



**MINUTES OF
THE BOARD OF SUPERVISORS
WORKSHOP MEETING OF
LAKE WORTH DRAINAGE DISTRICT
HELD AT THE DELRAY BEACH OFFICE ON
June 3, 2025 at 8:30AM**

Board Members Present:

James M. Alderman
John I. Whitworth, III

Carrie Hill
Jeffrey Phipps, Sr.

Board Member Present On the Phone:

Steve Bedner

1. Call to Order – James Alderman, Sr. Vice President

Sr. Vice President Alderman called the meeting to order.

2. Agenda Revisions – Reagan Walker, Assistant Executive Director

There were no agenda revisions. Ms. Walker announced that Executive Director Tommy Strowd is attending on the phone.

Ms. Walker introduced Mr. Peter Cronin, the new golf superintendent for Kings Point, who attended the meeting to learn more about the District.

3. Classification and Compensation Study – Katy Yee, MGT Project Manager & Reagan Walker, Assistant Executive Director

Ms. Walker introduced Ms. Katy Lee from MGT, who was attending online.

Ms. Lee presented an overview of the recent classification and compensation study conducted by MGT with LWDD staff. She reviewed the scope of work, job evaluation, market survey, proposed compensation plan and implementation, and discussed future administration of the system.

The presentation emphasized the importance of maintaining competitive compensation practices to attract and retain qualified staff, particularly given the instability of the employment market in recent years. The study assessed 46 positions using nine evaluation criteria, including education, experience, decision-making, planning responsibilities, supervisory duties, working conditions, and use of technology or equipment. For the classification component, employee job analysis questionnaires, supervisor feedback, and virtual interviews were used to collect detailed information. Based on these inputs, a proposed classification structure was developed.

On the compensation side, Ms. Lee explained the process of identifying and surveying comparable agencies. Market data was gathered and analyzed to establish salary ranges based on the 50th percentile, ensuring the organization remains in line with peer agencies. The final proposed compensation structure includes 14 pay grades with adjustments recommended especially at job grades 1-5, where positions were found to be slightly below market rates.

Implementation recommendations included adjusting any salaries that fall below the proposed minimum pay range, and considering lump-sum increase options for employees whose current salaries exceed the proposed maximums at the time of any merit increases. Ms. Lee also advised that salary structures be reviewed regularly, at least annually, and that data from peer agencies be used to inform any future adjustments. She noted that her services would be available for up to one year to assist with implementation questions at no additional cost.

Attached hereto is a copy of the presentation as part of the minutes.

Supervisor Phipps inquired about employee retention and turnover. Staff indicated that the District has experienced increased turnover within the lower job grade bands.

Ms. Walker shared an overview of positions that would be impacted and the subsequent budget implications. She also indicated that all positions would be updated to reflect the new job grades and pay ranges. The proposed starting rate for entry level is \$17.55 per hour.

Senior Vice President Alderman inquired if the compensation study included health benefit packages. Ms. Walker indicated that health benefits were not specifically compared, but they are reviewed as part of our services provided by our brokers and LWDD's benefits are comparable to other public agencies.

President Bedner & Sr. Vice President Alderman indicated that our hiring rates for entry level positions should begin at a higher rate. President Bedner indicated that the rate should start between \$18-19 hourly.

Vice President Hill recommended that staff be provided a total compensation statement, or hidden paycheck, so they have a full understanding of their salary and benefits.

4. Fiscal Year 2026 Proposed Budget – Reagan Walker, Assistant Executive Director & Chris Johnson, Director of Finance

Ms. Walker presented the proposed draft budget for Fiscal Year 2026. Ms. Walker noted that the proposed budget is an initial draft and that a preliminary budget will be presented to the Board next month. That version will incorporate any feedback from today's discussion as well as any new information received over the next several weeks. At that time, staff will request Board approval to advertise the preliminary budget and schedule the public hearing. Adoption of the final budget is expected to follow the District's typical timeline, concluding in August.

The proposed budget for FY26 totals approximately \$17.8 million, with the majority allocated to operations and maintenance. To balance the budget, the District is utilizing nearly \$2 million in carryforward funds. Ms. Walker recommended maintaining the current assessment rate of \$48.50, as sufficient unrestricted reserves are available to support the budget without an increase. While the final carryforward total from the current fiscal year has not yet been confirmed, Ms. Walker indicated that previous carryforward funds are available and sufficient to fill the current funding gap.

She reviewed the District's assessment history, noting that the rate has remained relatively flat for several years and was reduced by \$1 last year. Healthcare and insurance costs are expected to continue their gradual upward trend, driven in part by inflation and staffing levels. Workers' compensation claims have increased slightly in recent years, though the District's experience modification rate remains low, signaling a relatively low risk profile.

Staffing challenges continue to impact budget planning. Of the 93 positions currently budgeted, approximately 85 are filled, leaving several vacancies primarily within operations and maintenance. Ms. Walker noted that recent hiring efforts have shown some improvement, but long-standing vacancies and prior retirements have influenced salary trends and overall operating costs.

The District's committed fund balance remains strong, totaling over \$50 million. This includes nearly \$19 million in the Hazard Mitigation Fund for emergencies and approximately \$30 million designated for capital projects—\$18 million of which is from the TDR (Transfer of Development Rights) sale. These funds are committed to supporting the District's long-term water supply and infrastructure initiatives. Restricted reserves for self-insurance and canal revetment remain in place and have not been redirected.

Ms. Walker concluded by reporting that the District earned approximately \$3.5 million in investment income during the last fiscal year. All earnings are dedicated to capital projects and continue to support the growth of the capital fund. These funds are not being applied toward operating expenses at this time.

Sr. Vice President Alderman inquired whether the interest earned within the Hazard Mitigation Fund is still directed to the Capital Projects Fund. Mr. Johnson stated that interest earnings are allocated according to the specific fund or "bucket" in which the funds are held, such as hazard mitigation, capital projects, self-insurance, or canal revetments. He explained that the allocation is fund specific, and, as reflected in the

budget, a significant portion of the interest income is directed primarily to the capital projects fund.

Vice President Hill asked whether the only interest earnings that are restricted are those from the TDR (Transfer of Development Rights) funds, which must be allocated back to capital projects. She noted that, for other funds such as self-insurance, interest earnings are currently being reinvested in the same fund but questioned whether there is any requirement to do so. She also asked for clarification on whether the TDR agreement imposes any additional restrictions on the use of interest earnings. Ms. Walker stated there were no restrictions for use of interest earnings.

Ms. Walker continued by outlining one of the key budget priorities for Fiscal Year 2026: the next phase of the Canal Rehabilitation Program (CRP), which falls under the district's Maintenance Rehabilitation Program (MRP). She explained that following the initial vegetation removal phase, the focus has now shifted to long-term canal bank reconstruction and maintenance. The FY26 budget includes projected costs for materials and services to support this work.

Ms. Walker noted that over 250 miles of canal banks have been identified for restoration. Many of these areas, once considered low or no maintenance canal banks, now require substantial reconstruction due to limited right-of-way and erosion issues. This often involves costly improvements such as the installation of rock, rubble, or riprap to stabilize the banks.

She emphasized that this is a multi-year effort with long-term timelines, likely to extend well beyond the current staff tenure. Several design and construction approaches are being implemented based on available right-of-way, including more intensive methods where access is severely limited. Ms. Walker shared before-and-after images from completed projects, highlighting the improved access and stabilization results. She also noted the importance of ongoing outreach and coordination with property owners, especially in areas where canals border residential properties.

Mr. LasCasas noted that each canal site presents unique challenges, requiring case-by-case solutions. He explained that some areas may be addressed through standard structural improvements, while others could require more complex approaches such as land acquisition, fence relocation, or grading on adjacent properties. He emphasized the need for flexibility and creative problem-solving throughout the rehabilitation process. In some cases, portions of reconstructed banks will be stabilized with riprap below and grassed above to allow for mowing and continued maintenance.

Ms. Walker reiterated that the canal rehabilitation effort is a district-wide initiative involving multiple departments. While project priorities are being set by engineering staff, she emphasized that compliance, permitting, field inspection, and surveying teams are all actively engaged well in advance of construction. The process also includes addressing longstanding compliance issues, such as unpermitted encroachments, as the work progresses across various canal segments.

Ms. Walker continued by outlining upcoming fleet and equipment updates included in the Fiscal Year 2026 budget. She stated that several surplus vehicles, including four Ford trucks, a dump truck, and a spray truck, are scheduled for replacement. Although not all have met the full replacement policy threshold, replacements are being staggered to avoid large-scale turnover in a single year. One new mini excavator and related mowing attachments are also proposed to support ongoing maintenance needs, following the enhanced mowing schedule adopted in FY25.

In terms of infrastructure, the budget includes proposed replacements for gates at Control Structures 16 and 17W, installation of a second pump at Control Structure 12, and backup generators for Control Structures 1 and 3. SCADA installation at Control Structure 14, originally planned for the previous year, has been carried forward due to implementation challenges.

Ms. Walker continued by reporting that the district's watershed model calibration is complete and the final model and report is expected to be presented at the August board workshop. The FY26 budget includes funding for continued model maintenance and future enhancements.

She reviewed several proposed facility improvements, including installation of an automated drop-arm gate with QR code access at the district entrance to reduce traffic backup and wear on the existing chain-link gate. The budget also includes funding to renovate the shop restrooms and carries forward funding for a permanent Aquatics Office solution, which remains under review due to high construction bids.

She stated in technology, the budget supports continued investment in automation, including updates to the SCADA system, smart cover tools, and the water management dashboard. One-quarter of staff computers are scheduled for routine replacement. Ms. Walker noted that a new drone will be purchased to replace the previous model, which was grounded due to state restrictions. The upgraded drone will support aerial survey work, reducing reliance on external survey contracts. Additionally, the District will acquire a new ArcGIS video server to enhance video indexing. This system allows 360-degree field videos to be integrated into the district's GIS platform, enabling staff to visually access field conditions directly from mapped data.

She concluded by noting that salary adjustments tied to the compensation and classification study are included in the FY26 budget.

Mr. Johnson provided an overview of the revenue and expenditure highlights for the proposed Fiscal Year 2026 budget. He noted that the budget is based on an estimated 328,000 parcels, pending final certification from the Palm Beach County Property Appraiser. Updates will be incorporated in July once the final parcel count is received. Revenues were kept conservative, with slight adjustments made to right-of-way agreements and lease income, including annual revenue from the C-51 reservoir. The budget is balanced using approximately \$1.9 million in carryforward funds.

On the expenditure side, salary and benefits are budgeted at \$9.6 million, assuming full staffing of 93 positions. Current staffing remains slightly below that. Increases were included for general liability and workers' compensation insurance, reflecting ongoing statewide cost pressures. Utilities and other administrative costs remain generally consistent with the previous year. Operations and maintenance line items were adjusted to reflect actual spending trends, including increased mowing and reduced wildlife control.

Capital items include a new automated gate system at the main facility, shop restroom renovations, and carryforward funds for the Aquatics Office. Structural upgrades involve gate replacements, an additional pump, backup generators, and continued SCADA enhancements. Fleet changes include one new mini excavator, a spray truck, four pickup trucks, and a dump truck.

Technology investments include the replacement of an outdated drone, regular computer replacements on a four-year cycle, a new ArcGIS video server to support field data integration, and standard hardware and software updates. Mr. Johnson noted ongoing uncertainty in a few areas—insurance, fuel, and herbicide costs—but confirmed that the team will monitor these closely. The proposed budget will return in July for approval to advertise the assessment rate, with final adoption scheduled for August.

President Bedner expressed concern that the current starting wage of \$17.50 per hour may not be sufficient to support basic living expenses and suggested that the starting pay rate be reevaluated so that the District can remain competitive.

Ms. Walker stated that staff would revisit the analysis and comparable rates to adjust the entry level rates and determine how the adjusted rates would impact the budget.

5. Briefing on Future Board Agenda Items

Staff provided briefings on anticipated agenda items for the June 11, 2025 regular board meeting as listed below. A copy of the briefing materials and presentations are attached hereto as part of the meeting.

- **Approval of Fiscal Year 2024 Audited Financial Statements – Chris Johnson, Director of Finance**
- **Approval to extend contract with Grau & Associates for Annual Auditing Services – Chris Johnson, Director of Finance**
- **Approval of qualified contractors to provide Tree & Vegetation Removal Services for July 2025 to June 2026 (RFQ #25-9887L.08) – Michelle Sinclair, O&M Specialist**
- **Approval of qualified contractors to provide Aquatic Control Services for July 2025 to June 2026 (RFQ #25-9887L.09) – Michelle Sinclair, O&M Specialist**

6. Staff Reports

Mr. LasCasas provided a brief update on the Joseph property pipe repair project, stating that construction is nearly complete. The liner installation has been successfully finalized, water flow has been restored, and the remaining work includes patching pipe ends, grading, and final site restoration.

Mr. Strowd provided a weather update on local rainfall.

7. Board Reports & Comments

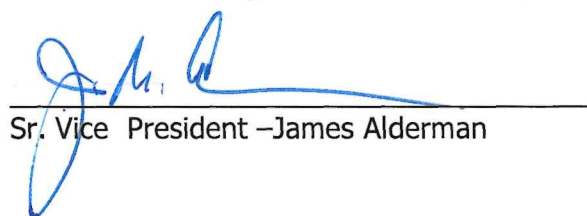
There were no additional board comments.

8. General Public Comment

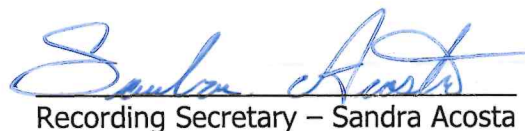
There was no public comment.

9. Adjourn

There being no further business, the meeting was adjourned at 10:44 AM.



Sr. Vice President –James Alderman



Recording Secretary – Sandra Acosta