

AGENDA

KEY COLONY BEACH CITY COMMISSION

Special Public Hearing

CDBG Grant Application – Water Reclamation Facility Improvements

Thursday, April 30th, 2026 – 3:30 PM

Marble Hall, 600 W. Ocean Drive, Key Colony Beach

& via Zoom Conferencing

[Zoom Login Information at the end of this Agenda](#)

1. **Call to Order, Pledge of Allegiance, Prayer, and Roll Call**
 2. **Approval of the Agenda** (*Additions, changes, and deletions can be made via one motion and a second to approve by a majority vote*)
 3. **Citizen Comments and Correspondence**
 4. **Discussion/Approval to proceed with the CDBG application**
 - a. Urgent Need Letter to FloridaCommerce – **Pgs. 1-2**
 - b. Project Narrative for CDBG 26 WRF Improvements – **Pgs. 3-16**
 - c. Project Narrative G-2 – **Pgs. 17-19**
 5. **Resolution 2026-07:** A Resolution Of The City Commission Of The City Of Key Colony Beach, Florida, Authorizing Submission Of An Urgent Need Community Development Block Grant Application; Finding The Application Consistent With The Local Comprehensive Plan And Designating The Local Comprehensive Plan As The Local Community Development Plan; Authorizing The Mayor And City Clerk To Execute Certain Documents Pertaining To The Grant; And Providing For Severability And An Effective Date. – **Pgs. 20-22**
 6. **Adjournment**
-

*This meeting will be held at the City Hall Auditorium 'Marble Hall',
600 W. Ocean Drive, Key Colony Beach, Florida 33051,
and via Zoom*

Join from PC, Mac, iPad, or Android:

<https://us02web.zoom.us/j/89696746868?pwd=SVYYc6fAJtnxFKCtIGBITd2Lc4hr5B.1>
Passcode:049500

Phone one-tap:

+13052241968,,89696746868#,,,*049500# US
+13126266799,,89696746868#,,,*049500# US (Chicago)

Join via audio:

+1 305 224 1968 US
+1 312 626 6799 US (Chicago)
+1 646 931 3860 US
+1 929 205 6099 US (New York)
+1 301 715 8592 US (Washington DC)
+1 309 205 3325 US
+1 669 900 6833 US (San Jose)
+1 689 278 1000 US
+1 719 359 4580 US

Webinar ID: 896 9674 6868

Passcode: 049500

International numbers available: <https://us02web.zoom.us/j/89696746868>

Members of the public may speak for three minutes and may only speak once...unless waived by a majority vote of the commission. Persons who need accommodations in order to attend or participate in this meeting should contact the city clerk at 305-289-1212 at least 48 hours prior to this meeting in order to request such assistance. If a person decides to appeal any decision made with respect to any matter considered at any meeting, that person will need a record of the proceedings and for such purpose may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

City of Key Colony Beach

PO Box 510141 Key Colony Beach, Florida • Phone# 305-289-1212 • Fax# 305-289-1767



DATE: April 23, 2026
TO: FloridaCommerce, Small Cities CDBG Program
SUBJECT: Attestation of Financial Inability and Lack of Alternative Funding
RE: City of Key Colony Beach, FFY 2025 Small Cities CDBG Application
(Urgent Need)
PROJECT: Water Reclamation Facility (WRF) Reliability and Resiliency Improvements

CDBG Program Administrators:

As the Mayor of Key Colony Beach, I am providing this formal attestation to support our Federal Fiscal Year 2025 Small Cities CDBG application. We are applying for approximately \$1,500,000 under the Urgent Need National Objective to address infrastructure failures at our Water Reclamation Facility. These failures pose a direct threat to the health of our residents and the sensitive coastal environment.

As required by 24 CFR 570.483(c), I am certifying that our conditions are of recent origin, the City cannot finance this work on its own, and no other funding sources are currently available.

I attest to the following facts regarding Key Colony Beach:

1. Serious and Immediate Threat of Recent Origin and Florida Keys ACSC Impact

The City is located entirely within the Florida Keys Area of Critical State Concern (ACSC). Under the Florida Keys Protection Act, Section 380.0552, Florida Statutes, we must adhere to strict principles that guide development and protect our natural resources. Our Comprehensive Plan specifically gives environmental improvement projects high priority because of this critical area status.

This project addresses equipment failures that became an emergency on March 17 and 18, 2026. During this time, mechanical issues in our aging Membrane Bioreactor (MBR) system caused a sanitary sewer overflow of approximately 17,590 gallons of untreated wastewater. This discharge migrated into stormwater systems that connect directly to nearshore Atlantic Ocean waters. These waters are environmentally sensitive coastal resources that we are legally mandated to protect. Our 2024 Vulnerability Assessment identified these aging components as a present issue, but the recent tankage overflows have made immediate intervention a life safety necessity.

2. Inability to Finance Locally

Key Colony Beach does not have the local funds to cover the \$1,500,000 cost for these improvements. Our municipal budget is fully committed to essential operations and mandated services. While we have been maintaining the MBR system since it was commissioned in 2000,

City of Key Colony Beach

PO Box 510141 Key Colony Beach, Florida • Phone# 305-289-1212 • Fax# 305-289-1767



many components have reached the end of their service life and require immediate replacement. The cost to replace the permeate pumping system, the backup generator, and the telemetry systems exceeds our current financial capacity.

3. Exhaustion of Alternative Funding Sources

We have searched for other ways to pay for these critical repairs and found no other options:

- **Tax Base and Debt:** As a small community with a limited permanent tax base, we cannot issue new debt for this project without placing a severe financial burden on our residents.
- **Other Grants:** There are no other federal or state grant programs available right now that can expeditiously fund this specific work in time to prevent another catastrophic failure.

Without this CDBG grant, Key Colony Beach remains at high risk for future overflows that will harm public health and our protected ecosystems. We ask for your partnership to help us fulfill our responsibilities as an Area of Critical State Concern.

Sincerely,

A handwritten signature in blue ink that reads "Freddie Foster".

Freddie Foster
Mayor City of Key Colony Beach, Florida
305-289-1212
Mayor@keycolonybeach.net

PROJECT NARRATIVE
CDBG 26 WRF IMPROVEMENTS
CITY OF KEY COLONY BEACH, FLORIDA
MITTAUER & ASSOCIATES, INC. PROJECT NO. 0604-08-1
UPDATED APRIL 14, 2026

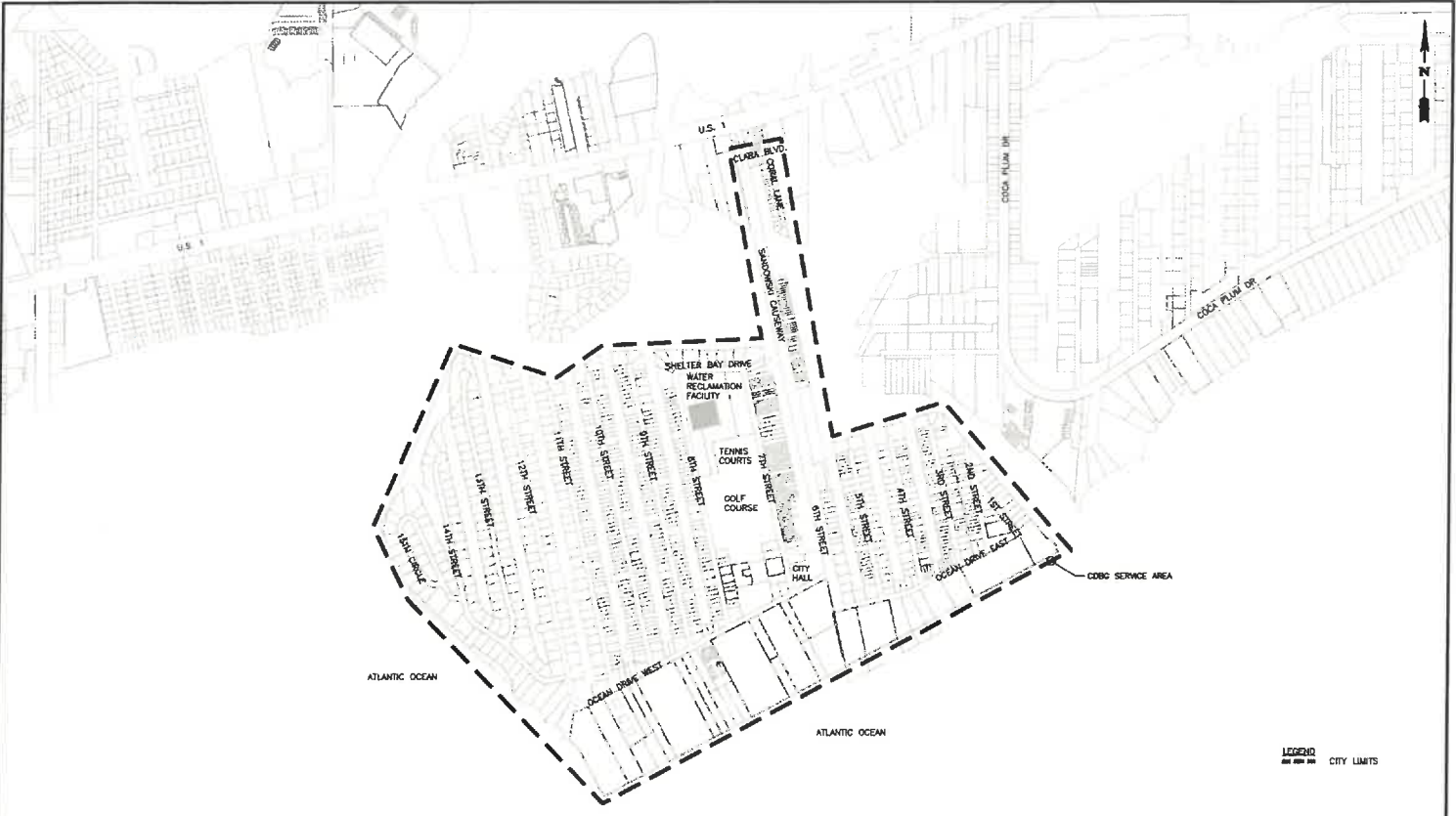
The City of Key Colony Beach is applying to the Florida Department of Commerce for an urgent-need grant related to Wastewater System Reliability and Resiliency in the amount of \$1,500,000 under the Small Cities Community Development Block Grant (CDBG) Program. The City's application contains one activity: water reclamation facility (WRF) rehabilitation addressing reliability and resiliency improvements.

The project provides a town-wide benefit by completing improvements to the City's WRF that serves the entire service area. The WRF utilizes the membrane bioreactor (MBR) technology and was constructed by the City in 2000 to assist efforts to meet more stringent effluent limits associated with Total Nitrogen and Total Phosphorus. The City has been maintaining the MBR since its commissioning but components are reaching or exceeding their service life and require replacement. The aging concerns along with redundancy and resiliency concerns have become a present issue following treatment tankage overflows that occurred due to component failures in March 2026. To address the most immediate concerns, the City intends to complete the following improvements with the CDBG funding:

- Replace outdated MBR permeate pumping priming system with the manufacturer's current ejector system.
- Replace existing automatic transfer switch and diesel generator that has exceeded its service life.
- Enhance the WRF's monitoring and telemetry systems.
- Replace associated system components to extend system's life and operational capabilities.

Figure 1 outlines the City's municipal limits which are the project's service area, while **Figure 2** depicts the WRF Site Plan with denoted improvement areas. **Attachment 1** provides a summary of the recent WRF failure that led to a treatment tankage overflow.

The project funding is based upon a \$1,500,000 CDBG grant with a general project breakdown provided in **Attachment 2**.



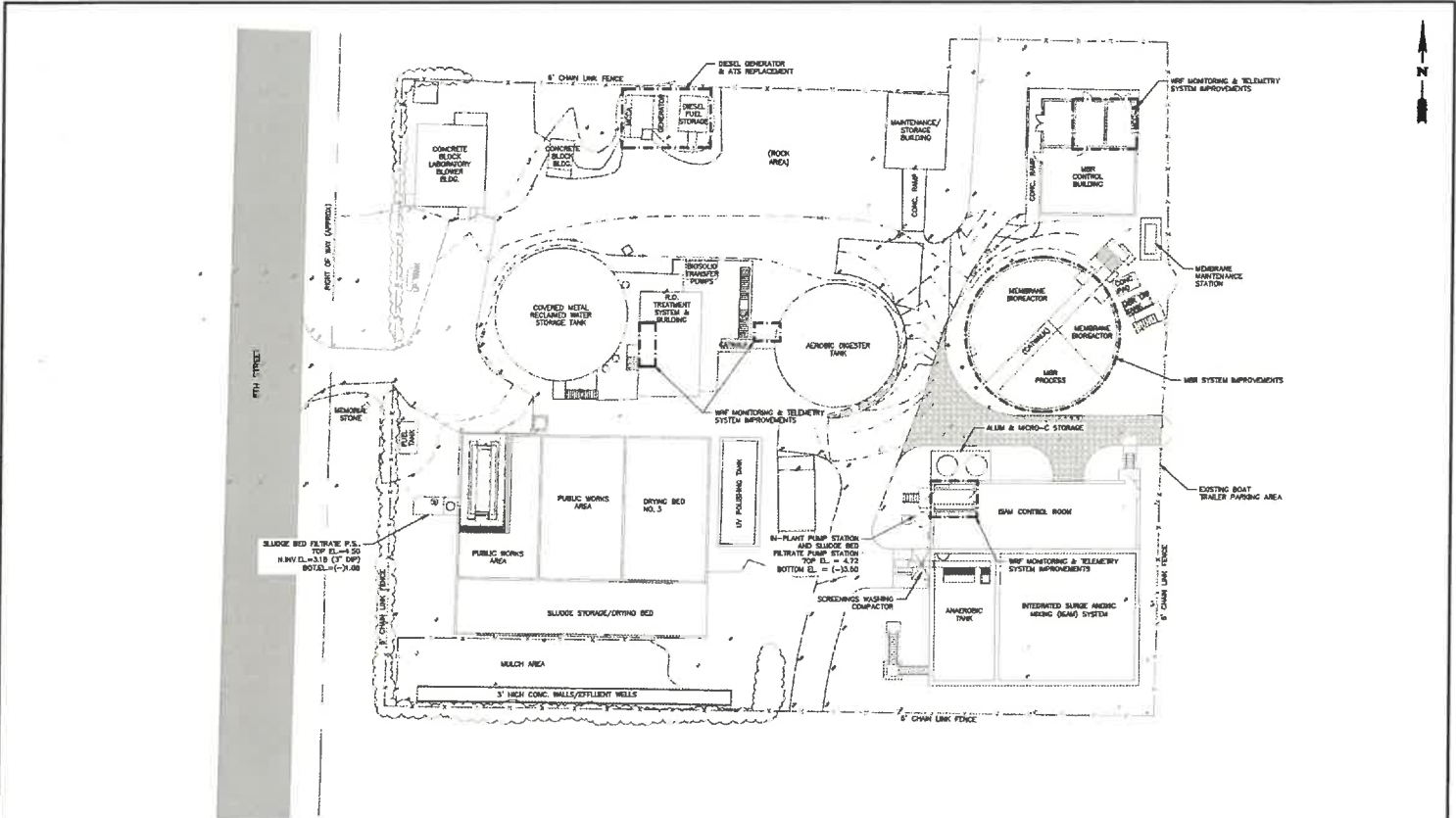
Designed by:	JRS	Date:	04/14/2026
Drawn by:	JSA	Job No.:	M060408.000
Checked by:	JRS		
Approved by:	JRS	©	2026
Scale:	1" = 800'		

cph
Building Stronger Communities Together
 695-1 Wells Road
 Orange Park, FL 32073
 Ph: 904.278.8930
www.cphcorp.com

OVERALL SERVICE AREA MAP
CDBG 26 WRF IMPROVEMENTS
CITY OF KEY COLONY BEACH
 Monroe County, Florida

Figure
1

C:\Users\jrs\AppData\Local\Temp\1\060408\060408.dwg - 04/14/2026 10:01:15 AM JRS/Author



Designed by: JRS Date: 04/14/2026
 Drawn by: JSA Job No. MD60408.000
 Checked by: JRS
 Approved by: JRS © 2026
 Scale: 1" = 30'


**Building Stronger
Communities Together**
 690-1 Wells Road
 Orange Park, FL 32073
 Ph: 904.278.0039

WRF SITE PLAN
CDBG 26 WRF IMPROVEMENTS
CITY OF KEY COLONY BEACH
 Monroe County, Florida

Figure
2

Attachment 1

CDBG 26 WRF Improvements

City of Key Colony Beach, Florida

Mittauer & Associates, Inc. Project 0604-08-1

WRF Overflow Summary

WRF OVERFLOW SUMMARY
CDBG 26 WRF IMPROVEMENTS
CITY OF KEY COLONY BEACH, FLORIDA
MITTAUER & ASSOCIATES, INC. PROJECT NO. 0604-08-1
UPDATED APRIL 16, 2026

The City of Key Colony Beach owns and operates a Category I Water Reclamation Facility (WRF) that has evolved from its original package wastewater treatment system constructed in 1969. While the facility has undergone several upgrades—including conversion to a 0.34 million gallons per day (MGD) membrane bioreactor (MBR) system in 1999/2000, reverse osmosis (RO) system replacement in 2014, and installation of an integrated surge anoxic mixing (ISAM) system in 2018 to meet advanced wastewater treatment (AWT) standards—critical components of the system are now outdated, operating beyond their intended service life, and increasingly unreliable.

On March 17–18, 2026, the City experienced a significant sanitary sewer overflow (SSO) event following a heavy rainfall. The City’s collection system is impacted by infiltration and inflow (I/I), which substantially increases flows during wet weather conditions. While the ISAM system provides flow equalization, its storage capacity was exceeded during the event, resulting in larger volumes of pumped mixed liquor to the downstream MBR system.

At the same time, the MBR facility experienced mechanical and operational limitations associated with aging infrastructure. Specifically, the permeate pumping and priming system—originally installed during the 1999/2000 upgrades—experienced mechanical issues and reduced operational capacity. These failures limited the MBR’s ability to process incoming flows, overtopping treatment process tankage and discharging untreated wastewater to the ground. The overflow persisted overnight and migrated offsite into an adjacent stormwater management system with hydrologic connections to nearshore Atlantic Ocean waters, including environmentally sensitive coastal resources.

This event highlighted several critical vulnerabilities within the City’s wastewater treatment infrastructure:

- Aging MBR equipment that no longer operates reliably under peak flow conditions
- Outdated telemetry and control systems that limit real-time monitoring and rapid response

Although the City has implemented interim repairs—such as modifications to the permeate priming system and operational adjustments—the manufacturer recommends their current ‘ejector system’ to provide long-term reliability. Without permanent corrective action, the risk of future SSOs remains high, particularly during heavy rainfall events.

In addition, the City's aged generator and ATS system has exceeded its life expectancy. Original Equipment Manufacturer (OEM) parts are not available resulting in significant maintenance risk. The Florida Keys power supply is subject to power failures due to storms and the exposed overhead transmission lines. Should line power become unavailable and the generator fail, the City's WRF would not be able to operate resulting in a significant overflow condition.

To address these deficiencies and protect public health and the environment, the City is seeking funding to implement the following critical capital improvements:

1. MBR System Reliability Upgrades

The City will replace the existing permeate priming system with the MBR manufacturer's recommended ejector-based system, improving reliability and maintaining treatment capacity during peak flow conditions. Additional control system updates will be implemented to optimize system performance and prevent capacity losses.

2. Backup Power System Replacement

The existing diesel generator and ATS system will be replaced with modern, fully supported equipment to ensure uninterrupted plant operations during power outages. Reliable backup power is essential to prevent catastrophic system failure and uncontrolled discharges during storm events.

3. SCADA and Telemetry Modernization

The City will upgrade and expand its remote monitoring and telemetry systems to provide real-time operational visibility and automated alarm notifications. Enhancements will enable operators to respond immediately to high-level conditions, equipment failures, or capacity reductions, even when staff are not onsite.

The March 2026 SSO event clearly demonstrated that the City's existing infrastructure is no longer sufficient to reliably manage current conditions. Given the City's limited financial resources, external funding is essential to implement these critical upgrades. Without investment, the City remains at significant risk of future overflows that could adversely impact public health, water quality, and sensitive coastal ecosystems.

This project will directly enhance system reliability, improve emergency response capabilities, and ensure continued compliance with regulatory requirements, while protecting the environmentally sensitive waters that are vital to the Florida Keys community and economy.

Jason Shepler

From: Tom Harding <tom.harding@keycolonybeach.net>
Sent: Tuesday, March 31, 2026 7:30 AM
To: Jason Shepler
Subject: Fw: update 3/18/26 City of Key Colony Beach - FLA014720 - County (Monroe) 0604-08-1
Attachments: KCB Spill Estimate 03.26.26.pdf
Categories: Saved to SharePoint, [https://trilongrp.sharepoint.com/sites/CPH-2503/01-1/Search Panels](https://trilongrp.sharepoint.com/sites/CPH-2503/01-1/Search/Panels)

This Message Is from an external sender.



Jason, for your records.

Tom Harding
City Commissioner - Secretary/Treasurer
Key Colony Beach
tom.harding@keycolonybeach.net
734-476-0531

From: Silvia Roussin <cityclerk@keycolonybeach.net>
Sent: Friday, March 27, 2026 1:46 PM
To: Tom Harding <tom.harding@keycolonybeach.net>
Subject: FW: update 3/18/26 City of Key Colony Beach - FLA014720 - County (Monroe)

Silvia Roussin
City Clerk
City of Key Colony Beach
305 289 1212 ext. 2
Fax 305 289 1767
cityclerk@keycolonybeach.net

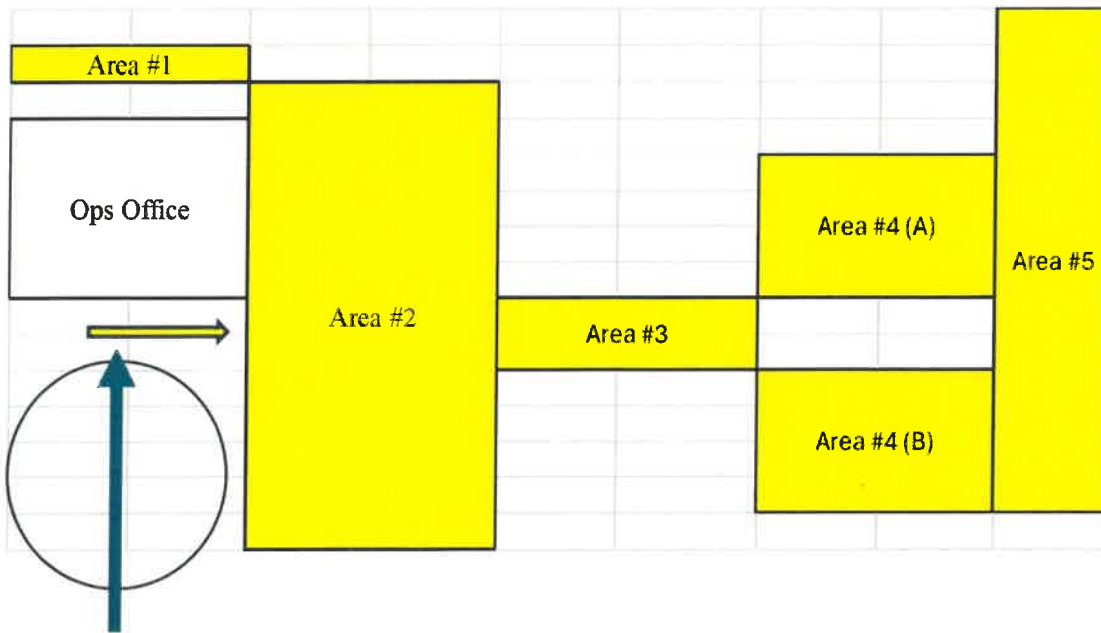
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Please be advised that under Florida law, e-mail addresses are public records. If you do not want your e-mail address released in response to a public records request, do not send electronic mail to this entity.

Key Colony WWTP Spill Report 03/17/26

Area #	Location	Length	Width	Square Ft	Cubic FT	Gallons Per Cu/Ft	Gallons Per inch	Spill Area Inches	Spill Area Gallons
1	East of Ops Building	10	66	660	660	4937	411	2	823
2	North - 1st Row Boat Parking Area	30	150	4500	4500	33660	2805	3	8415
3	North - Area Joining 1st & 2nd Boat Parking Area - Flow Crossing Area	15	20	300	300	2244	187	3	561
4	North - 2nd Row Boat Parking Area - 2 Separate Areas - Using Combined Area Measurements	50	40	2000	2000	14960	1247	3	3740
5	North - Swale Area	300	5	1500	1500	11220	935	3	2805
6	Stairs Area	20	25	500	500	3740	312	4	1247
Total Est Spill Volume									17590

Spill Area



MBR Aeration Tank

Spill At Exit of Tank

If you are an entity authorized to provide confidential information to a government entity, please indicate the exemption to Florida Chapter 119 and verify its applicability before sending. If you are authorized to receive confidential information from the City of Key Colony Beach it will be so noted and with the statutory exemption applicable. Exempt material retransmission or disclosure is governed by Florida Law. The recipient is charged with compliance regarding any retransmission or disclosure. The City of Key Colony Beach shall not be liable for any inappropriate retransmission or disclosure.

From: Selina Makofsky <smakofsky@uswatercorp.net>
Sent: Friday, March 27, 2026 9:44 AM
To: Smith, Sara M <Sara.M.Smith@FloridaDEP.gov>
Cc: M'Liss <Whitney.Bordelon@FloridaDEP.gov>; Jonathan <Jonathan.Odjo@FloridaDEP.gov>; Lisa M. <Lisa.M.Self@FloridaDEP.gov>; Dennis Coates <dcoates@uswatercorp.net>; Shane Ellis <sellis@uswatercorp.net>; Melisa Rotteveel <mrotteveel@uswatercorp.net>; Karen Millet <kmillet@uswatercorp.net>; James Menendez Nunez <jmenendez@uswatercorp.net>; Silvia Roussin <cityclerk@keycolonybeach.net>; Linda Jones <finance@keycolonybeach.net>; Lina Quintero <lquintero@uswatercorp.net>; Alex Gajewski <agajewski@uswatercorp.net>; Silvia Roussin <cityclerk@keycolonybeach.net>; KCB Mayor <Mayor@keycolonybeach.net>
Subject: RE: update 3/18/26 City of Key Colony Beach - FLA014720 - County (Monroe)

Hello Sarah

Additional information for you.

Final Spill Volume: See attached worksheet:17,590+/- gallons
End of release: Spill stopped same day by 4:00pm (3/17). Intermittent releases occurred as reported...stopped completely by 6am, 3/18.
Clean-up Actions Taken: Area Limed, allowed to dry, picked up and bagged for disposal.
Retention area (noted on attached map as spill area) will be hauled out by pumper truck within the next week. Volume will be provided once completed.

If you need further information at this time, please let us know.

Have a nice weekend.

Selina J. Makofsky

Florida Compliance – Assistant Manager



U.S. Water Services Corporation

CELL: (727) 836-0048 _O: (866) 753-8292

F: (727) 849-4219

smakofsky@uswatercorp.net

4939 Cross Bayou Blvd., New Port Richey, FL 34652



From: Selina Makofsky <smakofsky@uswatercorp.net>
Sent: Wednesday, March 18, 2026 12:22 PM
To: Smith, Sara M <Sara.M.Smith@FloridaDEP.gov>;
Subject: update 3/18/26 City of Key Colony Beach - FLA014720 - County (Monroe)

EXTERNAL MESSAGE

This email originated outside of DEP. Please use caution when opening attachments, clicking links, or responding to this email.

Hello

The update for today is attached.
If you need further information at this time, please let me know.

Thank you

Selina J. Makofsky

Florida Compliance – Assistant Manager



U.S. Water Services Corporation

CELL: (727) 836-0048 **_O:** (866) 753-8292

F: (727) 849-4219

smakofsky@uswatercorp.net

4939 Cross Bayou Blvd., New Port Richey, FL 34652

uswatercorp.com



From: Selina Makofsky <smakofsky@uswatercorp.net>
Sent: Tuesday, March 17, 2026 5:31 PM
To: Smith, Sara M <Sara.M.Smith@FloridaDEP.gov>; Whitney.Bordelon@FloridaDEP.gov;
Jonathan.Odjo@FloridaDEP.gov; Lisa.M.Self@FloridaDEP.gov
Cc: Dennis Coates <dcoates@uswatercorp.net>; Shane Ellis <sellis@uswatercorp.net>; Melisa Rotteveel
<mrotteveel@uswatercorp.net>; Karen Millet <kmillet@uswatercorp.net>; James Menendez Nunez
<jmenendez@uswatercorp.net>; cityclerk@keycolonybeach.net; finance@keycolonybeach.net; Lina Quintero
<lquintero@uswatercorp.net>; Alex Gajewski <agajewski@uswatercorp.net>; cityclerk@keycolonybeach.net;
Mayor@keycolonybeach.net
Subject: RE: City of Key Colony Beach - FLA014720 - County (Monroe)

Hello

Please find attached an update on the spill at Key Colony.

More information will be provided tomorrow.
Have a good evening.

Selina J. Makofsky

Florida Compliance – Assistant Manager



U.S. Water Services Corporation

CELL: (727) 836-0048 O: (866) 753-8292

F: (727) 849-4219

smakofsky@uswatercorp.net

4939 Cross Bayou Blvd., New Port Richey, FL 34652

uswatercorp.com



From: Smith, Sara M <Sara.M.Smith@FloridaDEP.gov>
Sent: Tuesday, March 17, 2026 2:59 PM
To: Selina Makofsky <smakofsky@uswatercorp.net>
Cc: Dennis Coates <dcoates@uswatercorp.net>; Shane Ellis <sellis@uswatercorp.net>; Melisa Rotteveel <mrotteveel@uswatercorp.net>; Karen Millet <kmillet@uswatercorp.net>; James Menendez Nunez <jmenendez@uswatercorp.net>; cityclerk@keycolonybeach.net; finance@keycolonybeach.net; Lina Quintero <lquintero@uswatercorp.net>; Alex Gajewski <agajewski@uswatercorp.net>
Subject: RE: City of Key Colony Beach - FLA014720 - County (Monroe)
Importance: High

****CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.****

Good afternoon,

Can you please provide an update on the status of the spill?

Thank you,



Sara Smith

Environmental Specialist III
Florida Department of Environmental Protection
Southeast District
2796 Overseas Highway, Suite 221
Marathon, FL 33050

Main Phone: 305-289-7070

Direct: 305-289-7090

Sara.M.Smith@FloridaDEP.gov

Notice: Florida has a broad public records law. Most written communications to or from state officials regarding official business are public records and may be disclosed upon request. Your email communications may therefore be subject to public disclosure.

From: Selina Makofsky <smakofsky@uswatercorp.net>

Sent: Tuesday, March 17, 2026 10:09 AM

To: Smith, Sara M <Sara.M.Smith@FloridaDEP.gov>; SED.Wastewater <SED.Wastewater@dep.state.fl.us>

Cc: Dennis Coates <dcoates@uswatercorp.net>; Shane Ellis <sellis@uswatercorp.net>; Melisa Rotteveel <mrotteveel@uswatercorp.net>; Karen Millet <kmillet@uswatercorp.net>; James Menendez Nunez <jmenendez@uswatercorp.net>; cityclerk@keycolonybeach.net; finance@keycolonybeach.net; Lina Quintero <lquintero@uswatercorp.net>; Alex Gajewski <agajewski@uswatercorp.net>

Subject: City of Key Colony Beach - FLA014720 - County (Monroe)

EXTERNAL MESSAGE

This email originated outside of DEP. Please use caution when opening attachments, clicking links, or responding to this email.

City of Key Colony Beach abnormal event reports attached.
If you have any questions, please do not hesitate to ask.

Thank you.

Selina J. Makofsky

Florida Compliance – Assistant Manager



U.S. Water Services Corporation

CELL: (727) 836-0048 **_O:** (866) 753-8292

F: (727) 849-4219

smakofsky@uswatercorp.net

4939 Cross Bayou Blvd., New Port Richey, FL 34652

uswatercorp.com



Attachment 2

CDBG 26 WRF Improvements

City of Key Colony Beach, Florida

Mittauer & Associates, Inc. Project 0604-08-1

Project Cost Summary

PROJECT COST ESTIMATE
CDBG 26 NR WRF IMPROVEMENTS
CITY OF KEY COLONY BEACH, FLORIDA
MITTAUER & ASSOCIATES, INC. PROJECT NO. 0604-08-1
UPDATED APRIL 14, 2026

I. CONSTRUCTION SCOPE OF WORK

The City has one water reclamation facility (WRF) that serves the entire service area. The WRF utilizes the membrane bioreactor (MBR) technology and was constructed in 2000 to assist the City's efforts to meet more stringent effluent limits associated with Total Nitrogen and Total Phosphorus. The City has been maintaining the MBR since its commissioning but components are reaching or exceeding their service life and require replacement. The aging concerns along with redundancy and resiliency concerns have become a present issue following treatment tankage overflows that occurred due to component failures in March 2026. To address the most immediate concerns, the City intends to complete the following improvements with the CDBG funding:

- Replace outdated MBR permeate pumping priming system with the manufacturer's current ejector system.
- Replace existing automatic transfer switch and diesel generator that has exceeded its service life.
- Enhance the WRF's monitoring and telemetry systems.
- Replace associated system components to extend system's life and operational capabilities.

TOTAL ESTIMATED CONSTRUCTION COST	\$1,228,800
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II. ENGINEERING SCOPE OF WORK

A. Preliminary Engineering	\$ 6,200
B. Basic Services	
a. Engineering	\$75,000
b. Bidding	\$ 7,500
c. Construction Administration	\$35,000
C. Additional Engineering Services	
a. Prepare Permit Exemption Application	\$ 2,500
b. Record Drawings	\$ 5,000
c. Operation & Maintenance Manual Updates	\$ 5,000
d. Start-up Services	\$15,000

TOTAL ESTIMATED ENGINEERING COST	\$151,200
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III. GRANT ADMINISTRATION

TOTAL ESTIMATED GRANT ADMINISTRATION COST (8% * \$1,500,000)	\$120,000
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TOTAL ESTIMATED CDBG PROJECT COST	\$1,500,000
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Project Narrative — G-2

Describe the proposed project using the guidelines in the instructions. Specific directions for Commercial Revitalization and Economic Development application narratives can be found in the instructions. Use additional pages as needed.

OVERVIEW

The City of Key Colony Beach is a small island municipality located entirely within the Florida Keys Area of Critical State Concern. We operate with a permanent year-round population of fewer than 900 people. However, our managed infrastructure must support a much larger service load due to significant seasonal population shifts. Our housing stock consists of 1,394 total residential properties, but only 259 are full-time occupied homes. The remainder includes 629 short-term rentals and 457 seasonal secondary residences. This seasonal influx creates municipal demands that are disproportionate to our small size, placing immense pressure on our independent wastewater and stormwater systems.

To address a recent and severe infrastructure failure exacerbated by these demands, the City is proposing a Neighborhood Revitalization project under the Urgent Need National Objective. We are applying for approximately \$1,500,000 in Community Development Block Grant (CDBG) funding for Water Reclamation Facility (WRF) Reliability and Resiliency Improvements. This project directly addresses mechanical failures that pose a serious threat to public health and the environmentally sensitive waters surrounding the island. The City lacks the local funds to cover these costs and has exhausted alternative funding options.

ADDRESSED NEEDS

Service Area #1: Water Reclamation Facility Improvements

Our Water Reclamation Facility serves the entire municipality, supporting both permanent residents and the high volume of seasonal residents and visitors. The facility utilizes membrane bioreactor (MBR) technology and serves the entire city. While we have consistently maintained the system since it was commissioned in 2000, many critical components have reached or exceeded their intended service life. The City previously self-funded major wastewater upgrades in 2017 and 2018 to achieve advanced wastewater treatment standards. However, the aging collection system and facility components remain highly vulnerable to severe weather, infiltration, and inflow.

These vulnerabilities became a present emergency on March 17 and 18, 2026. During heavy rainfall, the facility experienced mechanical and operational limitations. The aging MBR permeate pumping and priming system failed, restricting the facility's ability to process incoming flows. This caused treatment tanks to overtop, resulting in a sanitary sewer overflow of approximately 17,590 gallons of untreated wastewater. The discharge migrated offsite into stormwater systems connected directly to nearshore Atlantic Ocean waters. This spill underscores the immediate necessity to harden our critical infrastructure.

The proposed project will correct these deficiencies by modernizing the facility to prevent future catastrophic failures. The grant will fund the following specific improvements:

- Replace the outdated MBR permeate pumping priming system with the manufacturer's current ejector system.
- Replace the existing automatic transfer switch and diesel generator, which has exceeded its service life.
- Enhance the facility's monitoring and telemetry systems to provide real-time operational visibility and automated alarms.
- Replace associated system components to extend the system's operational capabilities.

Reliable backup power is essential to prevent uncontrolled discharges during power outages, which are a frequent risk due to exposed overhead transmission lines in the Florida Keys. Furthermore, these upgrades will protect our highly successful reclaimed water system, which currently irrigates the municipal golf course and preserves potable water. As a proactive community, Key Colony Beach also participates in the Community Rating System, currently maintaining a Class 6 rating to help our residents manage flood risks, while actively working toward a Class 5 rating.

This activity meets the Urgent Need National Objective. The project provides a City-wide benefit by servicing our entire municipal limit.

Cost of Activities:

Service Area	Activity Name	Activity Costs	City Match Funding
City-wide	Administration <i>(Estimated 8% of total project cost)</i>	\$120,000	-
City-wide	Engineering Design, Permitting, Contract Development & Inspection	\$151,200	-
City-wide	Construction	\$1,228,800	-
	TOTAL	\$1,500,000	

Construction Timeline

Start Date: Projected post-award 2026

Completion Date: Projected post-award 2028

Interlocal Agreement

No interlocal agreement is necessary. The City of Key Colony Beach independently manages its wastewater utility, and the facility serving the entire service area is completely within the City's jurisdiction.

PROJECT JUSTIFICATION

The proposed project represents a mandatory and immediate investment to stabilize the City of Key Colony Beach's infrastructure. Without this CDBG grant, the City remains at high risk for future overflows that will harm public health and our protected marine ecosystems. The March 2026 overflow proved that our current infrastructure cannot manage peak loads. Because we are an island community in an Area of Critical State Concern, preventing wastewater discharge and protecting our fragile ecosystem is a top priority in our Comprehensive Plan.

The financial burden of these improvements is disproportionately high for our small year-round community. Many of our permanent residents are retirees on fixed incomes who cannot bear the cost of a \$1,500,000 project through increased taxes or debt. Our municipal budget is fully committed to essential operations and reserves are protected to support services following major storm events. There are no other federal or state grant programs available right now to expeditiously fund this specific work.

This project aligns directly with our 2024 Vulnerability Assessment and our Comprehensive Plan, which gives high priority to environmental improvement projects. The proposed activities were reviewed through extensive citizen participation, including a Citizen Advisory Task Force meeting and a public hearing on April 16, 2026, followed by a second public hearing on April 30, 2026. The implementation of these resilient equipment upgrades will directly alleviate a serious threat of recent origin, serving to ensure regulatory compliance and safeguarding the well-being of our community and protect the water quality vital to our local economy.

RESOLUTION 2026 - 07

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY COLONY BEACH, FLORIDA, AUTHORIZING SUBMISSION OF AN URGENT NEED COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION; FINDING THE APPLICATION CONSISTENT WITH THE LOCAL COMPREHENSIVE PLAN AND DESIGNATING THE LOCAL COMPREHENSIVE PLAN AS THE LOCAL COMMUNITY DEVELOPMENT PLAN; AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE CERTAIN DOCUMENTS PERTAINING TO THE GRANT; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the City Commission of the City of Key Colony Beach (hereafter referred to as the "City") desires to improve the health, safety, and welfare of its citizens and protect the environmentally sensitive waters of the Florida Keys by providing reliable municipal wastewater treatment and resilient infrastructure; and

WHEREAS, the City desires to apply for a Federal Fiscal Year 2025 Small Cities Community Development Block Grant (CDBG) in the Neighborhood Revitalization category, under the Urgent Need National Objective, for a total amount of approximately \$1,500,000; and

WHEREAS, the City has decided to apply for a Community Development Block Grant (CDBG) to fund the "Water Reclamation Facility (WRF) Improvements Project," which involves critical resiliency upgrades including replacing the outdated Membrane Bioreactor (MBR) permeate pumping priming system with a modern ejector system, replacing the existing automatic transfer switch and diesel generator that have exceeded their service life, and enhancing the facility's SCADA, monitoring, and telemetry systems; and

WHEREAS, a serious and immediate threat to the health and welfare of the community exists due to the deteriorating condition of the WRF's aging infrastructure, a vulnerability most recently exacerbated on March 17–18, 2026, when mechanical failures within the MBR permeate system during heavy rainfall resulted in a Sanitary Sewer Overflow (SSO) of approximately 17,590 gallons of untreated wastewater, migrating offsite and threatening nearshore Atlantic Ocean waters; and

WHEREAS, the City of Key Colony Beach is located entirely within the Florida Keys Area of Critical State Concern (ACSC), a statutory designation that underscores the extreme environmental sensitivity of the surrounding nearshore waters and the paramount importance of preventing untreated wastewater discharges into this fragile marine ecosystem; and

WHEREAS, the City's critical wastewater infrastructure is subject to compounding environmental stressors, facing severe operational risks and accelerated deterioration due to the impacts of more frequent high tide and "king tide" flooding events, saltwater intrusion, and the region's inherent vulnerability to storm surge and hurricane impacts; and

WHEREAS, the City has formally recognized these compounding threats through its participation with the Monroe County 2024 Vulnerability Assessment and the Monroe County 2025 Local Mitigation Strategy (LMS), which specifically prioritizes the adaptation and protection of critical infrastructure to mitigate the impacts of coastal flooding, changing precipitation patterns, and sea-level rise, making the immediate rehabilitation of the WRF a recognized community resiliency priority; and

WHEREAS, addressing this Urgent Need is entirely consistent with the City of Key Colony Beach Comprehensive Plan (Ordinance 2025-497), as providing adequate wastewater infrastructure to ensure public health and safety is supported by Infrastructure Goal 1, and the specific rehabilitation of the system is identified within Capital Improvements Objective 1.1 (Policy 1.1.2) and the Five-Year Schedule of Capital Improvements; and

WHEREAS, Federal CDBG regulations for the Urgent Need National Objective require the City to certify that the proposed activity is designed to alleviate existing conditions which pose a serious and immediate threat to the health or welfare of the community and that other financial resources are not available to meet such needs; and the City has formally determined that no other local, state, or federal financial resources are currently available to implement these immediate permanent corrective actions; and

WHEREAS, the City has complied with the Citizen Participation requirements of the CDBG program, having held the first public hearing on April 16, 2026, following a published advertisement in the newspaper of general circulation on April 8, 2026; and

WHEREAS, the Citizen Advisory Task Force (CATF) met on April 16, 2026, following a published advertisement on April 9, 2026, and provided a recommendation to the City Commission to pursue the WRF Improvements Project under the Urgent Need National Objective; and

WHEREAS, a second public hearing was held on April 30, 2026, following a published advertisement on April 23, 2026, to provide citizens with the opportunity to comment on the final application prior to its submission to FloridaCommerce.

IT IS THEREFORE RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY COLONY BEACH, FLORIDA, THAT:

Section 1. A Neighborhood Revitalization Community Development Block Grant application, under HUD's Urgent Need National Objective for approximately \$1,500,000, will be submitted to FloridaCommerce on or before May 5, 2026.

Section 2. The CDBG application is consistent with the City of Key Colony Beach Comprehensive Plan, which shall serve as the Community Development Plan.

Section 3. The Mayor and the City Clerk are authorized to execute documents pertaining to the grant, including the application, financial certifications attesting to the lack of available local funding, environmental and other certifications, grant award agreement, grant modifications (if

any), grant completion/close out documents, and other responses and reports to FloridaCommerce, subject to appropriate action by the City Commission and public participation, if applicable.

Section 4. If any portion of this Resolution is found to be invalid, the remainder shall continue to be in full force and effect.

PASSED AND ADOPTED by the Commission of the City of Key Colony Beach, Florida, at its Special Public Meeting of the City held on the 30th of April, 2026.

FINAL VOTE AT ADOPTION - CITY COMMISSION OF KEY COLONY BEACH

Mayor Freddie Foster	NO _____	YES _____
Vice-Mayor Doug Colonell	NO _____	YES _____
Commissioner Tom Harding	NO _____	YES _____
Commissioner Tom DiFransico	NO _____	YES _____
Commissioner Kirk Diehl	NO _____	YES _____

Freddie Foster, Mayor

ATTEST:

Silvia Roussin, City Clerk

Approved as to form and legal sufficiency:

Dirk Smits, City Attorney