

Minutes of the Budget Workshop Meeting of the South Indian River Water Control District Held on July 17, 2025

The budget workshop meeting of the South Indian River Water Control District was held on July 17, 2025, at 3:30 p.m. at the District Work Center, 15600 Jupiter Farms Road, Jupiter, Florida, and via Zoom video conferencing. Present in person were Supervisors Michael Howard, Tom Powell, John Meyer, and Susan Kennedy. Also present were Charles Haas, treasurer; William Capko, attorney; Chad Kennedy, Executive Director; Dustin Fazio, Supervisor of Operations; Donna DeNinno, public information; and Jane Woodard, secretary. Five landowners were present in person. Supervisor Beth McElroy and two landowners were present via Zoom video conferencing.

Mr. Howard called the meeting to order and the Pledge of Allegiance to the flag was given. He explained that the purpose of this meeting is to discuss the proposed 2025-26 budget.

Mr. Kennedy discussed his budget requests which include a five-year plan to purchase equipment, and a new position to deal with the financial aspects of the District. He noted that this new position will save costs by reducing the accounting fees and treasurer's fees and is supported by our current treasurer. He also noted that the auditor's fees have increased, as well as the District's administrative costs. Mr. Haas noted that engineering fees have increased due to the long list of initiatives in the District. There is now also a state-of-the-art website which is an asset to the District in providing information to the landowners.

Mr. Kennedy discussed his equipment and vehicle purchase plan. He is evaluating current equipment for excessive hours of use, age, and condition. Some may be declared as surplus. One dump truck has already been purchased this year, and another one is scheduled to be purchased next year, as well as an excavator. He presented an outline of his forecast for future purchases through 2030. Mr. Powell inquired if the plan is to lease or buy the equipment and vehicles, noting how it affects the assessments. Mr. Haas stated the District has used both methods in the past. Originally, the District used a municipal lease option which is cancelable at every payment. Later on, as more equipment was acquired, the District used a pay-as-you-go method. Recently he advised leasing with deferred payments. Now he has been using a financing approach, and at the end of a four- to five-year period, the District can go back to the pay-as-you-go method. Mr. Haas also noted the District can look at bundling its purchases with a Request for Proposal for the entire lot.

Mr. Kennedy discussed the new position to handle financial aspects of the District. He noted it will reduce administrative costs and expand some of the services provided now. He requested a budget of approximately \$80,000. Mr. Haas stated this is not a new request. It has been suggested in the past. He noted that his budget will be decreasing next year. There was discussion regarding internal controls and oversight for the personnel handling the finances. It was explained that taxes are wired into the District's account so cash flow coming in is not an issue. The person handling accounts payable will not be the same person who writes checks.

Mr. Howard inquired about financing purchases over time to limit the financial impact to the landowners. Discussion followed regarding trade-ins and installment plans. Mr. Haas suggested moving to either an acquisition or lease program and making separate distinguished assessments. He explained a separate fund would identify purchases on a per parcel basis. This would be separate from the internal service fund and act like a special assessment for special projects. It would be rolled up into four categories for tax roll purposes. All vehicles will be in this assessment fund creating a more equitable assessment between Jupiter Farms and Palm Beach Country Estates.

Mr. Haas presented the highlights of the proposed 2025-26 budget. He explained that the Operations and Maintenance fund includes salary increases. Overall, the maintenance acreage assessment for Jupiter Farms will

increase by \$33 and the per parcel assessment will decrease by \$30. Palm Beach Country Estates will have an increase in maintenance acreage assessments of \$90 and an increase in per parcel assessments of \$73. There is a proposed increase of \$27 per acre for the water distribution bond. Egret Landing and Jupiter Park of Commerce increases are \$90 per acre.

Mr. Haas then presented a summary of budgeted assessments. There is a 29% increase in the east basin for water control maintenance due to a significant increase in engineering analysis and studies, outfall issues, etc. Mr. Kennedy noted that the bridges over the C-18 were to be condemned by South Florida Water Management District ten years ago, but instead they were repaired. There is now concern about the condition of these bridges. Ms. Susan Kennedy was concerned about the engineering costs which appear to be \$100,000 over budget this year. Mr. Kennedy stated that the application fees for the permitting process are to cover these costs, but the costs still have to be shown in the budget. Mr. Haas noted that next year the accounting fees will change, so there will only be the permitting costs. Work will not be done until the funds are received. The \$326,000 budget includes permitting fees. Ms. Brandon noted that after the budget was adopted last year, the Board authorized the Palm Beach Country Estates modeling which was around \$100,000. This will not be an additional expense for the 2025-26 budget. Ms. Brandon also noted she has an ongoing list of 15 active permits, specifically utility permits including Florida Power & Light, AT&T and Comcast. The District installs their lines in our easements, so they do not impede our maintenance. Ms. Brandon explained in detail how the permit review is conducted. She also noted the applicants pay a \$2,000 fee for the engineer's review time. The engineering line item includes all these costs, but the fees received are not reflected. Ms. Kennedy requested a narrative of the reason engineering is requesting the budget increases; Mr. Powell and Mr. Meyers agreed. Mr. Meyer also requested an itemization showing the reason for the increase over the past year. Ms. Kennedy also questioned the 40% increase in the treasurer's fees and inquired why the tax collector is charging \$9,000 more than previously. Mr. Haas explained that, by law, the tax collector can charge 1% of what is collected. In the past, the tax collector has always returned a portion of that, but it is not promised so the District has to budget the 1%. Ms. Kennedy questioned the land right fees. Mr. Haas explained this is for a combination of legal and engineering issues. For example, if there is a boundary dispute, it is not only an engineering or a legal issue, so this is a "catch-all" line item. Mr. Capko stated that when this line item was established 25 years ago, it was a major topic. There are still a number of instances where this occurs. Ms. Kennedy requested clarification as to why public information fees are paid on a per acre basis and the professional staff is paid on a per acre basis. Mr. Haas explained this is historical and it was established by policy. Basically, swale maintenance is split 50/50 between the road budget and the water control budget. Road maintenance is assessed per acre and water control is assessed per parcel. This is not state law, but District policy. Ms. Kennedy then questioned how the administrative fund is assessed. Mr. Haas again noted that this has been the District's policy. He can analyze the costs and present a "what if" for the Board to consider. Ms. Kennedy suggested taking out the professional services and then assessing on a per parcel basis. Mr. Haas noted that some landowners may then receive assessments greater than what is on the TRIM bill. He agreed it would be worth doing the calculations. If a change would work out for next year, he can begin allocating between the funds. He discussed how to possibly handle this without creating a new fund.

Mr. Haas noted that the Jupiter Farms budget has offsetting differences between water control and road maintenance. There is minimal impact for Egret Landing and the Park of Commerce. Debt service continues to have notes being paid off. Next year there will be one note with a final payment, leaving only a few outstanding including the 2031 bond maturity for the water distribution system.

Mr. Haas next discussed the equipment budget. The request is for \$200,000 with an additional \$150,000 upcoming at this time. This information needs to be provided to the property appraisers by next Thursday for inclusion in the TRIM bill. Mr. Howard stated the Board is required to meet the needs of the landowners. He appreciated the schedule that Mr. Kennedy prepared. He was concerned about the amount requested but noted that the same level

of service will require the use of a dump truck. An excavator is another item needed to maintain sections of the canals. He inquired if the purchase of an excavator will reduce the line item for equipment rental. Mr. Kennedy will check into this. He believes it should drop the rental budget but does not know what else might present itself. Mr. Kennedy stated he would like to get into a program of cleaning a mile of canal each year. Currently the rental budget is \$6,000 per month for an excavator. Mr. Haas stated that leasing a dump truck, a pickup truck and a grader will take up \$200,000. Now the District is looking at another \$200,000, which will amount to an additional \$20 per parcel. There was discussion regarding a \$200,000 equipment budget and funding over a four-year period for a dump truck, a pickup truck and an excavator. It was suggested to put a \$200,000 budget on the TRIM bill, to be repeated next year and the following year. It was also suggested that instead of spending \$555,000, the District could spend \$200,000 for leasing these three items. There would be a liability for \$555,000, but the District would only pay \$200,000 with funding over four years. Mr. Powell noted that in the past the District has purchased used equipment and has been very conservative, maintaining and repairing equipment to prolong its usefulness. Mr. Kennedy's schedule is a change in this plan, and Mr. Powell believes the District should go forward with purchasing the equipment discussed. Mr. Kennedy noted that he would be getting pre-negotiated price benefits, not paying retail. Mr. Haas stated there would be a long-term multi-year plan with this next fund. The equipment costs will not be buried in the budget.

Mr. Kennedy discussed the employee plan which was reviewed by counsel for new laws that apply to the District. The plan is now up to date. It helps morale because employees know what to expect. Sick days and vacation are now just paid time off. The administrative process has been simplified. Prices for contracts have been renegotiated. The driveway culvert program fees were increased. Equipment repair costs have been reduced.

Mr. Kennedy then suggested several cost-saving measures. He suggested eliminating the annual Family Day event, noting about 500 people attended this year, costing the District approximately \$23,000. The event was originally started in order to build relationships with the legislation. Mr. Powell noted candidates would attend because it was originally held during election time. It was decided to put this on the agenda for discussion. Mr. Kennedy also suggested eliminating water quality monitoring, noting the Loxahatchee River District laboratory's core function is to collect samples from areas adjacent to where we collect. South Indian River Water Control District is not required to do any monitoring. It was decided to also put this on the agenda for discussion. Mr. Powell noted that Mr. Lindahl, the District's past engineer, had recommended establishing a base for this information as it may be needed sometime in the future. Mr. Kennedy stated he would invite an expert from Loxahatchee River District to talk to the Board about their collection and monitoring process. The Board agreed there may still be some need for internal testing, and that this is another issue for discussion. Mr. Kennedy stated he will continue to seek grant funding.

Mr. Powell stated that the monthly Board meetings are expensive. In the past, the Board and staff would be asked if they had anything that required Board action. If not, the meeting would be canceled for that month. He stated there is no reason to have a meeting just for discussion.

There being no further business to come before the Board, Mr. Powell made a motion to adjourn. Mr. Meyer seconded the motion, and it carried unanimously.

ADJOURNED.