



**MINUTES OF
THE BOARD OF SUPERVISORS
WORKSHOP MEETING OF
LAKE WORTH DRAINAGE DISTRICT
HELD AT THE DELRAY BEACH OFFICE ON
June 4, 2024 at 8:30AM**

Board Members Present:

James M. Alderman Jeffrey P. Phipps, Sr.
Carrie Hill John I. Whitworth, III

Board Member Present On the Phone:

Steve Bedner

1. Call to Order – James Alderman,

Sr. Vice President called the meeting to order.

2. Agenda Revisions – Tommy Strowd, Executive Director

There were no agenda revisions.

3. Presentation of Audited Financial Statements for Fiscal Year 2023 – Karen Hoyt, Director of Finance & Administration

Ms. Hoyt introduced David Caplivski from Grau & Associates. Mr. Caplivski presented the governance letter and the audited financial report and stated that the District received an unmodified or clean opinion; there were no corrections or disagreements with the District's financial statements. A copy of the audited financial report is attached as part of the meeting record. He further presented financial highlights on the balance sheet and statement of revenue and expenses.

Ms. Walker noted that Mr. Caplivski attended today due to scheduling conflicts for next week. This matter is scheduled for formal acceptance and approval on next week's agenda by the board.

Supervisor Whitworth asked why John Deere was the only company not rated on the financial report. Staff indicated they would return with information at the board meeting.

4. Briefing on Future Board Agenda Items

Staff provided briefings on other anticipated agenda items for the June 17, 2024 regular board meeting including:

- **Approval to surplus designated items, Karen Hoyt Director of Finance**

Ms. Hoyt distributed a list of the surplus items to the board members. A copy of the surplus list is attached as part of the meeting record. Ms. Hoyt stated that pursuant to Chapter 274, Florida Statutes, the District has the discretion to surplus property that is obsolete or which the continued use of is uneconomical, unsafe, inefficient, or which serves no useful function. She commented that staff has identified items that meet this criteria and requests that they be declared surplus, and disposed of through the recommended disposal method.

Vice President Hill inquired on the 2015 Ford Taurus with low mileage.

Ms. Walker stated that since Mr. Strowd acquired a new vehicle, the Chevy Tahoe has taken the place of the Taurus as the new pool vehicle. The previously purchased Ford Taurus, is now redundant. The Ford Taurus has low mileage and does not meet the current vehicle surplus requirements; however, it was budgeted for replacement in FY24 to avoid letting it sit unused and to sell while it still retains some value.

Sr. Vice President Alderman asked why the boom truck is listed for sale on GovDeals.

Mr. LasCasas explained that since the CRP project has been completed, there is no need for two boom trucks for the future scope of work. Unfortunately, it is too costly to maintain a boom truck.

Vice President Hill asked why the compact track loader was listed for surplus.

Mr. Spetla explained that it was totaled.

Board members agreed to place the surplus list on the consent agenda at the June regular meeting.

- **Approval to extend contract with Grau & Associates for Annual Auditing Services – Karen Hoyt, Director of Finance & Administration**

Ms. Hoyt reported that the District initially had a 5-year agreement with Grau & Associates, which is now being renewed annually. Grau & Associates have recently provided an engagement letter for the upcoming year, proposing an increase from \$41,000 to \$42,024. Ms. Hoyt stated that she will be recommending approval to extend the contract with Grau & Associates for an additional year at the June regular board meeting.

5. Fiscal Year 2025 Proposed Budget – Tommy Strowd, Executive Director & Karen Hoyt, Director of Finance & Administration

Ms. Walker stated that staff is presenting a proposed budget for discussion. The preliminary budget will be presented at the July 2024 board meeting for approval to advertise. The final budget will be presented at the August 2024 Board meeting.

Mr. Strowd presented a balanced budget of \$17.3 million for Fiscal Year 2025, which includes \$1.2 million in carryforward. The current assessment is \$49.50, with \$4.00 allocated to the Canal Rehabilitation Program, totaling approximately \$1.3 million. The assessment has remained unchanged since FY19.

Mr. Strowd provided budget priorities for FY25 including:

- CRP Phase II - low-maintenance bank restoration and encroachment management
- Equipment for canal bank maintenance
- Replacement of flood control gates at Control Structures 4, 8 & 14
- Completion of the comprehensive modeling effort
- Campus facility improvements
- Adjusted salary rates to ensure competitive wages for retaining and recruiting employees

Ms. Hoyt distributed copies of the proposed budget and provided an overview of proposed revenues and expenditures. She explained that the preliminary budget would be presented in July and the final version in August.

Ms. Hoyt stated that they are presenting a balanced budget of \$17.3 million in total, which represents an increase of approximately \$835,000 or 5.1%. This increase is primarily due to costs related to salaries and benefits, as well as capital improvements to district facilities and the replacement of five vehicles, including two dump trucks. She explained line-item changes and stated that current budget uncertainties include the final number of assessed parcels, property and casualty insurance, health insurance, fuel, herbicides, and water supply initiative costs. These uncertainties will be reconciled prior to final budget approval at the August Board meeting.

Sr. Vice President Alderman inquired about the staff workload involved for completion of multiple proposed facility improvements.

Ms. Walker stated that the planning and design for the chemical building structure is almost finalized, so they are ready to proceed. She mentioned that the chemical building roofing project should be straightforward with a quick bid process. Ms. Walker emphasized that building a proposed new multi-purpose building will significantly impact the entire campus, necessitating thorough due diligence to assess its benefit, potential challenges, and cost estimates. She pointed out that this will be a multi-year funding commitment from the board. Consequently, they have not allocated any funds for construction in this year's budget, except for \$125,000 for the initial planning and design. Ms. Walker expressed hope to return with options for discussion, and if the board decides to move forward, they can budget for construction in the FY26 budget.

Sr. Vice President Alderman asked if the proposed power upgrades for the shop building could be completed before the end of hurricane season.

Mr. LasCasas stated that the timeline is determined by FP&L.

Ms. Walker requested input from the board regarding any concerns or questions about the budget, as well as any areas that may require further analysis before the July meeting. The current assessment is set at \$49.50, with \$4.00 dedicated to the Canal Rehabilitation Program, which amounts to about \$1.3 million annually. The budget is balanced with a little over \$1 million in carryover funds, with the CRP program continuing and about \$1 million budgeted for FY25.

Operational costs continue to rise due to inflation and increased levels of service, particularly for clearing and mowing banks and ongoing maintenance of refurbished banks. Ms. Walker acknowledged the board's consistent discussions about the assessment rate. While the assessment rate was previously increased to \$4.00 for CRP mainly for contracted services, these services are nearly complete except for one project. The board could consider maintaining the assessment rate at \$49.50 or potentially reducing it by \$1.00, which would result in a revenue decrease of about \$330,000.

Sr. Vice President Alderman expressed his desire to reduce the assessment rate by \$1.00.

President Bedner expressed concerns about potentially reducing the assessment rate by \$1.00, particularly considering predictions for one of the worst hurricane seasons in years.

Ms. Walker assured the board that the staff is confident in whichever direction the board decides to take.

Ms. Hill requested that the audit report be updated to reflect a note that the listed 'unrestricted funds' balance includes committed funds for hazard mitigation and capital projects.

6. Staff Reports

Mr. Strowd reported on the first release from the C-51 reservoir through the Lake Worth Drainage District into Broward County. He highlighted the agency's pivotal role in implementing the reservoir approximately 20 years ago as an effective method for supplying supplemental water. The initial request was for 184 acre-feet to be moved from the C-51 reservoir to Broward County in June. The District operated pumps at Control Structure 9 to capture water from the regional system; water was discharged at CS-17W at the south end of the system.

Mr. LasCasas provided an update on the comprehensive modeling effort and shared illustrations with the board on calibration efforts.

7. Board Reports & Comments

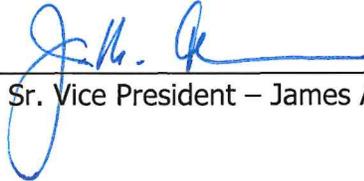
There were no additional board comments.

8. General Public Comment

There was no public comment.

9. Adjourn

There being no further business, the meeting was adjourned at 10:30 AM.



Sr. Vice President – James Alderman



Recording Secretary – Sandra Acosta