	Pedro Falcon Contractors
Start Date	2023
Completion Date	2027

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 issued notice to proceed on January 14, 2025, with a final completion date of August 13, 2026

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	Total Cost
Capital Engineering & Construction Costs	$ 750,000	$ 750,000	$ -	$ -	$ -	$1,500,000
Total Costs	**$ 750,000**	**$ 750,000**	**$ -**	**$ -**	**$ -**	**$1,500,000**

Project Summaries (continued)

For fiscal years 2026-2030

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 2026-2030

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 environmental 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					
	2026	2027	2028	2029	2030	Total Cost
Capital Engineering & Construction Costs	$ 500,000	$ -	$ -	$ -	$ -	$ 500,000
Total Costs	**$ 500,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 500,000**

Project Summaries (continued)

For fiscal years 2026-2030

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	Michels
Start Date	2023
Completion Date	2026-2027

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 issued Notice to Proceed for the construction on October 30, 2024 with a final completion date of January 29, 2027

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	Total Cost
Capital Engineering & Construction Costs	$ 30,000,000	$ -	$ -	$ -	$ -	$30,000,000
Total Costs	**$ 30,000,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$30,000,000**

Project Summaries (continued)

For fiscal years 2026-2030

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	DBE Utility Services
Start Date	2023
Completion Date	2026

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 install a parallel water main approximately 3700 LF of the transmission main to a location further from the embankment.

Status/Recent Developments:

FKAA issued notice to proceed on November 21, 2024, with a final completion date of June 22, 2026.

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	Total Cost
Capital Engineering & Construction Costs	$ 1,000,000	$ -	$ -	$ -	$ -	$ 1,000,000
	-	-	-	-	-	
Total Costs	**$ 1,000,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,000,000**

Project Summaries (continued)

For fiscal years 2026-2030

Transmission Snake Creek Subaqueous Crossing

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	2027

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 subaqueous crossing under Snake Creek.

Status/Recent Developments:

FKAA completed the design and plans to bid this project once the grant has been executed. The grant will pay for 75 percent of the project costs.

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	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 2026-2030

Transmission C111 Subaqueous Crossing

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	2027

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 subaqueous crossing under C-111.

Status/Recent Developments:

FKAA is currently in the final permitting phase and plans to bid this project once the grant has been executed. The grant will pay for 75 percent of the project costs.

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	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 2026-2030

Transmission Lower Matecumbe Key (MM 73-79)

Transmission

Project Information

Location	Lower Matecombe
Project Type	Water
Category	Renewal and Replacement
Project Number	1188-24
Design Engineer	TBD
Project Manager	Emmy Koenig McDowell
Contractor	TBD
Start Date	2025
Completion Date	2029

Description/Justification:

This project will install approximately six miles of 36-inch pipe in the vicinity of Lower Matecumbe extending from Channel 2 Bridge to Tea Table Channel Bridge to add redundancy to the existing transmission main. Construction of this new pipeline will reduce the energy requirement for pumping and minimize impacts of future breaks.

Status/Recent Developments:

FKAA is planning to select and engineer in FY2025 and start design in FY2026.

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	Total Cost
Capital Engineering & Construction Costs	$ 1,000,000	$ -	$ -	$ -	$ -	$ 1,000,000
	-	-	-	-	-	
Total Costs	**$ 1,000,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,000,000**

Project Summaries (continued)

For fiscal years 2026-2030

Transmission Subaqueous Crossings (MM72-79)

Transmission

Project Information

Location	Lower Matecombe
Project Type	Water
Category	Renewal and Replacement
Project Number	1189-24
Design Engineer	TBD
Project Manager	Luis Paez
Contractor	TBD
Start Date	2025
Completion Date	2028

Description/Justification:

This project will install four new subaqueous crossings for FKAA's transmission main at the bridge crossings of Channel 2, Lignumvitae Channel, Indian Channel, and Tea Table Channel. These bridge crossings are located between Mile Markers 72-79. This project will provide a redundant pipeline in the event that any of these bridges are damaged by a hurricane.

Status/Recent Developments:

FKAA has submitted a grant application and is the process of selecting a design engineer. Design should begin in FY2025.

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	Total Cost
Capital Engineering & Construction Costs	$ 1,000,000	$ -	$ -	$ -	$ -	$ 1,000,000
	-	-	-	-	-	
Total Costs	**$ 1,000,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,000,000**

Project Summaries (continued)

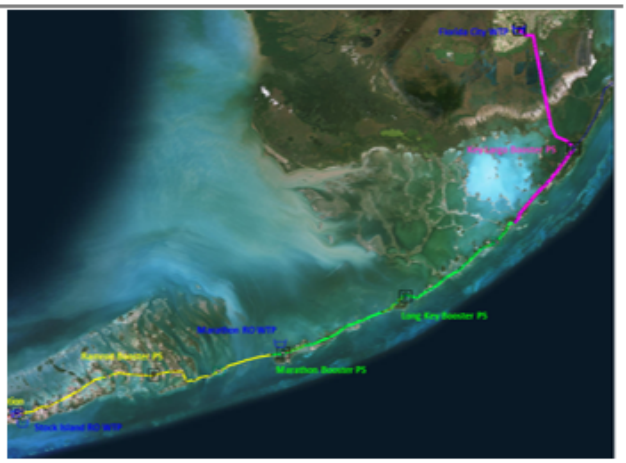
For fiscal years 2026-2030

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	2027



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. 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 FY2026

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	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 2026-2030

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 replacement of the the water main along Adams Drive in August 2024. The remaining water main relocations will be completed by Ferriera, who is the County's Contractor.

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	Total Cost
Capital Engineering & Construction Costs	$ 500,000	$ -	$ -	$ -	$ -	$ 500,000
	-	-	-	-	-	-
Total Costs	**$ 500,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 500,000**

Project Summaries (continued)

For fiscal years 2026-2030

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	2026
Completion Date	2030

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					
	2026	2027	2028	2029	2030	Total Cost
Capital Engineering & Construction Costs	$ 1,500,000	$ 1,500,000	$1,500,000	$1,500,000	$ 1,500,000	$ 7,500,000
	-	-	-	-	-	-
Total Costs	**$ 1,500,000**	**$ 1,500,000**	**$1,500,000**	**$1,500,000**	**$ 1,500,000**	**$ 7,500,000**

Project Summaries (continued)

For fiscal years 2026-2030

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	TLC Diversified
Start Date	2023
Completion Date	2026

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 plans to issue a notice to proceed on February 25, 2025, with a final completion date of December 22, 2025.

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	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 2026-2030

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	Reynolds Construction
Start Date	2023
Completion Date	2027

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 issued notice to proceed for the first phase (pump station and generator) on November 21, 2024 with a completion date of June 22, 2026. FKAA will bid the second phase (new building) in FY2026.

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	Total Cost
Capital Engineering & Construction Costs	$ 2,600,000	$ 1,500,000	$ -	$ -	$ -	$ 4,100,000
	-	-	-	-	-	
Total Costs	**$ 2,600,000**	**$ 1,500,000**	**$ -**	**$ -**	**$ -**	**$ 4,100,000**

Project Summaries (continued)

For fiscal years 2026-2030

Desalination 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	2026

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, and the project is scheduled to be advertised for bid in November 2025.

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	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 2026-2030

Ocean Reef Tank Rehabilitation

Distribution

Project Information

Location	Key Largo
Project Type	Water
Category	Renewal and Replacement
Project Number	2352-18
Design Engineer	Emmy Koenig McDowell
Project Manager	Emmy Koenig McDowell
Contractor	To be determined
Start Date	2018
Completion Date	2027

Description/Justification:

This project will rehabilitate the three existing concrete tanks, which have a combined capacity of 2 million gallons. This project will also replace the roof for the distribution system pump station.

Status/Recent Developments:

The FKAA board approved the contract to rehabilitate the tanks on July 1, 2025. The tank rehabilitation is scheduled to be completed in February 2026. Once the tank is rehabilitated, FKAA will bid the tank painting. The entire project should be completed by September 2026.

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	Total Cost
Capital Engineering & Construction Costs	$ 500,000	$ -	$ -	$ -	$ -	$ 500,000
	-	-	-	-	-	-
Total Costs	**$ 500,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 500,000**

Project Summaries (continued)

For fiscal years 2026-2030

Key West Storage Tank Replacement

Distribution

Project Information

Location	Key West
Project Type	Water
Category	System Upgrade
Project Number	2380-23
Design Engineer	Wade Trim
Project Manager	Emmy Koenig McDowell
Contractor	To be determined
Start Date	2024
Completion Date	2027

Description/Justification:

This project will replace the existing concrete storage tank and the steel storage tank at the Key West pump station. Each tank has a capacity of 1 million gallons. These tanks have reached the end of their design lives and need to be replaced. A single 3 million gallon tank will replace the two individual tanks.

Status/Recent Developments:

This project is currently in the design phase. The project should advertise for bid in June 2025.

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	Total Cost
Capital Engineering & Construction Costs	$ 1,000,000	$ 4,000,000	$1,000,000	$ -	$ -	$ 6,000,000
	-	-	-	-	-	
Total Costs	$ 1,000,000	$ 4,000,000	$1,000,000	$ -	$ -	$ 6,000,000

Project Summaries (continued)

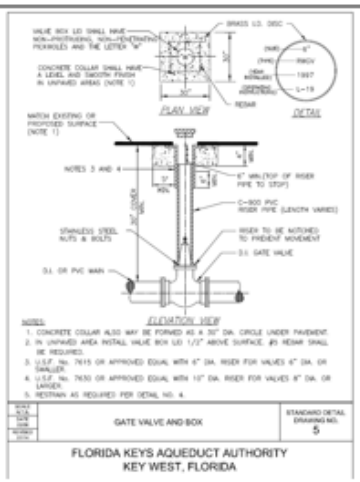
For fiscal years 2026-2030

Valve Replacement Program

Distribution

Project Information

Location	Key West
Project Type	Water
Category	Renewal and Replacement
Project Number	2336-17
Design Engineer	Justin Dacey
Project Manager	Brian Rodriquez
Contractor	FKAA
Start Date	2026
Completion Date	2030



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					
	2026	2027	2028	2029	2030	Total Cost
Capital Engineering & Construction Costs	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 4,000,000
Total Costs	**$ 800,000**	**$ 800,000**	**$ 800,000**	**$ 800,000**	**$ 800,000**	**$ 4,000,000**

Project Summaries (continued)

For fiscal years 2026-2030

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	2027

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:

FKAA has recently completed the 90 percent design and plans to bid the project in September 2025.

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	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 2026-2030

NAS Connection A & B Distribution Boca Chica

Distribution System

Project Information

Location	Navy Boca Chica
Project Type	Water
Category	Renewal and Replacement
Project Number	8028-11
Design Engineer	Justin Dacey
Project Manager	Justin Dacey
Contractor	FKAA
Start Date	2025
Completion Date	2030

Description/Justification:

This project will replace the aging water mains at Boca Chica. This project was requested by the Navy. The first phase includes approximately 2,225 lineal feet of 6-inch and 8-inch diameter water mains

Status/Recent Developments:

FKAA is currently preparing the design documents in-house. The FKAA construction crew will begin pipeline installation in December 2025.

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	Total Cost
Capital Engineering & Construction Costs	$ 1,400,000	$ 1,400,000	$ -	$ -	$ -	$ 2,800,000
	-	-	-	-	-	-
Total Costs	$ 1,400,000	$ 1,400,000	$ -	$ -	$ -	$ 2,800,000

Project Summaries (continued)

For fiscal years 2026-2030

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 equalization 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 has completed the design phase for this project. The project should be advertised to bid in December 2025.

Financial Information:

Capital Funding:

Five Year Plan

	2026	2027	2028	2029	2030	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 2026-2030

Summerland Pump Station Improvements

Wastewater Conveyance

Project Information

Location	Summerland
Project Type	Sewer
Category	Renewal and Replacement
Project Number	4086-21
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 issued notice to proceed on June 12, 2025, with a final completion date of July 8, 2026.

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	Total Cost
Capital Engineering & Construction Costs	$ 750,000	$ -	$ -	$ -	$ -	$ 750,000
	-	-	-	-	-	
Total Costs	$ 750,000	$ -	$ -	$ -	$ -	$ 750,000

Project Summaries (continued)

For fiscal years 2026-2030

Baypoint WWTP Decommissioning

Wastewater Treatment

Project Information

Location	Lower Keys
Project Type	Sewer
Category	Regulary Compliance
Project Number	4101-23
Design Engineer	
Project Manager	
Contractor	
Start Date	2023
Completion Date	2029

Description/Justification:

During the wastewater permit renewal process, FKAA agreed to decommission this plant and send all wastewater flows to the Cudjoe Regional Advanced Wastewater Treatment Facility by September 30, 2029. This plant will be converted to a pump station and equalization basin

Status/Recent Developments:

FKAA is currently in the process of selecting an engineer to design the project.

Financial Information:

Capital Funding:

Five Year Plan

	2026	2027	2028	2029	2030	Total Cost
Capital Engineering & Construction Costs	$ 600,000	$ 2,000,000	$ 3,000,000	$ 3,000,000	$ -	$ 8,600,000
	-	-	-	-	-	
Total Costs	$ 600,000	$ 2,000,000	$ 3,000,000	$ 3,000,000	$ -	$ 8,600,000

Project Summaries (continued)

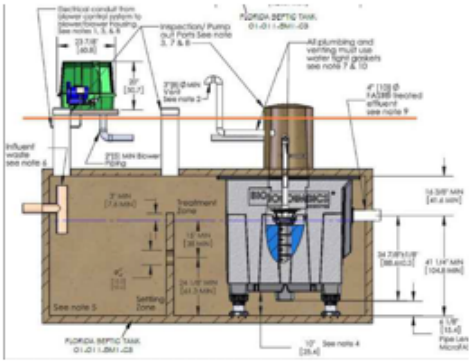
For fiscal years 2026-2030

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	
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. FKAA issued Notice to Proceed for the construction on March 19, 2025 with a final completion date of November 5, 2025.

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	Total Cost
Capital Engineering & Construction Costs	$ 150,000	$ -	$ -	$ -	$ -	$ 150,000
	-	-	-	-	-	
Total Costs	**$ 150,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 150,000**

Project Summaries (continued)

For fiscal years 2026-2030

Summerland Equalization Tank

Wastewater Conveyance

Project Information

Location	Summerland
Project Type	Sewer
Category	Regulatory Compliance
Project Number	4105-23
Design Engineer	Ardurra
Project Manager	Emmy Koenig McDowell
Contractor	TBD
Start Date	2024
Completion Date	2027

Description/Justification:

This project will convert the existing water storage tank into a wastewater equalization 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 final design phase. The project should be advertised for bid In October 2025.

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	Total Cost
Capital Engineering & Construction Costs	$ 1,000,000	$ 1,000,000	$ -	$ -	$ -	$ 2,000,000
	-	-	-	-	-	
Total Costs	**$ 1,000,000**	**$ 1,000,000**	**$ -**	**$ -**	**$ -**	**$ 2,000,000**

Project Summaries (continued)

For fiscal years 2026-2030

Big Coppitt Wastewater Manhole Improvements Phase I

Wastewater Collection

Project Information

Location	Big Coppitt
Project Type	Sewer
Category	Renewal and Replacement
Project Number	TBD
Design Engineer	FKAA
Project Manager	FKAA
Contractor	TBD
Start Date	2027
Completion Date	2028

Description/Justification:

This project will consist of improvements to wastewater manholes to prevent inflow during inudation events that occur regularly with storm events and king tides. Improvements will range from, but not limited to, the installation ofinterior coatings, exterior coatings, and watertight manhole covers. This project will improve water quality by reducing sanitary sewer overflows and reduce the amount of wastewater that is treated at the wastewater treatment plant.

Status/Recent Developments:

FKAA is prepared to commence Design and preparation of Construction Documents.

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	Total Cost
Capital Engineering & Construction Costs	$ -	$ 250,000	$ 500,000	$ 700,000	$ -	$ 1,450,000
	-	-	-	-	-	
Total Costs	**$ -**	**$ 250,000**	**$ 500,000**	**$ 700,000**	**$ -**	**$ 1,450,000**

Project Summaries (continued)

For fiscal years 2026-2030

Big Pine Key Manhole Improvements

Wastewater Collection

Project Information

Location	Big Pine Key
Project Type	Sewer
Category	Renewal and Replacement
Project Number	TBD
Design Engineer	FKAA
Project Manager	FKAA
Contractor	TBD
Start Date	2027
Completion Date	2028

Description/Justification:

This project will consist of improvements to wastewater manholes to prevent inflow during inudation events that occur regularly with storm events and king tides. Improvements will range from, but not limited to, the installation of interior coatings, exterior coatings, and watertight manhole covers. This project will improve water quality by reducing sanitary sewer overflows and reduce the amount of wastewater that is treated at the wastewater treatment plant.

Status/Recent Developments:

FKAA is prepared to commence Design and preparation of Construction Documents.

Financial Information:

Capital Funding:

	Five Year Plan					
	2026	2027	2028	2029	2030	Total Cost
Capital Engineering & Construction Costs	$ -	$ 250,000	$ 800,000	$ -	$ -	$ 1,050,000
	-	-	-	-	-	
Total Costs	$ -	$ 250,000	$ 800,000	$ -	$ -	$ 1,050,000

Project Summaries (continued)

For fiscal years 2026-2030

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	2029

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 significant 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					
	2026	2027	2028	2029	2030	Total Cost
Capital Engineering & Construction Costs	$ 1,500,000	$ 1,500,000	$ 1,200,000	$ -	$ -	$ 4,200,000
	-	-	-	-	-	
Total Costs	$ 1,500,000	$ 1,500,000	$ 1,200,000	$ -	$ -	$ 4,200,000

Capital Outlay Budget Detail

For fiscal year 2026

Additions to Utility Plant 2026 Budget Detail

			Amount	Water cost centers	Wastewater cost centers	Total
Executive Division						
	Executive					
1011	Executive Office	None	$ -	$ -		
1012	Public Information and Records	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	875,000	-		
		Meters and valves (replacement)	875,000	-		
		Valves and sleeves	900,000	-		
		Large meter replacement	400,000	3,050,000		
						3,050,000
	Human Resources					
7010	Human Resources	None	-	-		
7020	Safety, Security and Training	OpenPath Access Control - Florida City (phase 2)	200,000	200,000		
						200,000
	Information Technology					
8010	Information Technology	Cooperate Infrastructure Servers	40,000	-		
		Network Tester	5,000	-		
		Infrastructure Switch (replacement)	37,000	-		
		Printers (replacement)	12,000	94,000		
						94,000
Utility Operations Division						
	Engineering					
2021	General Engineering	None	-	-		
2022	Contract Management	None	-	-		
2024	Design	None	-	-		
2025	Construction Crew	Heavy equipment (see below)	179,039			
		Dewatering Tank	5,000	184,039		
						184,039
	Water Operations					
4001	Operations Office Key West	None	-	-		
4101	Operations Office Stock Island/lower	Redundant AC unit for Desal Control Room	11,000	11,000		
4102	Distribution/Maintenance-Area I	Redundant AC unit for Truman Annex Control Room	11,000	11,000		
4103	Distribution/Maintenance-Area II	Redundant AC unit for Big Pine Pump Station	11,000	11,000		
4104	Distribution Pump Station-Key West	Redundant AC unit for KW Pump Station Electric Room	11,000			
		Redundant AC unit for KW Pump Station Control Room	11,000	22,000		
4105	Distribution Pump Station-Stock Island	Redundant AC unit for Backpump Control Room	11,000	11,000		
4107	Valve Crew	none	-	-		

Capital Outlay Budget Detail (continued)

For fiscal year 2026

4108	Fleet Maintenance-lower keys	Vehicles (see below)	132,000			
		AC unit for Stock Island Garage	11,000	143,000		
4109	Water Quality	None		-		
4110	Stock Island Reverse Osmosis Plant	None	-	-		
4201	Operations Marathon/Middle keys	AC unit for EIC office (replacement)	7,500	7,500		
4202	Distribution/Maintenance-Area III	Hydraulic power unit (replacement)	12,000	12,000		
4203	Transmission Maintenance-Area III	Heavy equipment (see below)	127,500			
		Hydraulic cart (new)	29,000	156,500		
4204	Transmission Pump Station-Marathon	Supply and exhaust fans (4)	38,000	38,000		
4205	Transmission Pump Station-Ramrod	20" butterfly valve	30,000			
		Redundant AC unit for Ramrod Pump Station	42,300	72,300		
4208	Fleet Maintenance-middle keys	Vehicles (see below)	170,000	170,000		
4210	Reverse Osmosis Plant-Marathon	None	-	-		
4301	Operations Key Largo and upper keys	AC unit for Tavernier Customer Service (replacement)	10,000			
		Tavernier CS Roof Replacement	450,000	460,000		
4302	Distribution Maintenance Area IV	Replacement roof for truck bay	20,000	20,000		
4303	Distribution Maintenance Area V	AC unit for KL Ops Managers Office (replacement)	6,000			
		AC unit for KL Ops Breakroom (replacement)	6,000			
		AC unit for KL Ops Maintenance Shop (replacement)	6,000			
		Upgrade windows to Hurricane rated	35,000	53,000		
4304	Transmission Maintenance Areas IV and V	Fence for Key Largo yard (replacement)	15,000	15,000		
4308	Fleet Maintenance-upper keys	Vehicles (see below)	347,600	347,600		
5010	Water Treatment Plant-Florida City	Polymer feed pumps (3)(replacements)	48,000			
		VFD #7 pump	76,500	124,500		
5020	Transmission Pump Station-Florida City	None	-	-		
5030	Transmission Pump Station-Long Key	AC unit for Electrical Room (replacement)	29,000	29,000		
5040	Transmission Pump Station-Key Largo	Re-build Goulds pump	40,000	40,000		
5050	Florida City RO Plant	Caustic Skid Upgrades (indoor system)	58,000			
		Caustic Skid Upgrades (outdoor system)	106,000			
		Recirculation pumps for Degasifier system (2)	80,000			
		Mounting bracket for Degassifier motor	26,000	270,000		
5060	Electrical and Instrumentation Controls	Barcelona Liftstation Upgrade	30,000			
		Key West Plant ATS controller (spare)	15,000			
		Distribution Station VFD Upgrades (5)	75,000			
		Marathon Booster Station Venturi flow meter (replacement)	52,700			
		Long Key Booster Station Valve Actuators (2) (replacements)	80,000	252,700		
						2,277,100
	Wastewater Operations					
4112	Bay Point Wastewater Treatment Plant	Flygt Mixer (replacement)	11,800		11,800	
4113	Bay Point Collection	None	-		-	
4114	Big Coppitt Wastewater Treatment	Hach Benchtop NTU Meter	5,200			
		Kaeser Bare Digester Blower (replacement)	12,900			
		Verder Hypochlorite Pumps (2 replacements)	16,800			
		Chemical Tanks (3 replacements)	24,300			
		Reuse Transfer Pump (replacement)	52,500			
		Reuse Pump (replacement)	42,000			
		WAS Pump (replacement)	5,000		158,700	
4115	Big Coppitt Collection	Submersible Pumps for Venus and Geiger (2 spares)	14,000			
		Submersible Pump for GO4 (replacement)	8,400			
		Submersible Pump Upgrades for CMOM (4 stations, 8 pumps)	39,200			
		Submersible Pump Upgrades for CMOM (Porpoise LS, 2 pumps)	35,700			
		Submersible Pump for LSC Key Haven (spare)	8,200		105,500	
4116	Key Haven Wastewater Treatment	None	-		-	
4117	Key Haven Collection	None	-		-	
4118	Cudjoe Regional Wastewater Treatment	Hach DR 3900 Benchtop Analyzer	7,000			
		Hach TU5300sc NTU Meters (2 replacements/superceded)	16,300		23,300	
4119	Cudjoe Regional Collection	BPKTS2 Well Repairs	49,800		49,800	

Capital Outlay Budget Detail (continued)

For fiscal year 2026

4120	Navy Wastewater System	Submersible Pumps LS A1132 & 979 (1 replacement, 1 spare)	16,800	-	
		Submersible Pumps LS A3333, LS1,2,3 (2 replacements, 2 spares)	36,200		
		Submersible Pumps LS A939 & 647 (1 replacement, 1 spare)	17,100		
		Submersible Pumps LS E & F (1 replacement, 1 spare)	17,700	87,800	
4213	Wastewater Treatment Plant-Duck Key	Parkson Spiral Screen	125,000		
		Reclaimed Transfer Pump (spare)	12,200		
		Blower Block (spare)	5,600		
		Blower Enclosure (replacement)	13,200		
		Hypochlorite Pump Skid (replacement)	17,600	173,600	
4214	Maintenance	Heavy equipment (see below)	28,720		
		Replacement Roof North Mechanic's Office	8,500	37,220	
4216	Duck Key Collection	Allamanda Grinder Pump (replacement)	9,700	9,700	
4312	Wastewater Treatment Plant-Layton	Aspirator (Spare)	11,000		
		Filter/SBR Access Gate	7,400	18,400	
4313	Layton Collection	None	-	-	
4314	Cross Key	Process Tank Mixer (spare)	7,500		
		Digester Aspirator (new)	11,000	18,500	
					694,320
	Total Capital Outlay				**$ 6,499,459**

Fleet details

4108	Fleet Maintenance-lower keys	F350 stake body (replace veh # 443)	90,000	-
		F150 (replace veh # 133)	42,000	132,000
4208	Fleet Maintenance-middle keys	F350 w/crane (replace veh # 372)	128,000	-
		F150 (replace veh # 309)	42,000	170,000
4308	Fleet Maintenance-upper keys	Dumptruck (replace veh # 519)	167,600	-
		Tractor (replace veh # 452)	138,000	-
		F150 (replace veh # 153)	42,000	347,600
	Total Fleet Capital			**$649,600**

Heavy Equipment details

2025	Construction Crew	Trencher Equip # 233 (replacement)	168,539	-
		14ft Trailer (replacement)	10,500	179,039
4203	Transmission Maintenance-Area III	Backhoe Equip # 210 (replacement)	127,500	127,500
4214	Maintenance	14' Dump Trailers Equip #930 & 924(2 replacements)	28,720	28,720
	Total Heavy Equipment Capital			**$335,259**

Capital Financing Plan Summary

For fiscal year 2026

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 $35.9 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.

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 2026 is estimated to be approximately $263.1 million and debt service is approximately $15.6 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 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, with principal payments scheduled to be paid on September 1, 2038-2049.

Capital Financing Plan Summary (continued)

For fiscal year 2026

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 Authority. The loan was drawn upon in January 2025, totaling $48,690,000. Interest is due March 1 and September 1, with principal payments scheduled to be paid on September 1, 2038-2059.

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 were 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, with the total remaining principle due on September 1, 2025. In January 2025, funds drawn from the WIFIA loan were placed in escrow to defease this interim WIFIA loan. The escrow agent will ensure repayment of the $30,915,000 principal in one lump sum on September 1, 2025.

In November of 2023, the Authority issued $40,000,000 Series 2023 water revenue bonds with an interest rate of 4.81%. The proceeds from these bonds are to be used to fund distribution and transmission projects that were identified by the Authority in the budgeted Capital Improvement Plan. Interest is due March 1 and September 1, and principal can be paid on September 1, 2024-2026, with the total remaining principle due on September 1, 2026.

In January of 2025, the Authority secured future funding of up to $147,301,350 Series 2025A at an interest rate of 4.90% through a low interest government loan program known as the Water Infrastructure Finance and Innovation Act (WIFIA). Up to 49% of the total costs for water treatment, distribution, and transmission projects identified by the Authority may be funded through this agreement. A draw on this loan is anticipated in 2029.

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 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 2026

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.

Amended and Restated Master Bond Resolution

A recent change in Florida law, effective July 1, 2024, amended the Authority's enabling legislation to permit the combination of water and wastewater revenues for financing purposes, an approach previously prohibited under the Authority's charter. In response, the Authority is currently preparing a Consolidated Water and Sewer Amended and Restated Master Bond Resolution, with adoption anticipated in fiscal year 2026.

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Debt Service Requirements

For fiscal year 2026

Summary of Outstanding Principal of Long-Term Debt

	Projected outstanding principal, 10/1/25	2026 proceeds from issuance of debt	2026 budgeted principal payments	Projected outstanding principal, 9/30/26
Series 2008 water refunding and revenue bonds [1]	$ 43,930,000	$ -	$ 3,320,000	$ 40,610,000
Series 2013B water revenue bonds	4,150,000	-	415,000	3,735,000
Series 2014A water revenue bonds	1,450,000	-	145,000	1,305,000
Series 2015A water refunding bonds	28,515,000	-	-	28,515,000
Series 2015B water refunding bonds	13,360,000	-	2,135,000	11,225,000
Series 2016 wastewater revenue bonds	8,080,000	-	-	8,080,000
Series 2019A water revenue bonds	45,010,000	-	-	45,010,000
Series 2021A WIFIA water revenue bonds	48,690,000	-	-	48,690,000
Series 2023 water revenue bonds	40,000,000	-	-	40,000,000
future 2026 debt projection (WIFIA)	-	35,947,500	-	35,947,500
Total bonds	**$ 233,185,000**	**$ 35,947,500**	**$ 6,015,000**	**$ 263,117,500**

Summary of Debt Service

			Budgeted 2025 debt service			Budgeted 2026 debt service		
	Fixed / Variable		Principal	Interest	Total	Principal	Interest	Total
Series 2008 water refunding and revenue bonds [1]	Variable		$ 3,045,000	$ 1,777,325	$ 4,822,325	$ 3,320,000	$ 1,545,626	$ 4,865,626
Series 2013B water revenue bonds	Fixed	3.52%	385,000	159,632	544,632	415,000	132,000	547,000
Series 2014A water revenue bonds	Fixed	3.52%	135,000	55,792	190,792	145,000	46,112	191,112
Series 2015A water refunding bonds	Fixed	3.375-5.00%	1,980,000	1,136,525	3,116,525	-	1,037,525	1,037,525
Series 2015B water revenue bonds	Fixed	2.52%	-	336,672	336,672	2,135,000	284,004	2,419,004
Series 2016 wastewater revenue bonds	Fixed	1.72%	290,000	143,964	433,964	-	133,644	133,644
Series 2019A water revenue bonds	Fixed	5.00%	-	2,250,500	2,250,500	-	2,250,500	2,250,500
Series 2021A WIFIA	Fixed	2.39%	-	727,306	727,306	-	1,163,691	1,163,691
Series 2021B water revenue bonds	Fixed	5.00%	-	1,545,750	1,545,750	-	-	-
Series 2023 water revenue bonds	Fixed	4.81%	-	1,924,000	1,924,000	-	1,924,000	1,924,000
future 2026 debt projection (WIFIA)	Fixed	3.00%	-	-	-	-	1,079,000	1,079,000
Total bonds			**$ 5,835,000**	**$ 10,057,466**	**$ 15,892,466**	**$ 6,015,000**	**$ 9,596,102**	**$ 15,611,102**

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

Debt Service Coverage Analysis

For fiscal year 2026

	Budgeted 2025		Budgeted 2026	
	Water	Wastewater	Water	Wastewater
	Revenue available for debt service			
Total operating revenue	$ 84,999,000	$ 15,903,000	$ 92,125,000	$ 17,302,000
Interest income-revenue funds	750,000	-	1,000,000	-
Other revenue available for debt service	38,440,000	-	19,940,000	-
Less operating expenses before depreciation	(64,041,768)	(12,198,432)	(64,199,850)	(14,947,137)
Net funds available for debt coverage	**60,147,232**	**3,704,568**	**48,865,150**	**2,354,863**
Debt service requirements	$ 12,807,196	433,964	$ 15,477,458	133,644
Coverage factor (minimum of 1.10 for water only)	**4.70**		**3.16**	
System development fees	$ 1,000,000	$ 500,000	$ 1,000,000	$ 500,000
Coverage factor with system development fees (minimum of 1.20)	**4.77**	**9.69**	**3.22**	**21.36**

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DEPARTMENTAL INFORMATION

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EXECUTIVE DEPARTMENT

Executive Director

Gregory W Veliz

Executive
Legal Services
Records

Responsibilities and Budget Highlights

The Executive Department represents the Authority's executive branch, including the Executive Director, General Counsels, Internal Auditor, Records, and administrative staff.The department's budget supports key functions, including external legal services, governmental liaison activities, audit costs and public information efforts. Given the department's structure, which includes several specialized, professional, and senior-level management positions, personnel costs comprise a substantial portion of its budget.

Executive Division Summary

For fiscal year 2026

Executive Division

KEY DEPARTMENT INDICATORS

	Actual 2024	Budgeted 2025	Budgeted 2026
Key department indicators			
Number of full time department employees budgeted	14	14	12
Positions budgeted last year that are eliminated	-	-	-
Positions transferred in (out)	3	-	(2)
Number of regular and special board meeting	21	26	26
Number of board workshop meetings	2	2	2
Number of board committee meetings	9	-	-
Number of public hearings	6	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.

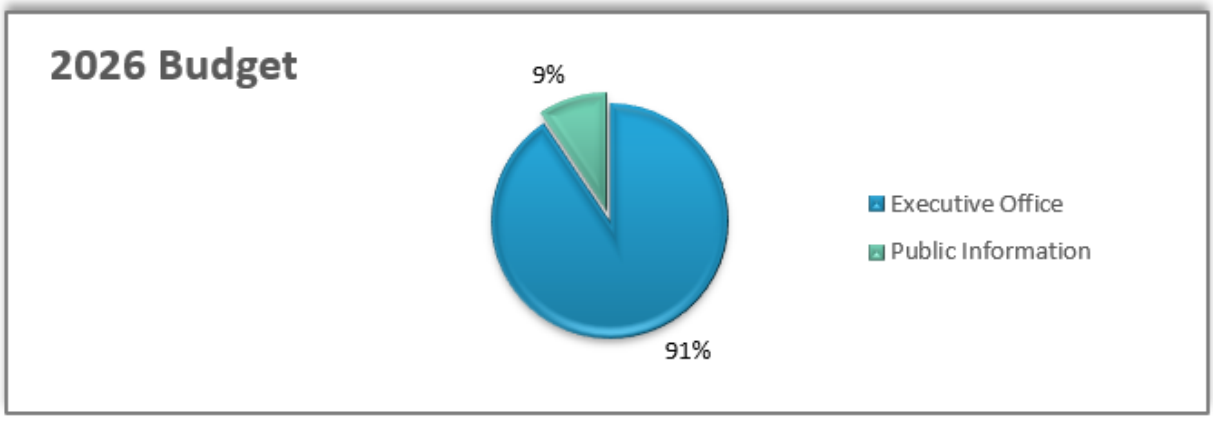
Engage a qualified consultant to perform a baseline assessment, identify efficiency-focused policies and projects, and deliver the tools and roadmap needed to implement and sustain the Authority's risk, resiliency, and sustainability program.

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.

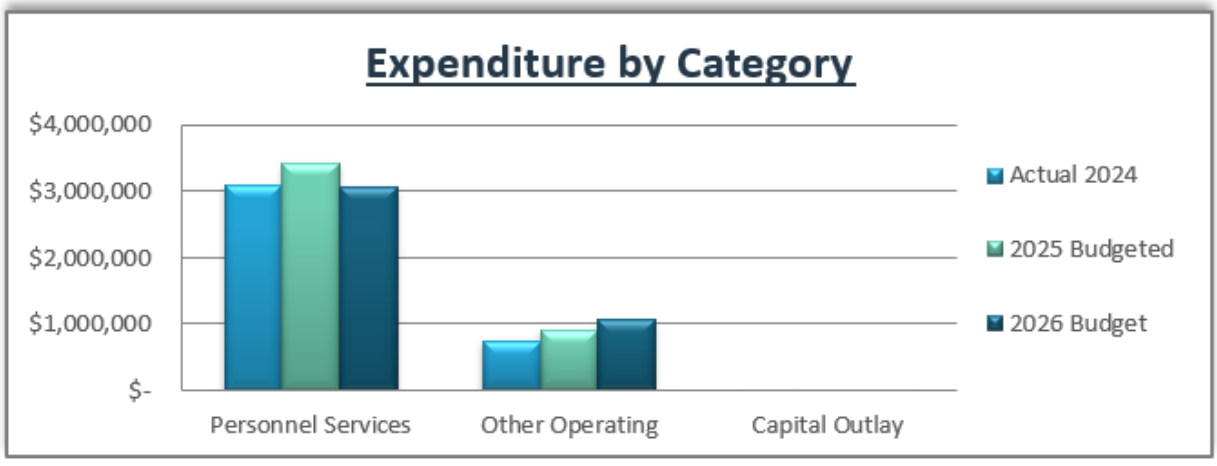
Executive Division Summary (continued)

For fiscal year 2026

Executive



Division	2026 Budget
Executive Office	$ 3,735,200
Public Information	387,400
Total	$ 4,122,600



Expenditure	Actual 2024	2025 Budgeted		2026 Budget
Personnel Services	$ 3,090,987	$ 3,431,400		$ 3,056,700
Other Operating	740,338	911,350		1,065,900
Capital Outlay	-	-		-
Total	$ 3,831,325	$ 4,342,750		$ 4,122,600

FINANCE AND CUSTOMER SERVICE DEPARTMENTS

Cindy Kondziela
Chief Administration Officer (CAO)

Finance
Billing
Purchasing and Inventory
Customer Service
Field Services

Lynese Mariscal
Director of Finance

Responsibilities and Budget Highlights

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 operations.

The Customer Service Department is responsible for delivering comprehensive customer service to all FKAA customers. The department's core functions include establishing and maintaining customer accounts, processing payments, researching and resolving customer inquiries, collecting accurate meter readings for billing purposes, and coordinating service calls.To support these operations, the department's budget allocates funding for key operational tools such as meters and data recording devices that ensure precise measurement of water consumption. Additionally, the budget provides for the salaries and benefits of qualified personnel across three strategically located area offices which have been determined to be essential in providing superior customer service in the field, in-person, electronically and by telephone.

Finance Department Summary

For fiscal year 2026

Finance Department

KEY DEPARTMENT INDICATORS

	Actual 2024	Budgeted 2025	Budget 2026
Key department indicators			
Number of full time department employees budgeted	30	27	27
New positions not in prior year's budget	-	-	-
Positions transferred in (out)	(3)	-	-
Total bills/payments processed	659,559	610,000	610,000
Vendor payments	2,807	3,200	3,200
Customer deposit refunds	5,132	9,000	9,000
Number of purchase orders	1,613	1,605	1,800
Number of bids and RFPs/RFQ's issued	40	30	35
Number of warehouses	5	5	5
Number of stock items	1,620	1,626	1,630

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.

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.

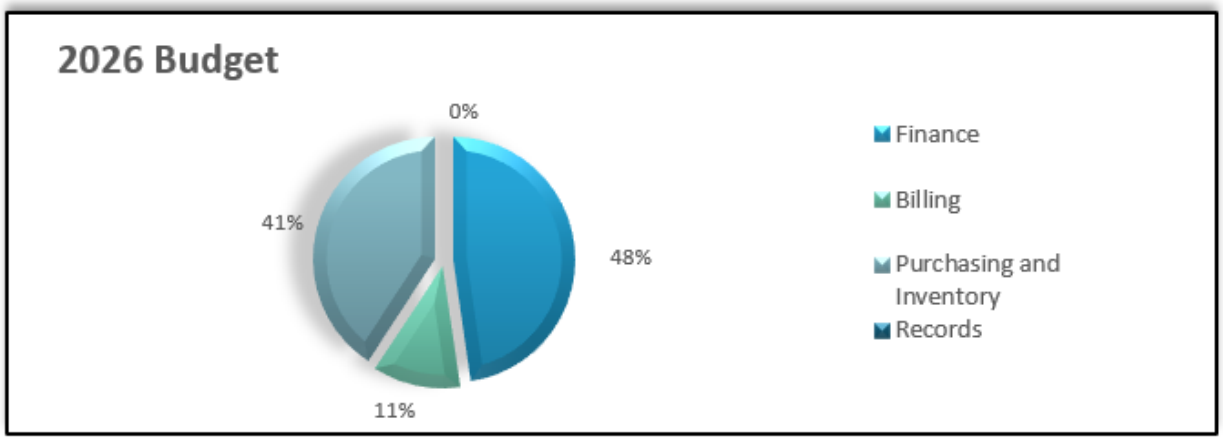
Evaluate and stock inventory to meet changes in operational needs and hurricane preparedness.

Monitor cash flow management and investment gains.

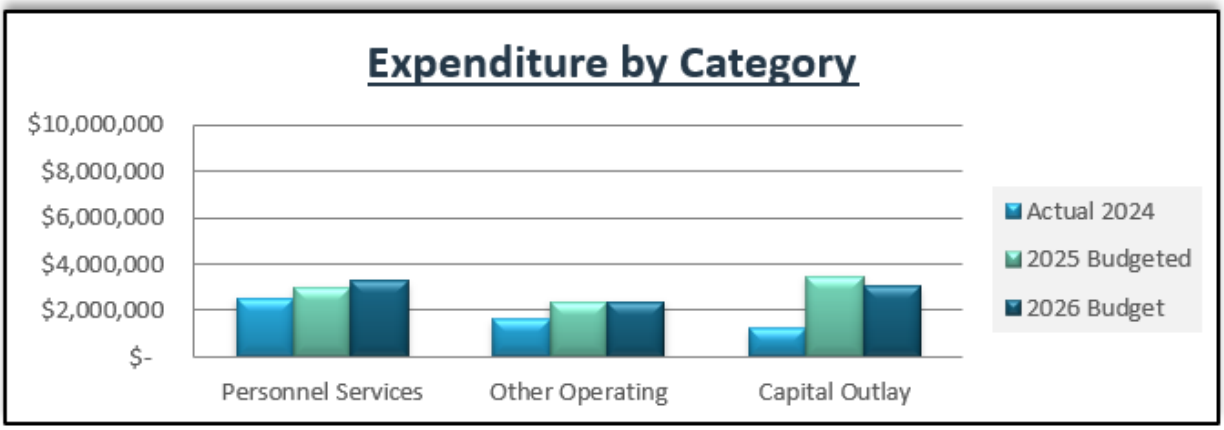
Finance Department Summary (continued)

For fiscal year 2026

Finance



Division	2026 Budget
Finance	4,145,000
Billing	999,500
Purchasing and Inventory	3,544,600
Records	-
Total	$ 8,689,100



Expenditure	Actual 2024	2025 Budgeted		2026 Budget
Personnel Services	$ 2,530,270	$ 3,011,400		$ 3,265,400
Other Operating	1,607,190	2,382,400		2,373,700
Capital Outlay	1,224,782	3,465,000		3,050,000
Total	$ 5,362,242	$ 8,858,800		$ 8,689,100

Customer Service Department Summary

For fiscal year 2026

Customer Service Department

KEY DEPARTMENT INDICATORS

	Actual 2024	Budgeted 2025	Budget 2026
Key department indicators			
Number of full time department employees budgeted	35	36	**37**
New positions not in prior year's budget	-	-	**-**
Positions budgeted last year that are eliminated	-	-	**-**
Positions transferred in (out)	-	-	**1**
Number of calls received from call center	60,000	60,000	**60,000**
Number of meters in service	56,000	57,000	**58,000**
Number of automated read meters	56,000	57,000	**58,000**
Number of data collection units	62	70	**70**
Number of delinquent service orders	6,000	6,000	**6,000**
Number of high consumption investigations	5,000	5,000	**5,000**
New meter installations (not including replacements)	600	600	**600**
Total field service orders	39,000	35,000	**35,000**
Assist Customers	1,000	600	**600**
Total Number of data extracts performed	2,000	2,000	**2,000**
Number of zero read investigations	6,000	5,500	**6,000**
Number of MIU's changes	8,000	3,500	**8,000**

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.

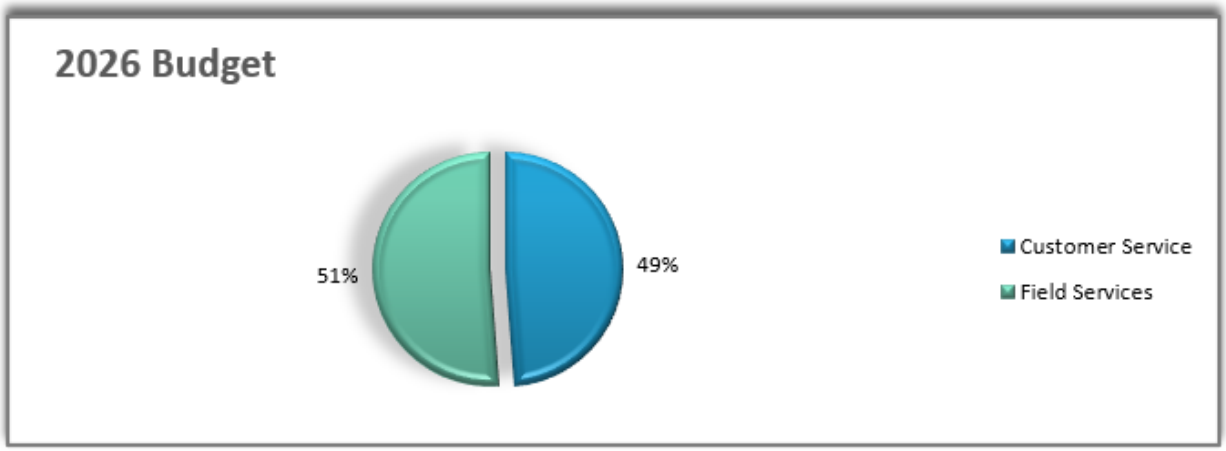
Conserve the integrity of metering equipment by keeping up to date with advancements in technology and ensuring all utility property is well maintained.

Educate customers on conservation and water consumption. Encourage customer to utilize our online tools through MyFKAA such as view my meter, historical consumption reports and statement history.

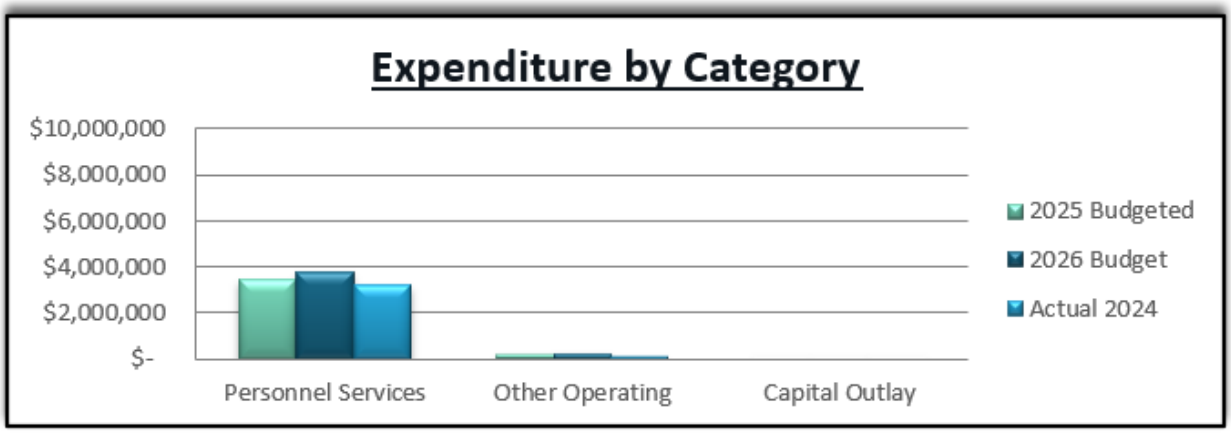
Customer Service Department Summary (continued)

For fiscal year 2026

Customer Service



Division	2026 Budget
Customer Service	1,936,050
Field Services	2,032,100
Total	$ 3,968,150



Expenditure	Actual 2024	2025 Budgeted		2026 Budget
Personnel Services	$ 3,186,217	$ 3,425,150		$ 3,732,950
Other Operating	106,426	197,700		235,200
Capital Outlay	-	-		-
Total	$ 3,292,643	$ 3,622,850		$ 3,968,150

HUMAN RESOURCES DEPARTMENT

Heather Arencibia

Director of Human Resources

Human Resources
Risk Management
Safety and Security

Responsibilities and Budget Highlights

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

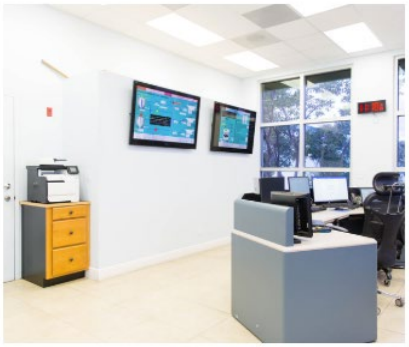
For fiscal year 2026

Human Resources Department

KEY DEPARTMENT INDICATORS

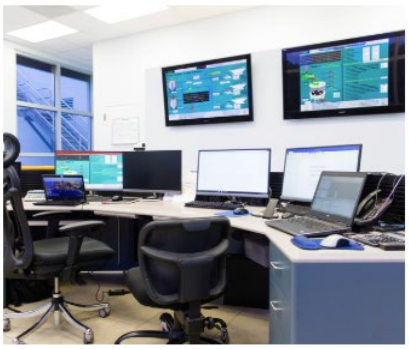
Key department indicators			
	Actual 2024	Budgeted 2025	Budget 2026
Number of full time department employees	9	9	8
Positions budgeted last year that are eliminated	-	-	-
Positions transferred in (out)	-	-	(1)
Number of student positions for the agency	9	3	5
Job postings for the organization	85	110	80
Number of applications received	1,826	1,450	1,600
Number of new hires	46	45	45
Number of resignations, retirements or terminations	34	20	35
Number of grievances filed	3	3	3
Number of arbitrations filed	1	3	1
Number of insurance claims (including workman's compensation and hurricane damage)	29	43	30

DEPARTMENTAL GOALS, OBJECTIVES, AND PERFORMANCE MEASURES



Work in partnership with hiring managers to maximize efficiencies and provide methodical, effective recruitment, hiring, and onboarding processes that result in hiring the best candidate.

Perform regularly scheduled reviews to evaluate the employee benefits program, associated costs, and alternatives to ensure we are providing competitive employee benefits, in a cost-effective manner, to attract and retain top talent.



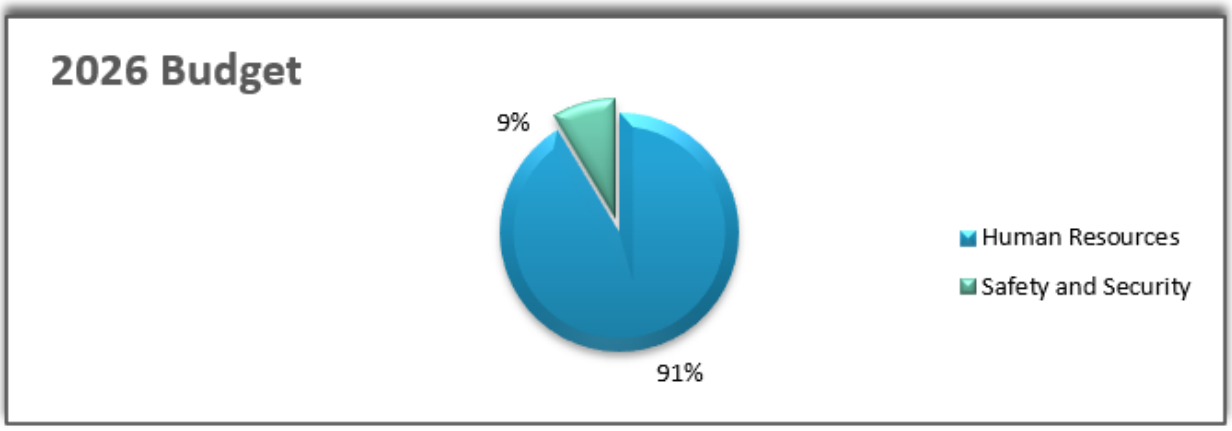
Provide ongoing, relevant training to develop and maintain a highly qualified workforce.

Foster an environment of open communication with an emphasis on safety; facilitate bi-monthly training and reinforce safe work practices.

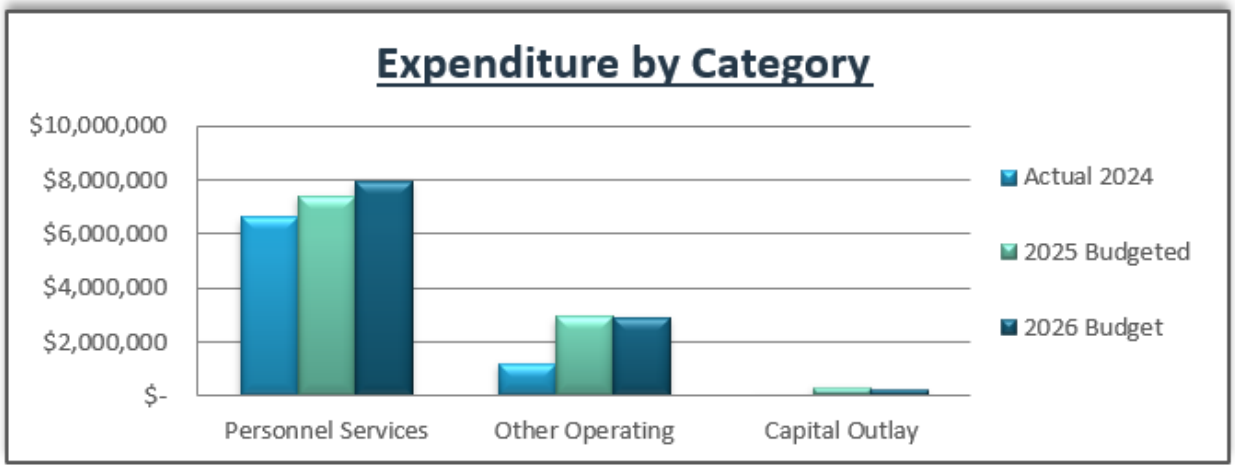
Human Resources Department Summary (continued)

For fiscal year 2026

Human Resources



Division	2026 Budget
Human Resources	$ 10,101,200
Safety and Security	956,650
Total	$ 11,057,850



Expenditure	Actual 2024	2025 Budgeted		2026 Budget
Personnel Services	$ 6,620,662	$ 7,393,900		$ 7,953,060
Other Operating	1,166,649	2,918,600		2,904,790
Capital Outlay	-	280,000		200,000
Total	**$ 7,787,312**	**$ 10,592,500**		**$ 11,057,850**

INFORMATION TECHNOLOGY DEPARTMENT

Rick Ketcham
Director of Information Technology

Information Technology

Responsibilities and Budget Highlights

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 2026

Information Technology Department

KEY DEPARTMENT INDICATORS

	Actual 2024	Budgeted 2025	Budget 2026
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	2,680	**2,600**	**2,700**
Number of work stations/IPads maintained	475	**400**	**400**
Number of servers maintained	105	**105**	**105**
Routers/switches maintained	160	**170**	**175**
PBX switches maintained	-	-	-
Telephones maintained (includes fax & cell)	175	**200**	**200**
Radios maintained	-	-	-
PLCs maintained	-	-	-
Printers	165	**131**	**131**

DEPARTMENTAL GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

Continue technology refresh by replacing 7% of the computers, 2% of mobile devices, 2% of servers, and 2% of network switches

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

Migrate from DynamicsGP to Business Central.

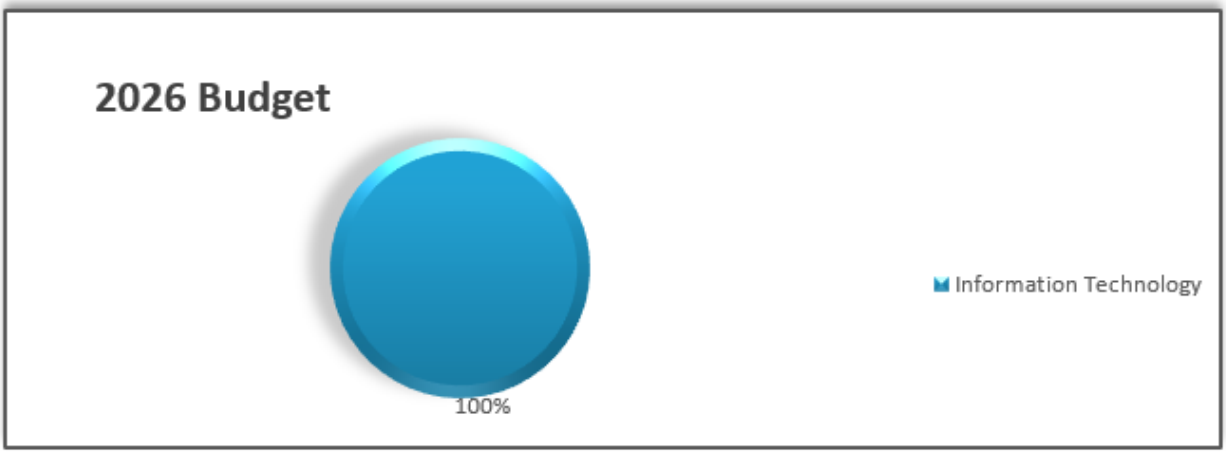
Migrate from third party software integration development to in house.

Continue modernizing network infrastructure locations.

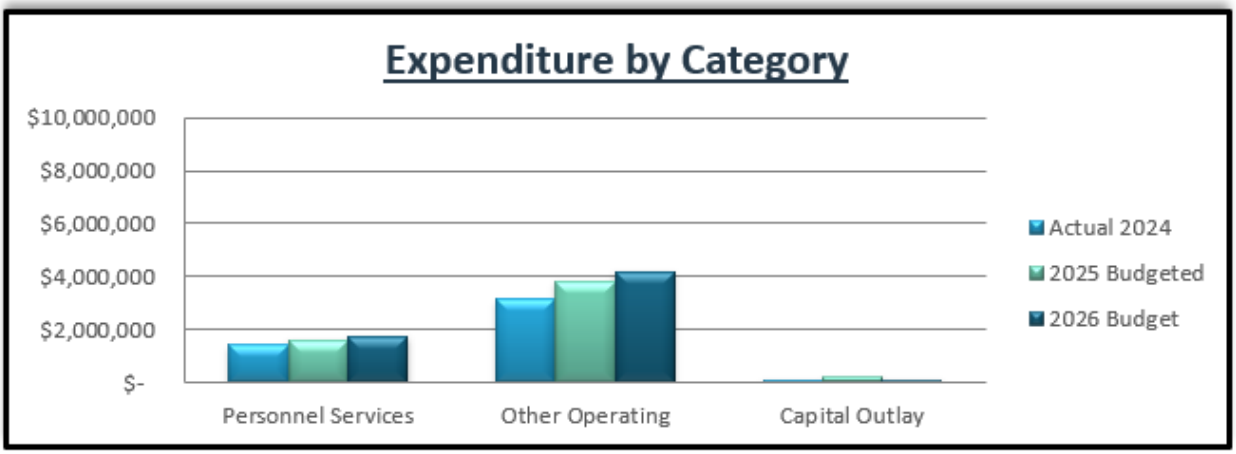
Information Technology Department Summary (continued)

For fiscal years 2026

Information Technology



Division	2026 Budget
Information Technology	$ 6,015,637
Total	$ 6,015,637



Expenditure	Actual 2024	2025 Budgeted	2026 Budget
Personnel Services	$ 1,436,116	$ 1,612,700	$ 1,744,300
Other Operating	3,151,210	3,809,300	4,177,337
Capital Outlay	106,231	209,200	94,000
Total	**$ 4,693,558**	**$ 5,631,200**	**$ 6,015,637**

ENGINEERING DEPARTMENT

David Hackworth
Director of Engineering

General Engineering
Design
Contract Management
Construction Crew

Responsibilities and Budget Highlights

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 2026

Engineering Department
KEY DEPARTMENT INDICATORS

	Actual 2024	Budgeted 2025	Budget 2026
Key department indicators			
Number of full time department employees budgeted	29	29	30
New positions not in prior year's budget	-	-	-
Positions budgeted last year that are eliminated	-	-	-
Positions transferred in (out)	-	-	1
Number of construction design projects underway	18	14	18
Number of permits	65	-	65
Number of construction projects underway	23	14	18
Number of general engineering task orders	-	10	-
Number of fixture reviews	350	850	400
Number of plan reviews	130	60	150
Feet of designed distribution	6,000	12,000	6,000
Number of Fire line/hydrant	28	75	25
Feet of distribution pipe installed by in-house crew	6,000	12,000	6,000

DEPARTMENTAL GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

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

Collaborate with operations and maintenance staff to update the 5-year Capital Improvement Program.

Seek alternative funding sources for capital improvement projects.

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

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

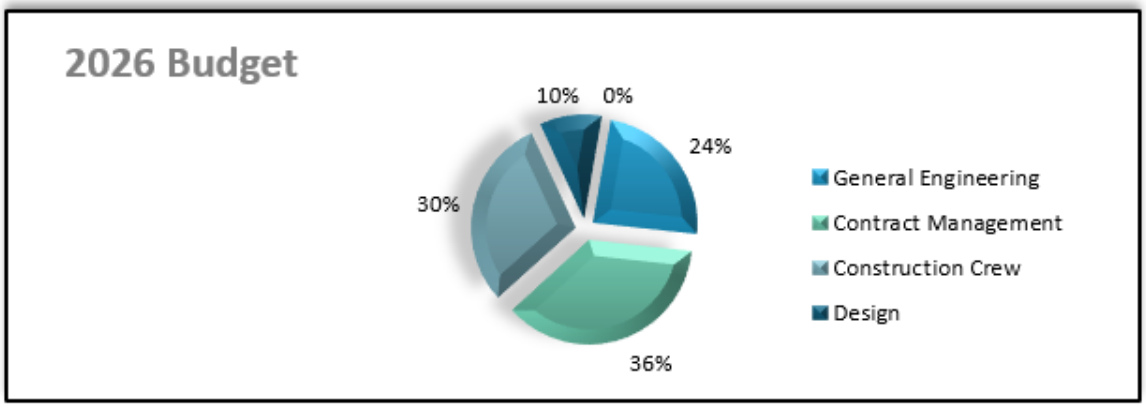
Enhance and provide cost effective services for compliance and protection of drinking water.

Build and strengthen a sustainable and resilient utility system.

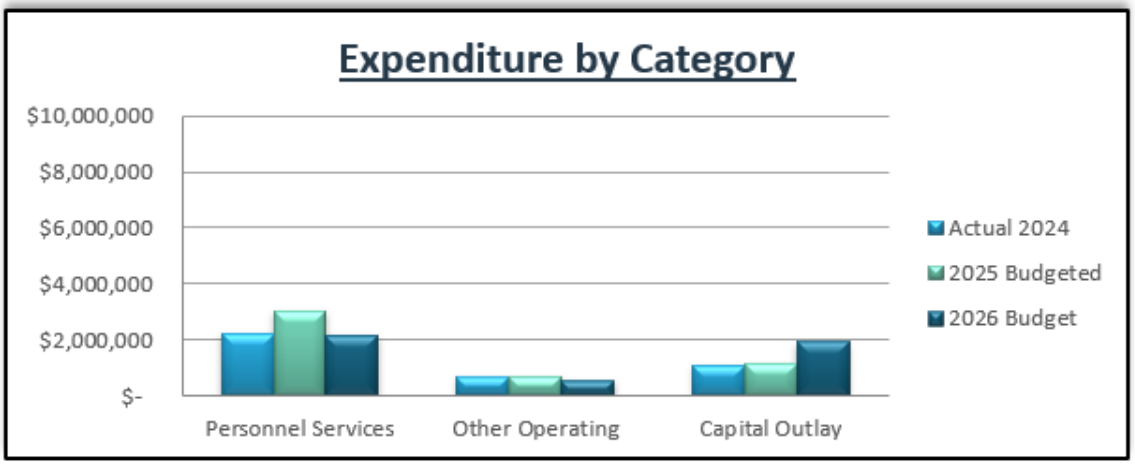
Engineering Department Summary (continued)

For fiscal year 2026

Engineering



Division	2026 Budget
General Engineering	$ 1,116,600
Contract Management	1,706,850
Construction Crew	1,387,739
Design	452,900
Total	$ 4,664,089



Expenditure	Actual 2024	2025 Budgeted	2026 Budget
Personnel Services	$ 2,237,814	$ 3,052,100	$ 2,172,200
Other Operating	700,940	708,700	560,650
Capital Outlay	1,115,289	1,185,300	1,931,239
Total	$ 4,054,044	$ 4,946,100	$ 4,664,089

WATER OPERATIONS DEPARTMENT

Peter Gomez
Chief Operations Officer (COO)

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 Highlights

The Operations Department is responsible for the operation and maintenance of the Authority's transmission, distribution, water treatment, and wastewater facilities across its 130-mile service area. This includes oversight of two seawater reverse osmosis plants, four wastewater treatment plants, water quality operations, fleet vehicles, and heavy equipment. The department's budget primarily supports essential services and resources necessary to maintain system reliability and efficiency. Key budget drivers include salaries and benefits—reflecting the need for shift and standby personnel due to the critical nature of operations—along with electricity costs for treatment plants and pump stations, chemical supplies, and non-routine maintenance projects such as painting water tanks and tape wrapping transmission lines.Given the vital role the department plays in service continuity, especially during emergencies like major transmission breaks, maintaining a highly responsive crew is essential to minimize downtime and protect public health and safety.

Water Operations Department Summary

For fiscal year 2026

Water Operations Department
KEY DEPARTMENT INDICATORS

	Actual 2024	Budgeted 2025	Budget 2026
Key department indicators			
Number of full time department employees	141	**147**	**147**
Positions budgeted last year that are eliminated	-	-	-
Positions transferred in (out)	-	-	-
Number of vehicles in the department	128	**128**	**128**
Water treated (billions of gallons)	7,472,676	**7,472,676**	**7,501,952**
Transmission line maintained (in feet)	990,582	**990,582**	**990,582**
Distribution lines maintained (in feet)	3,282,248	**3,282,248**	**3,282,248**
Reclaimed water lines maintained (feet)	76,698	**76,698**	**76,698**
Line locations performed	13,057	**10,000**	**14,000**
Water quality tests performed	14,524	**14,500**	**14,500**
Total fleet maintained	222	**222**	**222**

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.

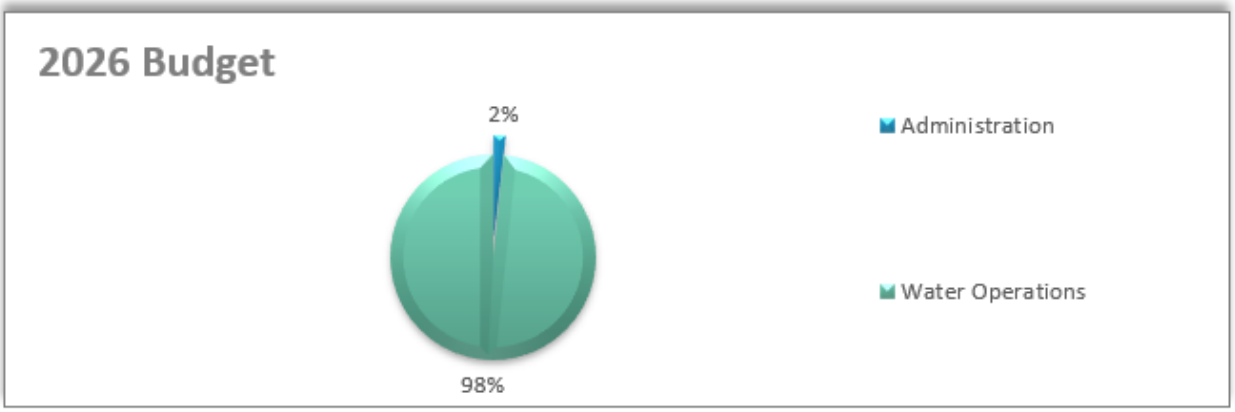
Administer approved CEU classes for FDEP license renewals company wide.

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

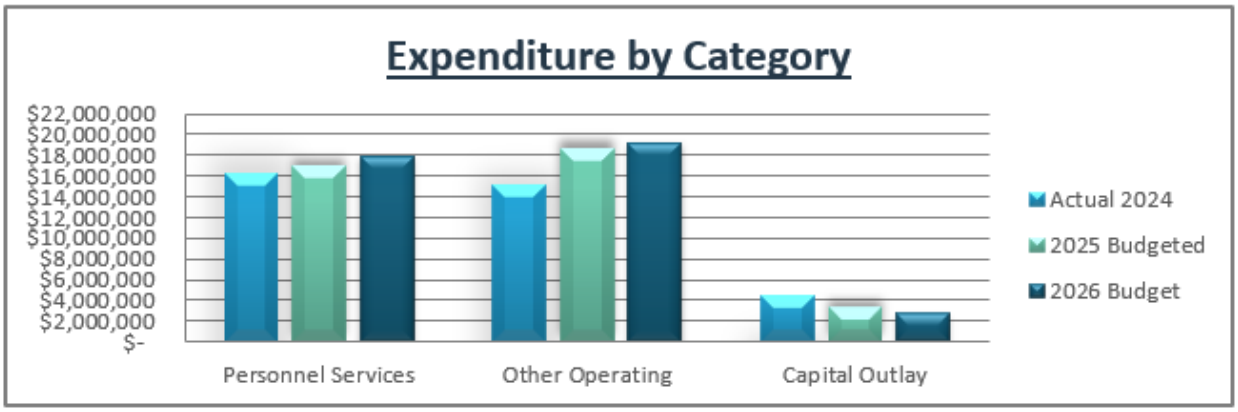
Water Operations Department Summary (continued)

For fiscal years 2026

Water Operations



Division	2026 Budget
Administration	$ 603,900
Water Operations	35,505,500
Total	$ 36,109,400



Expenditure	Actual 2024	2025 Budgeted	2026 Budget
Personnel Services	$ 16,253,936	$ 16,887,300	$ 17,936,100
Other Operating	15,121,996	18,666,400	19,243,400
Capital Outlay	4,471,219	3,322,800	2,741,900
Total	**$ 35,847,152**	**$ 38,876,500**	**$ 39,921,400**

WASTEWATER DEPARTMENT

Jay Miller

Director of Wastewater Operations

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 Highlights

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 2026

Wastewater Operations Department
KEY DEPARTMENT INDICATORS

	Actual 2024	Budgeted 2025	Budget 2026
Key department indicators			
Number of full time department employees	38	38	39
Positions budgeted last year that are eliminated	-	-	-
Positions transferred in (out)	-	-	1
Number of vehicles in the department	38	38	38
Wastewater treatment plants operated	6	6	6
Reclaimed water pump stations operated	2	2	2

DEPARTMENTAL GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

Adhere to the Capacity, Management, Operation and Maintenance (CMOM) agreement submitted to FDEP.

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.

Optimize plant performance at all locations.

Continue reduction of overall treatment costs by reducing or eliminating I&I issues in the collection systems.

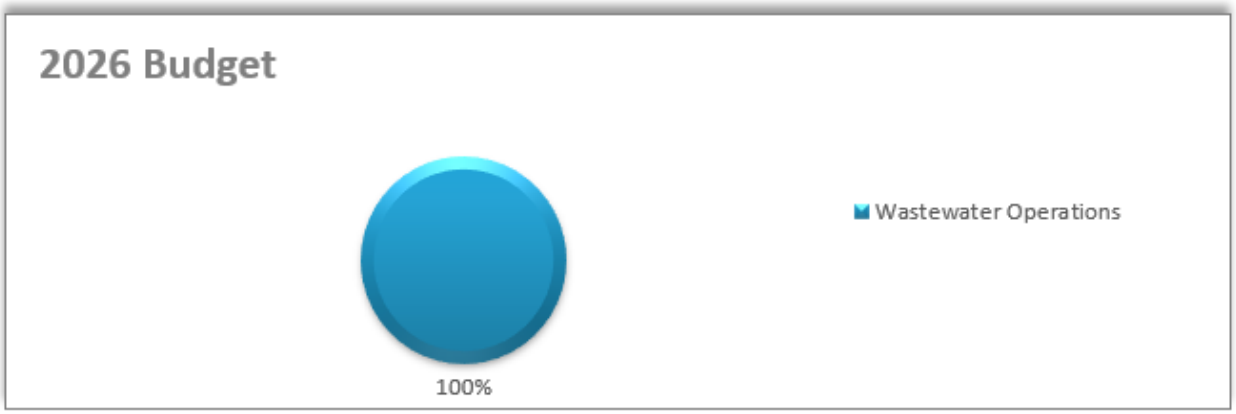
Reduce or eliminate spills with the addition of SCADA and monitoring equipment, along with system repairs and equipment additions.

Annual flow and treatment costs should be reduced at facilities at or close to build-out.

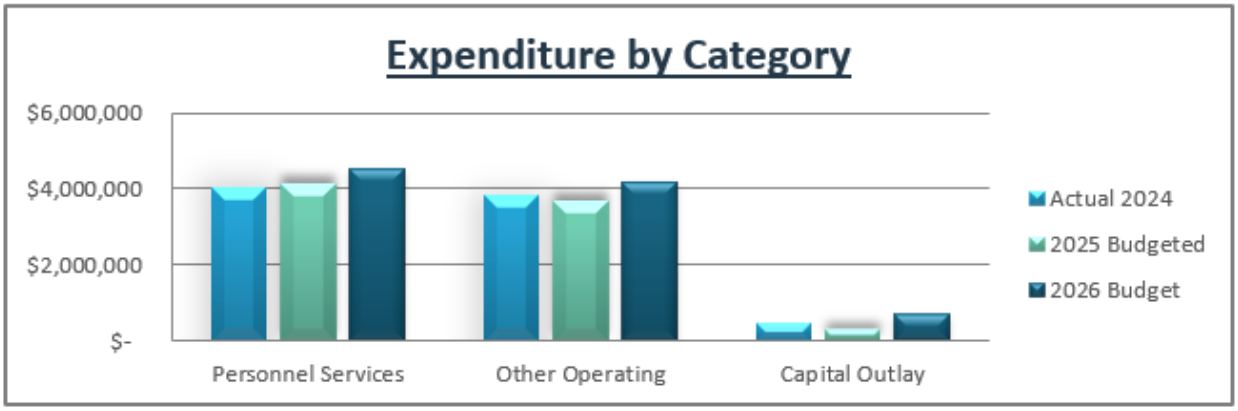
Wastewater Operations Department Summary (continued)

For fiscal years 2026

Wastewater Operations



Division	2026 Budget
Wastewater Operations	9,419,620
Total	$ 9,419,620



Expenditure	Actual 2024	2025 Budgeted		2026 Budget
Personnel Services	$ 4,033,147	$ 4,142,200		$ 4,530,900
Other Operating	3,814,557	3,689,600		4,194,400
Capital Outlay	461,334	287,950		694,320
Total	**$ 8,309,038**	**$ 8,119,750**		**$ 9,419,620**

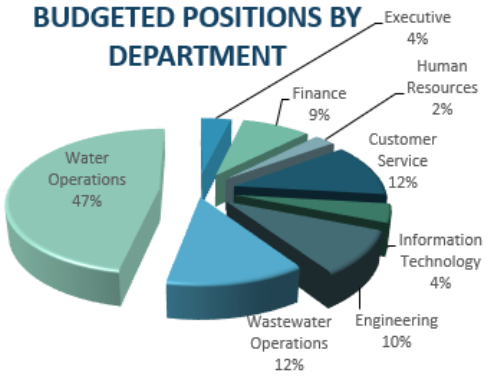
Position and Fleet Summary

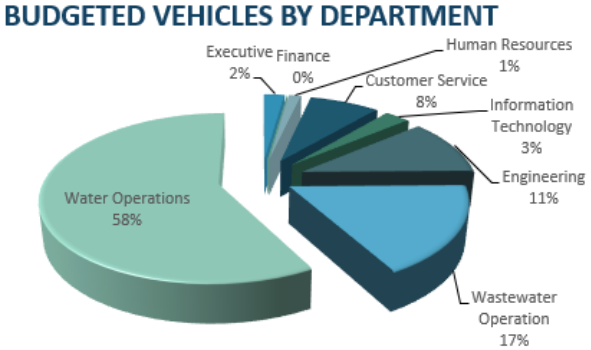
For fiscal years 2026

POSITION AND FLEET SUMMARY 2026

Positions	Executive	Finance	Human Resources	Customer Service	Information Technology	Engineering	Wastewater Operations	Water Operations	Total
Budgeted positions in 2024	14	27	9	35	13	29	38	141	306
New positions									
valve crew positions								6	
Eliminated positions									
N/A									
Transferred positions				1					
Budgeted positions in 2025	14	27	9	36	13	29	38	147	313
New positions									
N/A									-
Transferred positions									-
N/A	(2)		(1)	1		1	1		-
Eliminated positions									-
N/A									-
Budgeted positions in 2026	12	27	8	37	13	30	39	147	313

Fleet	Executive	Finance	Human Resources	Customer Service	Information Technology	Engineering	Wastewater Operation	Water Operations	Total
Budgeted vehicles in 2024	3	2	2	17	6	24	38	129	221
Added vehicles									
SUV for Safety Specialist (new)			1				-		1
Eliminated vehicles									-
None									-
Transferred vehicles									
Records/Public Relations Vehic	2	(2)							-
Budgeted vehicles in 2025	5	-	3	17	6	24	38	129	222
Added vehicles									
None									-
Eliminated vehicles									-
None									-
Transferred vehicles									-
None									-
Budgeted vehicles in 2026	5	-	3	17	6	24	38	129	222





Operating Expenditure By Functional Unit

For fiscal years 2026

2026 Budget Summary

	Actual 2024	Budgeted 2025	2026 Budget	Increase/Decrease Amount	Change from previous year budget
Executive Division					
Executive Office	$ 3,437,349	$ 3,866,750	$ 3,735,200	$ (131,550)	-3%
Public Information	393,975	$ 476,000	387,400	(88,600)	-19%
Totals	**3,831,325**	**4,342,750**	**4,122,600**	**(220,150)**	-5.1%
Finance Department					
Finance	2,858,519	3,887,600	4,145,000	**257,400**	6.6%
Billing	836,275	1,041,100	999,500	**(41,600)**	-4.0%
Purchasing and Inventory	1,695,898	3,930,100	3,544,600	**(385,500)**	-9.8%
Records	(28,451)	-	-	-	0.0%
Totals	**5,362,242**	**8,858,800**	**8,689,100**	**(169,700)**	-1.9%
Human Resources Department					
Human Resources	7,787,312	10,592,500	11,057,850	**465,350**	4.4%
Totals	**7,787,312**	**10,592,500**	**11,057,850**	**465,350**	4.4%
Customer Service Department					
Customer Service	3,292,643	**3,622,850**	**3,968,150**	**345,300**	9.5%
Totals	3,292,643	**3,622,850**	**3,968,150**	**345,300**	9.5%
Information Technology Department					
Information Technology	4,693,558	5,631,200	6,015,637	**384,437**	6.8%
Totals	**4,693,558**	**5,631,200**	**6,015,637**	**384,437**	6.8%
Engineering Department					
General Engineering	1,132,651	1,322,300	1,116,600	**(205,700)**	-15.6%
Design	363,830	534,600	452,900	**(81,700)**	-15.3%
Contract Management	1,511,276	1,589,600	1,706,850	**117,250**	7.4%
Construction	1,066,034	1,499,600	1,387,739	**(111,861)**	-7.5%
Totals	4,073,791	4,946,100	4,664,089	**(282,011)**	-5.7%
Water Operations					
Water Operations	35,803,334	38,876,500	39,921,400	**1,044,900**	2.7%
Totals	**35,803,334**	**38,876,500**	**39,921,400**	**1,044,900**	2.7%
Wastewater Operations					
Wastewater Operations	8,309,038	8,119,750	9,419,620	**1,299,870**	16.0%
Totals	**8,309,038**	**8,119,750**	**9,419,620**	**1,299,870**	16.0%
Grand Totals	$ 73,035,227	$ 84,990,450	$ 87,858,446	$ 2,867,996	2.7%

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GLOSSARY

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Glossary for Terms and Acronyms

For fiscal years 2026

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.

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