

**MINUTES OF THE BUDGET WORKSHOP
of the
LAKE COUNTY WATER AUTHORITY
July 17, 2019**

The Budget Workshop of the Board of Trustees of the Lake County Water Authority was held at 11:00 a.m. on Wednesday, July 17, 2019 in the Lake County Water Authority Administration Building, Conference Room at 27351 State Road 19, Tavares, Florida.

Members Present-District #

Amy Stone, Chairman (#5)
Carolyn Maimone, Vice Chair (#3)
Trampis BonJorn (#2)
Peggy Cox (#1)
Keith Farner (At-Large)
Butch Hendrick (#4)
Courtney Stokes (At-Large)

Staff Present

Michael J. Perry, Executive Director
Ron Hart, Water Resources Director
Dr. Jason Danaher, Water Res. Project Manager
Biago Gugliotti, Land Resources Director
Ben Garcia, Office/IT Manager
Patricia Burgos, Environmental Projects Director
Christina Rider, Administrative Services Manager
Anna Ely, Recording Secretary
Kevin Stone, Attorney
Wendy Sellers, Human Resources

A list of others present that signed the attendance roster is filed in the permanent files of the Water Authority.

1. CALL TO ORDER / PLEDGE OF ALLEGIANCE

The meeting was called to order at 11:15 a.m. and everyone stood and recited the Pledge of Allegiance.

2. Opening Remarks

Mr. Perry explained that there were a few things they needed to get done during the workshop. He stated that they needed to talk a bit about succession planning and what they would expect from the next Executive Director, so they can prepare an appropriate position description to be released. He noted that he would be retiring sometime between now and June.

He stated they would also discuss the budget, and the tentative millage. He stated they would need to set the tentative millage at next week's Regular Board Meeting. He noted that the tentative millage is the highest millage amount they plan to set and explained that they could always reduce the millage before the final budget is approved.

3. Staffing and Succession Planning

He introduced Wendy Sellers and explained that she is our Human Resources consultant and has been looking at everything related to the structure of the Agency, job positions and descriptions and she will be giving a report shortly.

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He stated that in addition to him there are a couple of other people within the Agency who are looking at retirement within the next few years, so they have tried to look at not only what is good for the organization now, but also into the future. They also looked at achieving more efficiency and fiscal responsibility within the organization.

He noted that each of them had been given a copy of her report and suggestions.

Ms. Sellers addressed the Board and stated that in February she had conducted a job analysis with all the directors and managers in the organization. She explained that it was a self-directed ten-page report that each person filled out of the job duties on a day-to-day and month-to-month basis. She stated that from those reports she came up with a proposed organizational reorganization that Mr. Perry is implementing.

She explained that with Mr. Perry and other key people planning to retire in the very near future they were concerned with where the organization was going. She noted that it appears that the Agency was built around people and their skills rather than around roles and what they should be. She stated that the goals are to be more efficient as an organization and to retain staff.

Ms. Sellers noted that one of the issues the organization has been having is obtaining and retaining rangers, and then losing them to the County fairly quickly. She stated that in looking at the job analysis reports, it shows that the main issue is money. She explained that at the time of the study, staff salaries were pretty competitive with the County with the exception of the receptionist position at 75% and the rangers at 71% while the County was at 81% of an average salary.

She noted that while we train our rangers to do multiple things, whereas they can go to other agencies to a position that is more focused on only one or two things, for more money.

She stated that they looked at how to increase ranger pay, so that the agency doesn't end up hiring someone only to get them trained and lose to another organization shortly after. She noted that a lot of the positions within the Agency do not have an exact corresponding position within other organizations which makes it hard to compare.

She noted the Environmental Projects Director appears to be above the County pay scale and also noted that the Land Resources Director and Environmental Projects Director positions appear to be very similar based on their self-analysis reports. She stated that she looked at whether there is enough work to retain both of these positions or can we replace one of these positions.

She stated that the Land Resources Director position ranges between \$52,000 and \$82,000 with the County, while our Environmental Projects Director is being paid \$92,000. She questioned the discrepancy in pay considering these positions do similar work.

Ms. Sellers explained that she suggested reorganization of the entire Agency, which would affect eight or nine employees, with one change being to eliminate the Environmental Resources Director position.

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She noted that the Board had been provided with copies of two organizational charts, one showing the current Agency organization and one showing the changes being implemented this week, which would allow for more employees for less money. She stated that Mr. Perry has already spoken to staff that is being affected by the changes.

Mr. Perry explained that all these changes can be implemented with less money and it will help to make the Agency more efficient and help it move forward into the future. He noted that Brian Nagy, Field Services Manager, is just three to five years from retirement, so they have created a Lead Field Ranger position to provide a career path for advancement within the Agency.

He also noted that on the Administration side Chris Rider is less than three years from retirement and we need to have a structure in place so that we can move forward when she retires. He explained that at that time, the position would become more of an accounting position.

He explained that as part of the reorganization, Chris Rider, Anna Ely and Mary Koch have been placed under Ben Garcia, with Mr. Garcia as Office/IT Manager. He stated that this seems to be a logical approach to balancing out the organization and responsibilities.

Ms. Cox asked about the pay structure and Mr. Perry responded that Brian Nagy, Field Services Manager is undercompensated for what he does. Mr. Perry stated that he manages the most people out in the field and does hard physical work and they plan to compensate him for that. He also explained that Travis Snow and Dan Kewlharding are the least paid Field Rangers and He is going to need to also consider making salary adjustments for those positions.

He noted that in reference to the empty positions shown, one is because of a Field Ranger who left to become a Fish and Wildlife Officer. He stated that the Hickory Point Site Resident, Doug O'Neil has been working part-time as needed and if he can meet Mr. Nagy's expectations, they may be bringing him on full-time at an entry level position, to fill that empty position. He explained that the other open position shown is the additional position that will allow for advancement.

Mr. Farner stated that he thought the Agency had bumped everyone's salaries up and made them competitive when they conducted the wage study a couple of years ago and Mr. Perry stated that was done prior to the hiring Travis Snow and Daniel Kewlharding.

Ms. Sellers stated that she has also suggested wage increases for new hires at three, six and twelve months for some of the more competitive positions.

Ms. Cox and Mr. Hendrick agreed that Field Services staff is underpaid, and their salaries need to be adjusted so that they are competitive with other agencies. Ms. Cox stated that the only thing different between our field staff and the County's field staff is our pay as benefits, etc. are the same and that so we absolutely need to make their wages competitive.

Mr. Farner asked about Ms. Burgos' position and Mr. Perry explained that her position (Environmental Services Director) is being eliminated.

Ms. Cox asked why Ms. Rider has been placed under Mr. Garcia instead of remaining as Office Manager and Mr. Perry stated that the decision was made based on skills and noted that her

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management skills are weak and that she doesn't have the leadership skills to be successful in management and they want her to be successful in what she does.

Mr. Perry stated that Mr. Garcia has shown good management skills lately with taking on the management of receptionist. He noted that Mr. Garcia has been with the Agency longer than Ms. Rider and it was also noted that she also plans to retire soon.

Ms. Sellers stated that these positions will probably continue to change over the future as people retire and these two positions are hard to place in a small agency such as the Water Authority. She explained that both Ms. Rider and Mr. Garcia have very special skill sets and you won't be able to replace either of them with someone with the exact same skill sets.

Mr. Hendrick asked for clarification that Ms. Rider would have the same title and salary but with lesser responsibility and Ms. Sellers confirmed that information.

Ms. Cox noted that Ms. Rider is good at what she does, and Mr. Perry stated that she has been working hard to get the FEMA reimbursement for Hurricane Irma which is approximately 1.5 million dollars. He noted that Ms. Rider is an excellent CPA, but she is just not a great personnel manager.

Vice Chair Maimone stated that she had spoken to a higher paid employee and explained that their concern was a three percent raise across the board is not fair to lower paid employees when higher based salaries will get a much bigger raise. She stated that she didn't know if there was a fair way to handle that, but she at least wanted to bring that up.

Ms. Sellers stated the spreadsheet with the proposed salaries is not final and that performance and experience and pay will be discussed before any salary adjustments are implemented.

Mr. Perry stated that on the other hand those in the upper echelon of the organization have more education and experience that justifies where they are, and if you were to give a lower percentage of increase to the upper salaried people it might imply that they are not performing as well as they should.

Ms. Cox stated that field services employees are not making enough money so with a raise in pay based on being competitive with the County and DEP, then the cost of living level increase would be more appropriate.

Ms. Sellers explained that even with making all these changes, it leaves a \$25,000 buffer in the budget.

Chairman Stone stated that the whole goal is to look at it the budget and say do we have the money to do what we want to do and do the best for the Water Authority. She stated that the specifics can be worked out between Mr. Perry and the employees.

Mr. Farnier that compared to the private sector, the Water Authority is in the public sector with a lot of benefits and they have to be competitive in their salaries in order to keep employees.

Ms. Sellers reiterated that the Water Authority wages need to be competitive with County wages and Ms. Cox stated that the Board owes it to the tax payers to do the best we can do to fulfill our mission.

4. New Executive Director Qualifications and Position Description

Mr. Perry stated that the next thing they need to discuss is planning for the next Executive Director. He explained that he and Ms. Sellers have discussed the time frame needed to get a new director on board. He noted that it took the County almost a year when they hired the latest County Manager. He stated that he has created a calendar to give the Board an idea for the timeframe needed.

He explained that the Board can make suggestions and provide direction on what they are looking for in next Executive Director and they can then discuss them at the August Board meeting. He stated that once they have decided on a job description, it will be advertised for sixty to ninety days. He explained that if resumes are received by November, the Board could start interviewing in November and December, and possibly make an offer in January.

He stated that it could take somebody sixty days or so to leave their current position before joining the Water Authority. Mr. Perry noted that per his contract, he has to give 60 days' notice before retiring, so assuming that kind of timeframe for someone coming on, that would bring us to March and he explained that most likely they would start by observing during one meeting, then and would like to have someone in place by April or May.

He stated that staff budgets are due the end of April and it would be good for the new Director to be able to work with staff during the rest of the budget process. He explained that when he became Director 19 years ago, he came on July 17th, and the very next meeting he had to have a budget and tentative millage ready to present to the Board at the end of the month.

He noted that November 2020 there will be an election and there could be potentially four new Board Members which will also affect the time frame they have to work in. He stated that he hopes to be retired by June as he does not want to go through another hurricane season.

Mr. Farner stated they could just put out an RFP, with a good description of the Agency, and someone that is interested could present their qualifications in response to the RFP.

Ms. Sellers stated that she and Mr. Perry have worked on a job position and can send a copy to each of the Board Members and they can make suggestions and provide direction on what they are looking for in next Executive Director which they will discuss at the August Board meeting.

Vice Chair Maimone stated that as a Board they need to determine what they want to have for the new Director, whether it be a biology driven or good managerial, etc. which are totally different. She stated that if they were to put out an RFP it needs to provide a clear direction of what the Agency is looking for.

Mr. Farner stated that he would like to find someone with a master's in public administration and at least a background in some kind of Biological Science, hopefully someone with a PhD. He

stated that the Water Authority is a small agency and whoever is hired would need to be able to do it all.

Ms. Cox stated that when they start getting interested candidates, she felt they should attend some of our meetings to get a feel for the Agency. Vice Chair Maimone noted they can already watch recordings of our meetings online and Ms. Cox stated that she felt that anyone seeking the position should also attend a board meeting in person to get a feel for the Agency and how the Board operates. Mr. Perry stated that he thought anyone seeking the position would want to come and view the interactions of the Board.

Mr. Farner stated that anyone interested in the position would also be welcome to call and speak to them. He suggested that Ms. Sellers could do a little headhunting or suggest a firm that could help with finding the right candidate. Ms. Sellers explained that once the Board has decided, she would create a scorecard of what they are looking for in the new Director and put out a search.

It was noted that at the August meeting they would discuss everybody's suggestions and consolidate them into a job description.

Mr. Perry stated that he was hoping today's discussion would give a bit more direction as to whether they want someone different than him such as a person experienced in Human Resources, or an Engineer, or whether they needed to be an Attorney, etc.

Ms. Cox stated that she felt the new Director should be someone who understands public administration, has a natural resources/water resources background, and it would be better if it was someone who lives in or has lived in Central Florida long enough to understand the hydrology of the area.

The Board took a break at 12:08 pm and returned at 12:22 pm.

5. Review of 2019-2020 Draft Budget

Mr. Perry stated that the proposed budget was prepared based on the assumption that they are going to reduce the millage from the .49 mils of the current year (2018-2019, which was almost double the millage of the previous year (2017-2018).

He explained that the current increased millage was due to the projects that were necessary, including funding for hydrilla control, the upcoming Lake Yale project and the acquisition of the Lake Denham property that required additional funding.

Mr. Perry stated that the Agency hopes to acquire the Lake Denham property by the beginning of October so that the money doesn't have to be carried over into the next fiscal year. He noted that the hydrilla control the Agency budgeted for was completed in May of this year.

FINANCIAL – Administrative

Line 17 – Outside Human Resources – He explained that Ms. Sellers was hired to look at all of our policies and procedures, and as all the heavy lifting will be completed by the end of this fiscal year, he is intending to drop the budgeted amount to \$10,000.

Line 16 – General Legal Services – He stated that this amount had been reduced slightly and informed Attorney Stone that he may need some input from him as to whether that amount is realistic.

Line 27 – Property Appraiser – He explained that this number is based on last year’s millage so because we were at a higher millage, the amount for this year will be higher. He noted that although they plan to drop the millage this year, this amount won’t go down until next year.

Line 31- Tax Collector – He explained that unlike the Property Appraiser, this line is based on the current millage, so it is based on the proposed .39 millage. He stated that if they should decide on a different amount of millage, this line would change accordingly.

Mr. Perry explained that the budget is also based on the assumption that there will be a 3.0% cost of living increase in salaries across the board. He stated that some of those numbers may change a bit based on the review of the Field Ranger salaries.

He stated that based on the proposed budget, we will have a 1.04% reduction under Administration.

FINANCIAL – Information Technology

Lines 150-156 – Machinery and Equipment – Mr. Perry explained that Mr. Garcia needs to purchase new equipment including a battery backup system for our network, as well as a new network switch.

He also explained that the copy machine is really becoming a problem, so funding has also been included to purchase a replacement.

He noted that based on the proposed budget, we will have a 6.37% reduction under Information Technology.

FINANCIAL- Hickory Point

Mr. Perry stated that there were no proposed changes in the Hickory Point budget and the proposed budget is showing a 1.77% reduction compared to the current budget.

FINANCIAL – Education

He explained that the proposed budget shows an increase in the amounts for the Naturalist and Education Contractor in order to be able to increase their compensation rates. He noted that it has been two or three years since any adjustments have been made in their compensation.

He stated that overall the Education budget shows a 7.25% increase of the current budget. He explained that Education expenses are limited per legislation to a 3.5% of all ad valorem taxes collected and the budgeted expenditures well within that restriction.

He stated that currently funding for the Sheriff's Marine Patrol Deputies, Trout Lake Nature Center and schools are remaining the same.

FINANCIAL – Resource Communication

Mr. Perry noted that funding is included for a Lakes Academy again this year, and there are no big changes to the Resource Communication budget. He stated that overall this section has a 2.28% reduction.

Ms. Cox stated that they may be able to reduce some of the cost by working with other organizations toward a large educational event that is planned for some time in the upcoming year.

FINANCIAL – Water Resources

Line 286 –Lake Yale Sediment Inactivation – Mr. Perry stated that approximately two million dollars were set aside in the current budget for the project. He explained that when first planning the project the consultant stated that it would cost somewhere in the four-million-dollar range.

He noted that to complete the funding they need to add another 1.9 million dollars to the budget, and they should be releasing the RFP soon.

Mr. Farner noted that this project will be spread over time and asked how often the lake would be treated. Mr. Hart stated that the project could be carried out quarterly or annually and is at the Agency's discretion. He stated that its more aligned with how you can afford to budget it for once, twice or four times a year.

Mr. Farner stated that they could save the taxpayers a million dollars in taxes this year and if it is going to take several years to complete, they could budget for it as needed.

Mr. Hart stated that he wanted to make the Board aware that since these numbers were generated by the consultant, the cost of alum has gone up significantly. He noted that there may be further increases in the cost of product.

Ms. Cox asked what the Water Authority funds for the Marine Patrol and Mr. Perry explained that the Water Authority funds two salaries plus benefits, etc. for two Marine Patrol Deputies and purchases new boats when they are needed. He noted that the Sheriff's Department purchases their own trucks.

Ms. Cox asked how many Marine Patrol Deputies there are total, and it was stated that there are six in all.

Ms. Cox stated that there are some issues with getting under the Highway 50 Bridge and there have been some serious accidents. She asked if there was a way to fund more Marine Deputies.

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Mr. Farner stated that he has spoken with Matt Farner a month ago and informed him that now is the time for the Marine Patrol to put in any requests they may have and stated that unless they put in a request there is no need to add anything additional to the budget.

Ms. Cox asked how the Agency came to fund the Marine Patrol and Mr. Perry stated that about 15 years or so ago someone on the Board stated that there seemed to be a shortage of Marine Patrol Deputies and it went from there.

Mr. Farner stated that the Marine Patrol could always use more money, but it is the Sheriff's responsibility to ask for it.

It was noted that Board Members would like to see the number of hours each deputy spends in each area, as part of their monthly report.

Mr. Perry stated that from what he was hearing from the Board, they would like to spread the cost of the Lake Yale Sediment Inactivation Project out over the next couple of years. Chairman Stone noted that this is what they have been doing, in that they allocated two million dollars over the last couple of years and will do the same to allocate the remainder of the funds needed.

Vice Chair Maimone suggested allocating one million dollars in the proposed 2019-2020 budget, and another million dollars in the following year's budget. Mr. Farner stated that if the schedule will be treatment every six months, they could cut a million dollars from the proposed budget and add it to the following year's budget and give the taxpayers a break this year. Mr. Perry stated they should keep that in mind as they work out the budget and see what sort of changes may need to be made.

Mr. Perry noted that they are adding a bit more money into the NuRF budget for floc residual removal and finding a home for the residual.

Line 319 – NuRF Maintenance Reserve – He stated that they found a math error in calculating the incoming revenue and the reduction in revenue is reflected in the NuRF Maintenance Reserve as it is the largest reserve in the budget.

Line 346 – Chemicals for Treatment of Hydrilla – Mr. Perry stated that all the funding has been expended for the current year. He stated that Mr. Farner had asked him to touch base with Nathalie Visscher to find out where they are this year and Ms. Visscher had stated that they will do their mapping and monitoring over the summer and will know in the fall how effective the treatments were and how much hydrilla has grown back. He noted that at this time Nathalie Visscher with Fish and Wildlife stated that she doesn't know where they stand in as far as funding from the State, but she will send him the information as soon as she knows what she has in her budget.

Mr. Farner that they (Board Members) need to call elected legislatures in Tallahassee and talk to them about making sure Lake County gets what it needs in funding to control the hydrilla growth. Vice Chair Maimone and Mr. Farner both stated that they don't want to make it the norm to budget money for treatment of hydrilla.

Mr. Perry stated that he should have information from Ms. Visscher on what funds are available by the next Board meeting.

He noted he has spoken to the Tourist Development Council regarding funding for hydrilla treatment that in response to Ms. Cox's suggestion. He stated that they get approximately three million dollars a year to provide funding for tourist related projects. Ms. Cox noted that the biggest tourist attraction in Lake County is Bass Fishing.

Mr. Perry stated that as of now, there is no money in the proposed budget for hydrilla control. Chairman Stone stated that she really doesn't want to go backwards and put more money in the budget for hydrilla treatment, since we were very clear when talking to the legislatures that it was a one-time thing.

Mr. Perry noted that alum costs have gone up substantially, while we have budgeted the same amount as last year (two-million dollars) the amount of alum that can be purchased will be less and they will need to keep an eye on that

Line 373 – NuRF Improvements – He stated that report back from Pegasus toward the end of the calendar year and will know what their recommendations are at that time and may have to work on increasing funding there. He stated that this has been newly added to the budget this year and they are starting to build

Line 393 – Storm Water Grants – Mr. Perry pointed out that funds for 2020 storm water grants have been increased to \$750,000. He stated that the Agency spent only spent \$250,000 this year and they are trying to increase that amount for this year.

He pointed out that on **Line 394** – is a request from the City of Clermont to help build the new boat ramp. He noted that the City of Clermont has put in a request for a matching grant of \$250,000. He stated that the City will be providing \$250,000 and the County is providing \$750,000 and they are requesting the remaining amount needed to build the ramp. He noted that funding for boat ramps is within the Agency's legislative purpose.

Line 395 – Fish and Wildlife Creel Survey – Mr. Perry stated that this is a cooperative effort with Fish and Wildlife (FWC) and is basically a survey of anglers as they come off the ramp of the type of fish they are fishing for and the type of fish they are catching.

Mr. Perry stated that overall the Financial portion for Water Resources shows a 2.39 increase.

Mr. Hendrick asked why there was funding included for a new tank at the NuRF. He noted that a couple of them had already been replaced and asked if there was a problem with the other tanks. Mr. Hart explained that one of the older tanks has a leak near the top that has been repaired once but is no longer repairable. He stated that when they get a delivery of alum, they have to be sure that this tank does not get filled above the leak.

Ms. Cox asked why the total field staff salaries are less than the previous year when they have been talking about raises for some of the field staff and Mr. Perry explained that the budget is

due to there being a vacancy at this time, so there will probably be changes in that amount before the budget is finalized.

Line 430 – Mr. Perry noted that the piers at Hickory Point are in need of repair and much of the wood needs replacing as it is beginning to age. He stated that estimates have been between \$12,000 and \$40,000 estimates so the currently budgeted amount of \$10,000 may change.

FINANCIAL – Field Services

Line 478 – He explained that this line is for replacement of a zero-turn mower. He stated that because of the amount of use they get, they need to replace one every couple of years of so.

Mr. Perry stated that overall in Field Services we are currently looking at a 16.61% reduction although this may change slightly.

Mr. Farner asked if there is a pressure washer out at the NuRF to clean the equipment and Mr. Hart stated that they have recently purchased one.

FINANCIAL – Land Resources

Line 540 – Mr. Perry stated that this is money remaining from Duke Energy to do some improvements at Sabal Bluff.

Line 581 – He stated that this line is funding for a kayak launch at Bear Track Preserve should they wish to have it completed during the 2019-2020 fiscal year.

Mr. Perry reported that the budget reflects a 20.27% reduction, as the **Line 573 – Lake Norris Acquisition** – has been completed which allows for a pretty significant reduction.

FUND BALANCES AND CONTINGENCIES

Lines 582 through 596

Mr. Perry stated that early last year he had taken money out of the self-insurance fund in order to balance the budget, and this line reflects money going back into to the self-insurance fund in order to bring it back up to the previous amount.

Line 591 – He stated that they consider using the \$315,000 on this line to help fund the acquisition of Lake Denham or for any work that may be needed there. He explained that this is the money we received from the Navy for the purchase of the building at Bugg Spring and the money has been in the budget for many years.

Community Redevelopment Trust Fund – Mr. Perry stated that amounts are calculated based on our millage, so it may change based on the final millage. He explained that is money that has been given back to communities that have been designated as a redevelopment area and based on a proportion of the taxes collected in that area.

BALANCE LIST

Mr. Perry noted that **Total Expenditures** are going down by .13%.

CASH CARRY FORWARD

Mr. Perry stated that currently the Cash Carry Forward shows an increase in 12.87%. He explained that this changes on regular basis as projects are completed, etc. and if there should be a hurricane it will go down as there are expenses for alum and other supplies. He stated that Ms. Rider does her best to calculate this amount based on expenditures and the wild card is usually the cost of alum as we never know how much alum we are going to be using until it actually happens.

Mr. Perry noted again that the current year's millage is at .49 mils and the proposed millage for 2019-2020 is .39 mils. He stated that we won't know the roll-back for another couple of weeks.

He also noted that the City of Leesburg have agreed to provide \$500,000 toward purchase of the Lake Denham property and Attorney Stone stated that the payment of that funding would be contingent to the actual closing date as the City will not be making payment until after the closing.

Mr. Perry stated that the funding to be received from the City of Leesburg, might not show up in the budget until sometime next year.

Ms. Cox questioned whether a .39 millage would be adequate for next year, at the rate Lake County is growing and Mr. Farner noted that more growth also brings in more revenue.

Chairman Stone stated that she feels it is critical that they bring the millage down a significant amount.

Ms. Cox stated that she didn't want to drop the millage quite so low and suggested a tentative millage somewhere between .39 and .49 mils. She stated that she would rather be prepared for anything that might come up.

Mr. Perry asked if there was anything the Board wanted to see included in the budget that wasn't mentioned.

Mr. Farner asked about the problems with the office A/C unit and Chairman Stone stated that the **Building Maintenance** line item is probably too low given the number of times they have had to have someone come out to repair the A/C.

It was noted that the unit is no longer under warranty and Mr. Farner asked if staff could check on how much how much it has cost. Mr. Hart stated that he can get together information on how many times many times someone has had to come out and work on the A/C and how much it has cost the Agency.

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Mr. Hart also stated that he had been in touch with the regional representative for Carrier and he had stated that as many problems as we have been having, he didn't have any problem with extending our warranty, but then they wouldn't.

Mr. Farner asked about getting legal staff involved to write them a letter and see if we can't get a resolution to the problem.

Mr. Hart stated that hopefully we have finally found a company that is knowledgeable in this type of A/C system and hopefully they have managed to determine and repair the issue.

Mr. Farner stated that they need to look at the worst-case scenario and plan for replacement of A/C unit should it become necessary.

Mr. Hendrick stated that he would like to look at privatizing the operation of NuRF to take the liability off the Water Authority and possibly save money. Mr. Farner stated that he would like to see Lake Apopka cleaned up so that NuRF could be shut down.

Ms. Cox asked about the St. Johns River Water Management District's proposed project on Lake Apopka and Mr. Perry stated that the District would be giving a presentation to the Board at the next meeting. Ms. Cox and Mr. Farner both noted that if the proposed project cleans the water coming into Lake County, NuRF would no longer be needed. It was noted that it would be a while before the proposed project would make a difference in water quality.

Mr. Perry asked whether he needed to create a line item in the budget to look at privatizing NuRF operations, as Mr. Hendrick has suggested. Chairman Stone stated that if they can privatize it and save money there wouldn't be a need to change the budget at this time.

Ms. Cox noted that they needed to look at the agreement with the St. Johns River Water Management District to ensure that this is allowed within the agreement. Mr. Farner asked staff investigate the possibility.

Mr. Farner, Mr. Hendrick and Chairman Stone were all in favor of looking into privatizing the operation of NuRF if the cost would be the same or less than what it costs for the Water Authority to handle the operation. Ms. Cox asked who would assume any liability if they were to privatize the operation of NuRF and it was noted that would probably be something they would work out in the agreement.

Mr. Hart stated that he would create a spreadsheet of what it has cost each year to operate the NuRF including repairs, etc. but excluding the cost of chemicals. Mr. Farner stated that would be helpful.

Mr. Perry stated they understand what the Board is looking for and staff will investigate the potential for privatizing the operation of the NuRF.

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Mr. Farner asked about the St. Johns River Water Management District's proposed project on Lake Apopka and Mr. Perry stated that the District would be giving a presentation to the Board at the next meeting.

Mr. Hart noted that it was never projected that Lake Apopka's water quality would be improved to point that it would be the water quality of Lake Beauclair downstream.

Mr. Perry stated that the District target is 55 parts per billion whereas DEP has determined that it needs to be 32 parts per billion when it gets downstream to Lake Beauclair. Mr. Perry noted that currently Lake Apopka is at 90 to 200 parts per billion. Mr. Hendrick noted that they are never going to lower the level until they get to the source.

Mr. Farner suggested cutting the Lake Yale budget and look at further decreasing the millage.

Chairman Stone stated that they shouldn't set the millage based on the Lake Yale project. She stated that they should keep the tentative millage at .39 at this time as they can always bring it down before setting the final millage.

Ms. Cox stated that she felt the tentative millage should be no lower than .395 mils, as you don't want to hand the Agency over to a new Executive Director with a budget that is fine tuned to the last dollar. She stated that lowering the millage below .395 mils would not be a smart thing to do.

Mr. Perry reminded the Board that when they meet next week for the Regular July Board Meeting, they will need to set a tentative millage. He stated they would have a couple of months to discuss and adjust the budget and before they must finalize the budget and millage in September. He noted that they should have an estimated Roll-Back rate by the next meeting.

6. Adjourn

Meeting was adjourned at 1:28 pm.