



City of Key West Stormwater Fee Study (2022)

July 22, 2021



Existing Stormwater Fees

Description	Existing Fees
Monthly Fee (per ESU)	\$9.25
Annual Fee (per ESU)	\$111.03

Note:

ESU = Equivalent Stormwater Unit

(calculated as gross square feet per dwelling unit times a runoff coefficient).



Existing Rates Support Operation and Maintenance of the Storm System

Storm System Maintenance

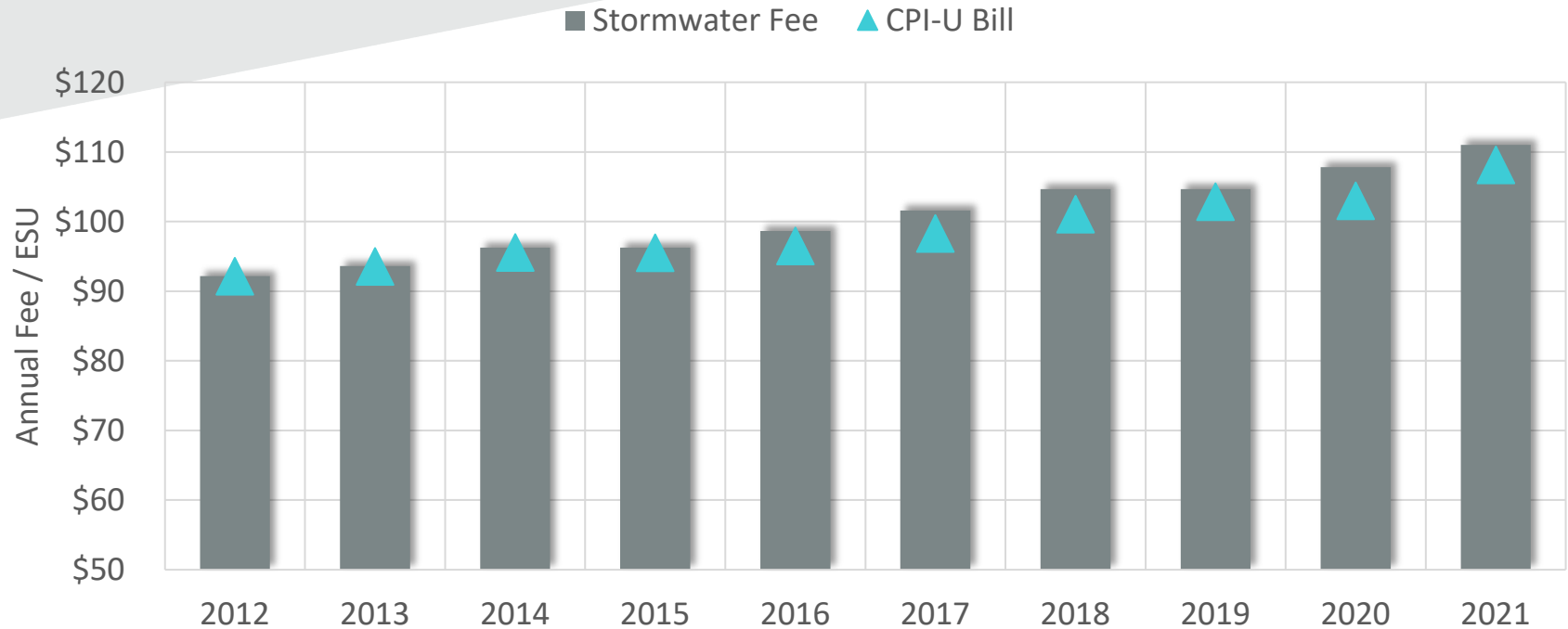
- Cleaning and spot repairs
- Maintenance of 63 outfalls
- Comply with MS4 Permit requirements

Capital Improvements

- Storm water drainage projects to lessen the effects of flooding due to rain-storms

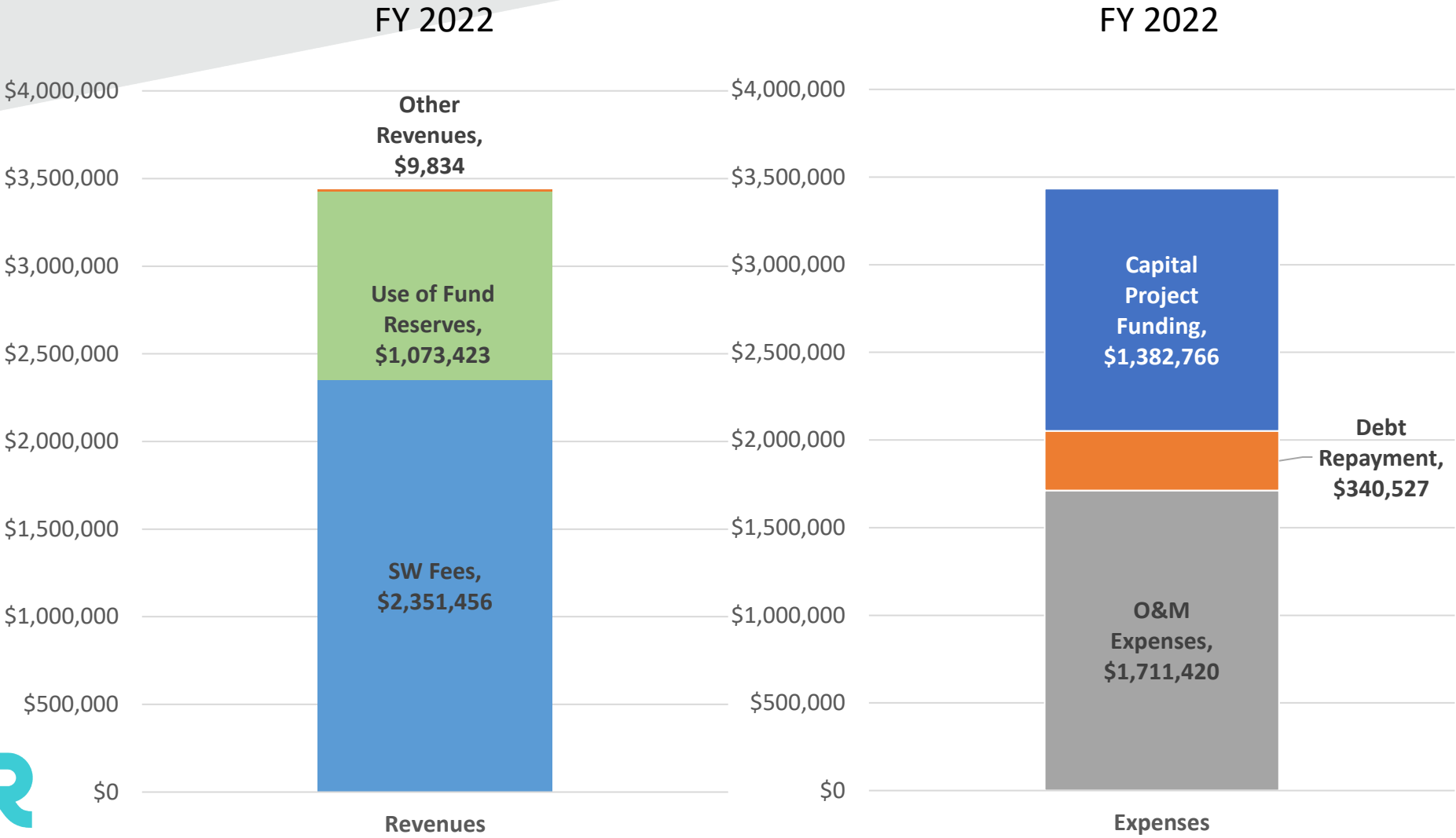


The Residential Stormwater Fee Has Increased at a Rate Similar to Inflation



Description	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Stormwater Fee (per ESU)	\$92.16	\$93.60	\$96.24	\$96.24	\$98.65	\$101.61	\$104.66	\$104.66	\$107.80	\$111.03
YOY \$ Change	\$2.16	\$1.44	\$2.64	\$0.00	\$2.41	\$2.96	\$3.05	\$0.00	\$3.14	\$3.23
YOY % Change	2.4%	1.6%	2.8%	0.0%	2.5%	3.0%	3.0%	0.0%	3.0%	3.0%

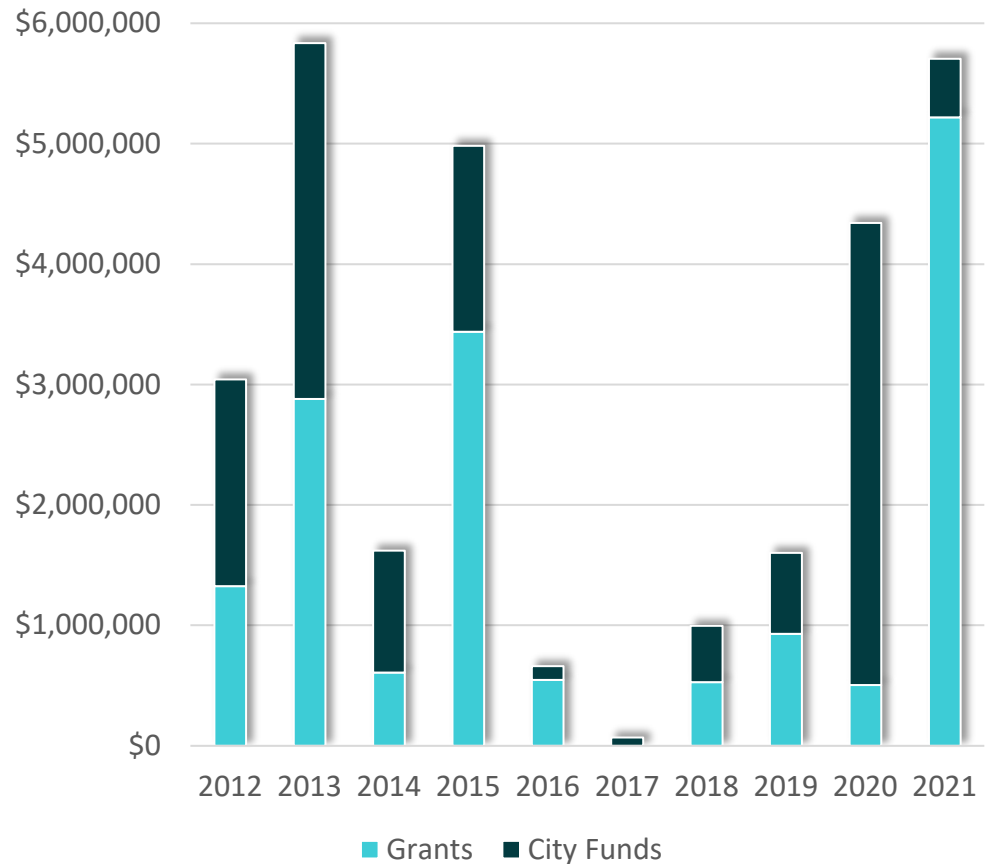
Stormwater Fee Revenues are Adequate to Cover O&M Expenses and Debt Service



Stormwater System Capital Investment

- \$28.9 million in capital investment since 2012.
- Over 50% funded with grants.
- Capital investment varies depending upon availability of grants

Annual Investment in Stormwater Infrastructure



Capital Improvement Plan

Project	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Canal System Clearing	\$80,000	\$0	\$0	\$80,000	\$0
Government Road Culvert 1	75,000	0	0	0	0
Fogarty and 3 rd Street Pump Station	952,766	6,590,299	0	0	0
Paving Drainage Improvements	100,000	100,000	100,000	100,000	100,000
Palm Avenue Storm Intercept Project	0	200,000	1,100,000	0	0
Gravity Well (various locations)	0	0	0	550,000	550,000
Street Sweeper (50%)	<u>175,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$1,382,766	\$6,890,299	\$1,200,000	\$730,000	\$650,000



Key Financial Plan Objectives

Generate

Generate Revenues at least sufficient to cover operating expenses

Maintain

Maintain cash balance of at least 20-25% of annual Operating Expenses for operating purposes

Maintain

Maintain additional cash reserves to take advantage of potential future grant opportunities



Key Financial Plan Assumptions

Grants to Support Capital Plan

Florida Keys Stewardship Act

- \$1.7M (FY 2023-26)

Support from infrastructure Fund

- None Assumed

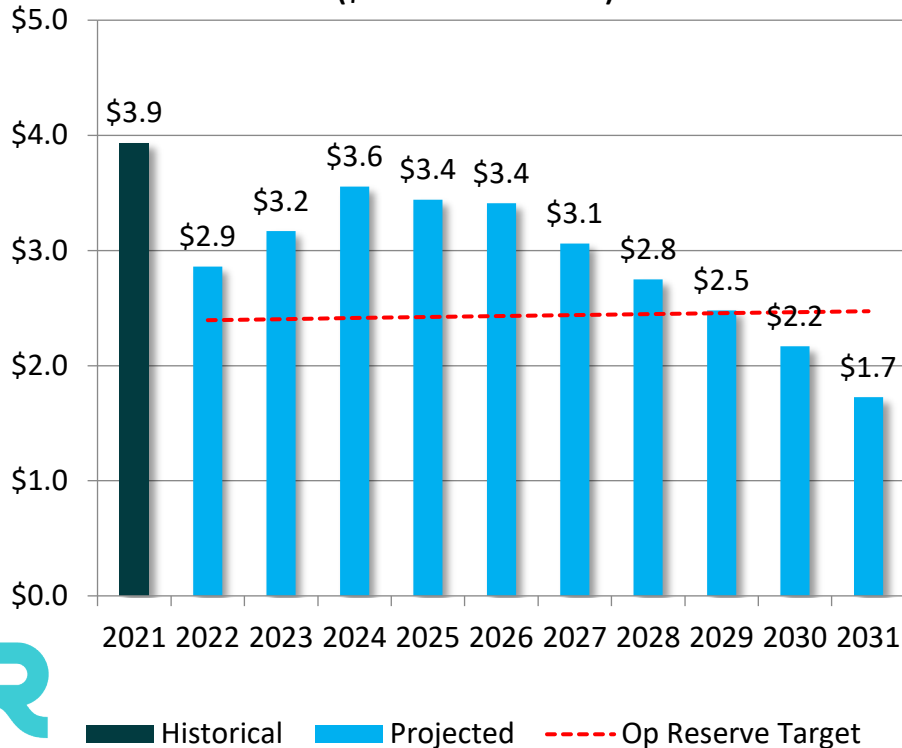


Financial Impact

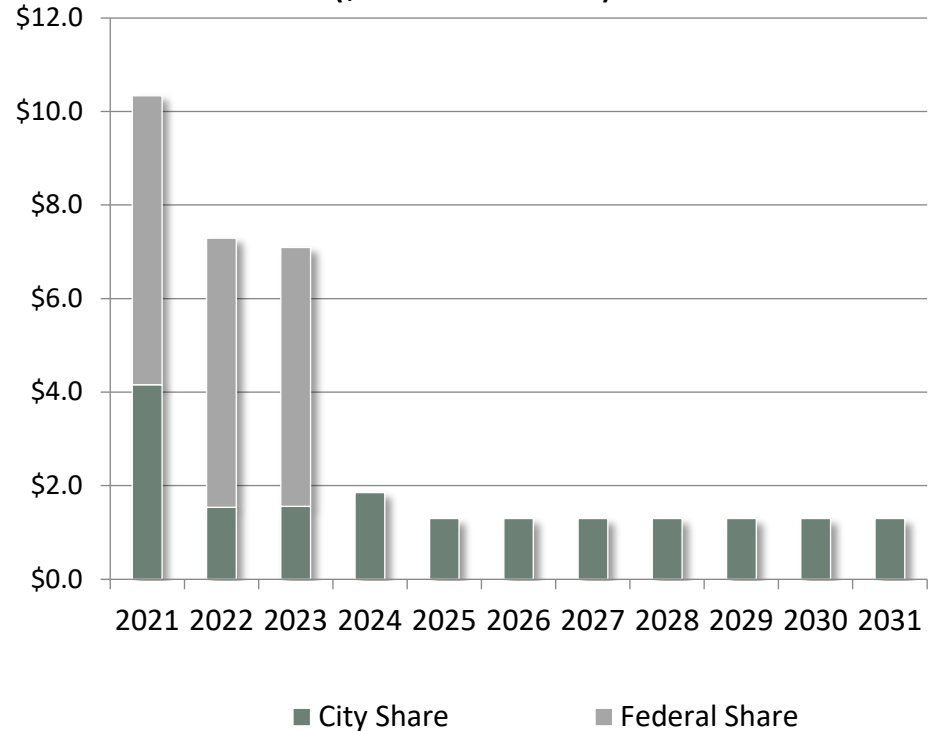
No Change to Stormwater Rates

Description	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Enter Rate Increase (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Charge per ESU/Year	\$111.03	\$111.03	\$111.03	\$111.03	\$111.03	\$111.03	\$111.03	\$111.03	\$111.03	\$111.03
Charge per ESU/Month	\$9.25	\$9.25	\$9.25	\$9.25	\$9.25	\$9.25	\$9.25	\$9.25	\$9.25	\$9.25

Projected Operating Cash vs. Reserve Target
(\$ shown in Millions)



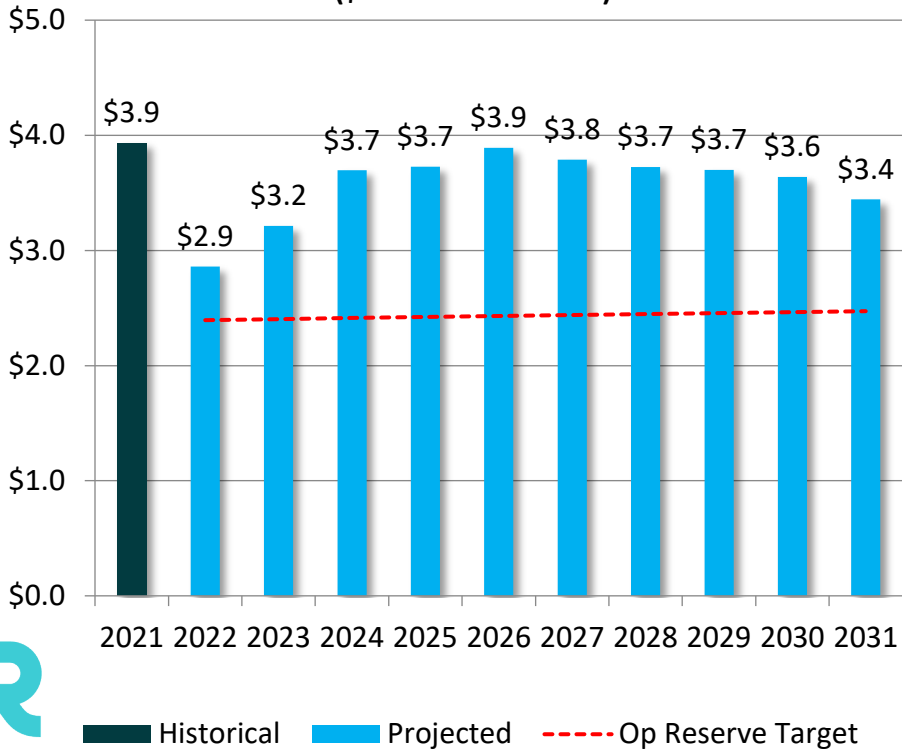
Annual Capital Plan Funding
(\$ shown in Millions)



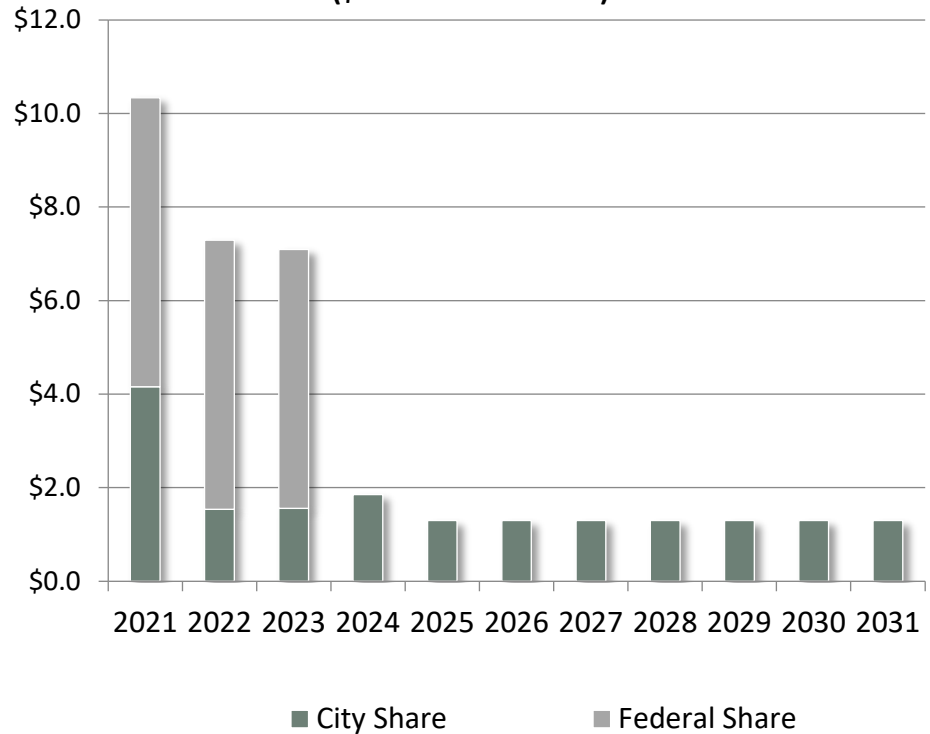
Recommended Changes to Stormwater Rates

Description	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Enter Rate Increase (%)	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	0.0%	0.0%	0.0%	0.0%
Charge per ESU/Year	\$111.03	\$113.25	\$115.52	\$117.83	\$120.18	\$122.59	\$122.59	\$122.59	\$122.59	\$122.59
Charge per ESU/Month	\$9.25	\$9.44	\$9.63	\$9.82	\$10.02	\$10.22	\$10.22	\$10.22	\$10.22	\$10.22

Projected Operating Cash vs. Reserve Target
(\$ shown in Millions)



Annual Capital Plan Funding
(\$ shown in Millions)

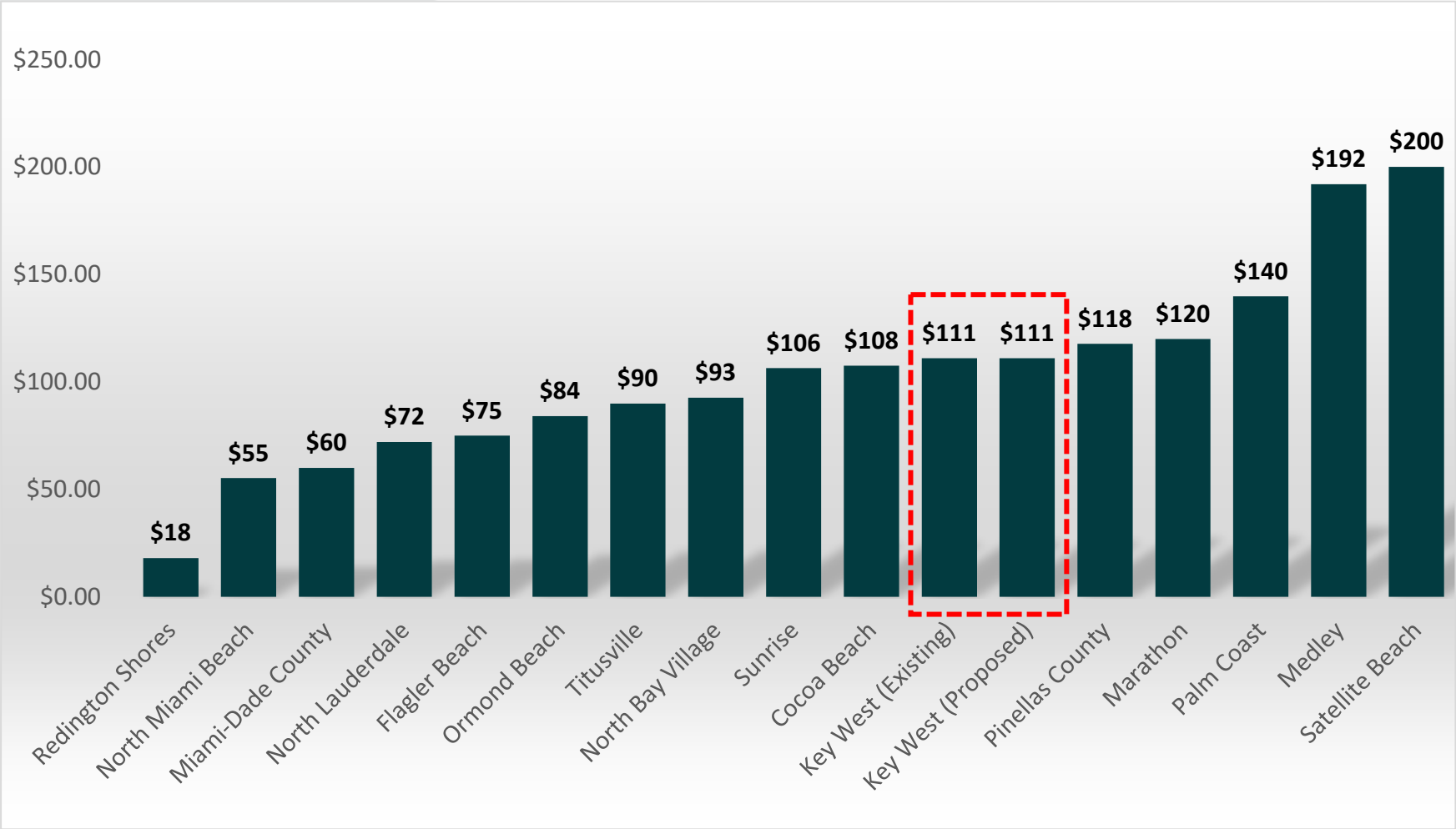


Recommended Stormwater Fee Adjustment

Description	\$/ERU per Year	\$/ERU per Month
Existing Stormwater Fee	\$111.03	\$9.25
Proposed Stormwater Fee	\$111.03	\$9.25
\$ Adjustment	\$0.00	\$0.00
% Adjustment	0.0%	0.0%



Comparison of Annual Stormwater Fees Per ERU



Typical Annual Stormwater Bill

Customer	ESU's	Current Annual SW Bill	Proposed Annual SW Bill	Difference
Large Hotel	200	\$22,206	\$22,206	\$0
Medium Hotel	78	\$8,660	\$8,660	\$0
Small Hotel	16	\$1,776	\$1,776	\$0
Guest House	5	\$555.15	\$555.15	\$0.00
Restaurant	31	\$3,442	\$3,442	\$0
Attorney	2	\$222.06	\$222.06	\$0.00
Downtown Shop	2	\$222.06	\$222.06	\$0.00
Laundry	1	\$111.03	\$111.03	\$0.00
Typical Residential	1	\$111.03	\$111.03	\$0.00



Q&A

CONTACT

John Mastracchio – 518.391.8944 / jmastrachhio@raftelis.com

