

**MINUTES OF THE BUDGET WORKSHOP**  
**of the**  
**LAKE COUNTY WATER AUTHORITY**  
**July 5, 2018**

The Budget Workshop of the Board of Trustees of the Lake County Water Authority was held at 11:00 a.m. on Wednesday, July 5, 2018 in the Lake County Water Authority Administration Building, Conference Room at 27351 State Road 19, Tavares, Florida.

**Members Present-District #**

Doug Bryant, Chairman (#4)  
Amy Stone, Vice-Chair (#5)  
Peggy Cox (#3)  
Adam Dufresne, Chairman (At Large)  
Keith A. Farner, (At Large)

**Staff Present**

Michael J. Perry, Executive Director  
Ron Hart, Water Resources Director  
Biago Gugliotti, Land Resources Director  
Patricia Burgos, Environmental Projects Director  
Dr. Jason Danaher, Water Res. Projects Manager  
Christina Rider, Executive Office Manager  
Brian Nagy, Field Services Manager

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. REVIEW OF FY 2017-2018 BUDGET**

Chairman Bryant noted that everyone should have copies of two different proposed budgets, one stating No Millage Increase at the top and one stated Other Options at the top.

Mr. Perry stated that when staff prepared the budget, it was based on several assumptions, including the assumption that there would be no millage increase and no salary increases. He explained that because the budget is being based on no millage increase, there will be significant discussion about projects, and how the Board wants to address them.

He explained that by the end the meeting they need to come away with a solid feel for how they want to set the tentative millage rate. He stated that the tentative millage rate, is the millage rate that they intend to go no higher than. He noted that they could decide later to set the millage rate at a lower rate, but they cannot increase it after the tentative millage rate is set at the July 25<sup>th</sup> meeting.

He stated that he would go through the budget and hit the highlights that needed discussion.

**FINANCIAL - Administrative**

Line 17 – Outside Human Resources Firm

Mr. Perry stated that money had been added for an outside Human Resources Firm to help with any human resource issues that the Agency might have in the next year. He stated that it would be on an as-needed basis and hope to prepare the contract so that the contract would be ready to begin at the beginning of the fiscal year.

He stated that they are also looking at bidding out insurance and one insurance provider has already informed them that they would be able to provide Human Resources Services also.

Line 31 – Commissions

He explained that this is the amount the Water Authority pays the Tax Collector for collection of taxes, and because property valuation is up, this amount will go up even if the millage is kept the same.

Line 52 – Insurance

He stated that because they are planning on going out to bid for insurance, the current amount budgeted may change, but it most likely won't be a big change.

Line 97 – Human Resource Training

He noted that this line is new this year, as they are budgeting for training classes for all employees.

He stated that the total in **FINANCIAL – Administration** represents an increase of \$93,000 over last year.

Ms. Cox asked if the cost for Board Training was related to the Ethics Training that Board Members are required to take do every year.

Mr. Perry clarified that Water Authority Board Members are not required to do yearly Ethics Training and stated that that line is for any type of Board Member training, not just Ethics Training.

**FINANCIAL – Information Technology**

Mr. Perry informed the Board that Ben Garcia had migrated everything to Microsoft Office 365 this year, and he was able to accomplish the move with far less expense than was anticipated.

He stated that although Mr. Garcia had been requesting \$25,000 to update the website, because of the lean year ahead with no millage increase, that had been taken out of the budget.

Vice Chair Stone asked if the budget include enough to make the website ADA Compliant. She stated that she wants to make sure there is enough money in the budget for ADA Compliance. compliant.

Mr. Perry explained that the issue that Vice Chair Stone is talking about, is that there are predatory attorneys who are creating lawsuits regarding websites that are not ADA compliant.

There was a short discussion on the types of things that have to be done to make a website, ADA compliant and Vice Chair Stone stated that we definitely want something in that line item.

It was noted that Mr. Garcia was on vacation, and that Mr. Perry with get with him when he gets back, regarding how much funding is needed for ADA compliance.

#### Line 154 – Backup Generator

Mr. Perry stated that the backup generator should be installed in the next month or two, which is this fiscal year.

#### Line 158 – Data Protection

He noted that Data Protection was accomplished this year at significantly less than was expected and money and funding can now be put in the budget for file storage.

He also noted that if they purchase a drone, it would be purchases before the end of this fiscal year.

He stated that the **FINANCIAL – Information Technology** budget shows a reduction of \$100,000 compared to last year.

#### **FINANCIAL- Hickory Point**

##### Line 171 – HP Contractor

Mr. Perry explained that previously they have hired a contractor to manage the pavilion rentals, but now we have Mark Wiley, who manages the rentals as part of his return for living in the house, so the amount normally paid to a contractor, so he has removed that cost from the budget.

##### Line 188 – TDC Funds – Planting Trees

He stated that is related to the funding received by the Tourist Development Council and the Volleyball Agreement. He stated that Patricia Burgos is working on getting the trees planted this fiscal year, so no expense is anticipated for the next fiscal year.

Line 199 – Entrance Fence

He stated that Ms. Burgos is also working on that, but he and Chairman Bryant have discussed that there may not be a need for a fence at all. He stated that it's purely decorative, there may not really be a need for it.

He noted that the budget for **FINANCIAL- Hickory Point** was reduced by slightly more than \$122,000.

**FINANCIAL – Education**

Mr. Perry explained that funding for Education is limited to 3.5% of any Ad Valorem taxes collected, which is approximately \$161,656 based on the existing millage. He stated that the budgeted amount is nowhere close to that amount.

He stated that the budgeted amount for the Naturalist and Education Contractor will remain the same, as well as the educational portion of the Marine Patrol Deputies salary.

He stated that they are keeping money in for Lakes Academy, and he is hopeful that we will be able to do at least one during the next fiscal year.

Ms. Cox stated that they really do need to do one in Clermont for the Clermont Chain of Lakes as she has had phone calls requesting one. She stated that she would like to hold it in the fall, as Spring is busy, with different events being held every weekend, and making it hard to get people to attend.

Ms. Cox brought up Clermont Chain of Lakes Foundation and Mr. Perry stated that they would probably be glad to help advertise the Lakes Academy.

Ms. Cox noted that the Clermont Chain of Lakes Foundation talks to a lot of people, so getting them educated, means they can educate the people they talk to. Chairman Bryant asked if they would be willing to partner with the Water Authority and Ms. Cox stated that she will work on it after her surgery next month.

Ms. Cox stated that they should also talk to the Harris Chain Power Squadron and Chairman Bryant stated hopefully they could do both a North and South Lakes Academy in the same year.

Ms. Cox ask for how many Marine Patrol Deputies there are and Mr. Perry stated the Water Authority funds two, and there is four more, for a total of six. It was noted that they have a total of five boats.

Mr. Perry stated that Public School Transportation Funds will remain the same as last year, and he noted that the Agency didn't fund any Mini-Grants last year and is not proposing to fund any Mini-Grants again this year.

Line 238 – Trout Lake Nature Center

Mr. Perry stated that last year the Board included some money toward their new Nature Center and this year we are only planning on funding transportation and not planning on putting any additional funding in this year.

Chairman Bryant stated that he would not be surprised to see Eileen Tramontana, Director of Trout Lake, back to request additional funding. He said given budgetary constraints it would be difficult for the Water Authority to provide any additional funding this year.

Ms. Cox asked if the \$5,000 that are budgeted basically cover all of Trout Lake's bus transportation for students and Mr. Perry explained that the \$5,000 is funding for student transportation to programs here at Hickory Point of at the NuRF, not to Trout Lake. He noted that funding for transportation to Trout Lake is \$6,500.

Mr. Perry stated that reductions in **FINANCIAL – Education** amount to approximately \$30,000.

**FINANCIAL – Communication**

Lines 274 through 279

Mr. Perry stated that these lines pertain to Mini-Grants provided to Government Agencies or Private Entities and like last year, we are not proposing to do Mini-Grants again this year.

He noted that in the past, one of the boat clubs used funding to for signs and advertisement of their safety classes, and Ms. Burgos stated that it also funded school teachers requests for Ph test kits, aquatic class at the zoo, waders, dip nets, etc.

**FINANCIAL – Water Resources**

Mr. Perry stated that this portion of the budget contains some significant money and projects.

Line 298 – Lake Carlton Nutrient Evaluation

He noted that the Lake Carlton Nutrient Evaluation has been completed so there is no reason to budget any money for that for next year. He stated that Project Design funds are budgeted in another portion of the budget.

Line 303 – Lake Yale Whole Lake Alum Application

Mr. Perry stated that the Board has authorized staff to go to bid and stated that there is still money set aside in the budget for the project, but it has been reduced substantially.

He stated that either they can defer the project and continue to save for the project, or if it can be done on an annual basis, there should be enough in the budget for next year. He noted that to do

that would mean having to budget for a portion of the project to be completed each year for a total of four years.

Vice Chair Stone noted that the report suggested twice a year and stated that as the bid gives freedom to the bidders to come up with their own project design, she is afraid of not putting enough money in the budget to cover the project should the contractor wants to do a two-year project, versus a four-year project.

Mr. Farner stated that the State has spent millions of dollars messing up Lake Yale. He asked if the Water Authority has looked at funding from State. He stated that he felt that it was important that they do so, as the Water Authority can't continue to spend money to fix their mistakes.

Vice Chair Stone stated that the State was making decisions on the scientific evidence that was available at that time.

Mr. Farner thinks they made some terrible mistakes on Lake Yale and it is major burden on Lake County taxpayers to have to fix the problem, and he thought we deserved some help from the State.

Ms. Cox asked if the 1.2 million dollars listed in the budget the amount estimated for one application. Mr. Perry stated it is an estimate based on the assumption that it's a four-million-dollar project, with four applications. He stated that until we get some proposals back we don't have anything else to go by.

Mr. Perry stated that staff will be talking to the Legislature and to Fish and Wildlife and will do whatever they can to try and get some partners.

Chairman Bryant asked what the schedule for put out the RFP. Mr. Perry stated that it would most likely not be before the final budget hearing.

Mr. Hart stated that Dr. Danaher has had to spend all his time at the NuRF and doesn't have time to work on the Lake Yale Project at this time. He stated that the Agency is strapped with every available person having to work at the NuRF.

#### Line 304 – Apopka-Beauclair Canal Ag Diversion

Mr. Perry stated that staff will not be pursuing that project at this time, as funding is not available.

#### Line 306 – NuRF College Research Assistantship

He stated Dr. Danaher has colleague who works with IFAS who was interested in trying to utilize the floc residual from NuRF in the container industry or some other alternative. He stated that finding another use for the floc residual would help in the disposal of the floc at the NuRF so they are proposing the addition of \$30,000 in the budget to support a Research Assistant.

Mr. Perry noted that in the past they have budgeted \$5,000 for the Harris Chain Restoration Council, but they have never used it, so it has been removed from the budget for the upcoming fiscal year.

Line 318 – Harris Chain Restoration Council

He stated that this is the balance of the money the Harris Chain Restoration Council received from the Legislature that we hold on their behalf.

Line 339 – NuRF Maintenance Reserve

Mr. Perry stated that the amount for the NuRF Maintenance Reserve is going to remain the same as previous fiscal years.

Lines 359 – 361 Alum

He stated that these lines are for the purchase of Alum and Polymer. He stated that the same amount is being budgeted as before. He noted that this has been the first year since the NuRF was put in operation in 2009, that we have needed almost all of the budgeted amount and may possibly need to dip in the reserve before the end of the fiscal year.

Line 379 – Lake Denham Muck Farm Acquisition

Mr. Perry stated that the Lake Denham property is currently being appraised. He noted that the Property Appraiser has the property valued at 6.4 million dollars. He stated that Mr. Hart has been in discussion with the property owners and they may consider two million dollars. He stated that even at two million dollars we don't have enough money to acquire the property. So the Board needs to talk a little bit more about how they want to proceed.

Mr. Hart stated that although the owners seemed very excited about selling the property to the Water Authority. He noted that their preferred use of the property would be for the restoration of the wetlands, but the Board needed to keep in mind that the owners do want to be paid a fair price for it and will not want to give it away.

Ms. Cox stated that they may consider the tax benefits to selling below the appraised value to be worth the difference. Vice Chair Stone stated that a lot of their decision will be based on the appraisal.

Mr. Hart stated that staff will also be talking to the District. He stated that the District needs to mitigate about 150 acres and is looking at taking some of the EOT funding for mitigation and using that as a source of money to go toward the property.

Ms. Cox noted that there would also be mitigation associated with the Village's expansion into Leesburg, and Mr. Perry stated that staff met with Leesburg last week and started that discussion. He stated that the Leesburg City Manager is going to reach out to the Villages.

It was noted that two of the appraisals of the property will be completed by July 24<sup>th</sup> and a third appraiser/reviewer will be completed within another two weeks later. It was also noted that the District is paying for the appraisals as well as the environmental assessment.

Line 382 through 388 – Villa City

Mr. Perry stated that this line pertains to the modification of the Villa City Dam, and stated that this was something they could defer to a future year should they need to.

Line 392 – Dredge Replacement Parts

Mr. Perry stated that because we are putting so much wear on the equipment, when something breaks they are buying two replacement parts, one to use now and one for the future. Mr. Hart noted that a lot of the major items are being bought in this fiscal year.

Mr. Farner asked about the third dredge and Mr. Hart explained that the Board gave approval for a third dredge and staff is working on getting approval from the District and the Army Corp of Engineers for the use of the disposal site.

Mr. Farner stated that he would like to look toward the future and doing a capital expenditure at some point for a third dredge, so they can avoid emergency situations.

Line 393 through 403 – Stormwater Retrofit Grants

Mr. Perry stated that most of the major stormwater grant have funded have been recently completed. He stated that Clermont and Umatilla are the only ones left open. He noted no new projects were awarded this year and no money has been put in the budget to fund any new projects for the next fiscal year.

He stated that Leesburg is partnering with DOT, so the Water Authority no longer has to worry about the 9<sup>th</sup> Street Canal. He stated that the project does require a local match and Leesburg has inquired as to whether they might be some funds available for a local match.

Mr. Hart stated that Fruitland Park and Montverde also have projects that they would like to do and they have inquired about the availability of storm water money.

Vice Chair Stone stated that she thought it was a bad idea not to have some money in budgeted for Stormwater, and Mr. Perry noted that stormwater is one of the Water Authority's purposes.

He pointed out Line 403 and stated that the Water Authority has held money for the City of Eustis for Lake Gracie for almost three years and stated that they have done nothing. He stated that he would recommend that if they want to move some money around in Stormwater, that would be the funding to move.



Vice Chair Stone asked how much money Fruitland Park and Montverde are requesting, and Mr. Hart stated that they are both small projects, and \$100,000 may be enough to do both of those projects.

Ms. Cox stated that she would like to keep the money budgeted for Lake Gracie and Vice Chair Stone stated that she would like to see \$250,000 in the budget for stormwater grants. Ms. Cox that she agrees with Vice Chair Stone, but if they couldn't do \$250,000, she would like to see at least \$150,000.

Mr. Perry noted the Boards concerns and reminded them that there are three large capital projects and the need to also look at how to budget for those. He stated that they would come back to the stormwater discussion later.

### **FINANCIAL – Field Services**

#### **Line 448 – TDC Money**

Mr. Perry stated that Vice Chair Stone has asked about other projects they could use the TDC money on, if they don't replace the fence.

Mr. Farner asked if Fish and Game was supposed to do some underwater lighting on the pier and Mr. Perry stated that they are still working on that. He stated that Ms. Burgos has met with an electrician and staff is trying to get that done before the end of the fiscal year. He noted that the project would cost approximately \$6,000, but it would be the first underwater lighting, fish attracting freshwater facility in the State of Florida.

#### **Line 480 through 482 – Truck, Tractor Arms and Claws**

Mr. Perry noted that Mr. Nagy had requested funding for a new truck for Field Services as well as funds to purchase tractor arms and claws. He stated that this will have to be deferred to a future year, based on the lack of funding.

### **FINANCIAL – Land Resources**

Mr. Perry stated that any adjustments to the Land Resources Budget

#### **Line 533 – Contract Burning and Mowing**

Mr. Perry stated that the amount budgeted for Contract Burning and Mowing Fire Lines had to be reduced, and the request for funds for new canoes had to be deferred.

**Lines 582 through 596**

Line 582 – Acquisition

Mr. Perry explained that this line was funding that was being held should there be an unexpected opportunity. He stated that he has eliminated the funding for next year in order to achieve a balanced budget based on no millage increase.

Line 583 – Lake Norris Acquisition

Mr. Perry stated that we are hoping that this project is completed before the end of the current fiscal year, but if not, it may have to be carried over to the new budget year. He noted that this is the remaining 80 acres to be purchased from Brian Richards.

Line 586 – Sawgrass Island Restrooms

Mr. Perry stated that if we can get the contractor to respond, the money budgeted for the next fiscal year should be sufficient money to finish the project. He stated that if we have to start over, we may have to add more money in that line.

Line 592 – Boardwalk and Canoe/Kayak Launch at Bear Track Preserve

He stated that this project is moving forward and we are assuming that it will be completed this fiscal year. He stated if not, we may have to carry some of the funding forward. Ms. Burgos stated that this launch would give people direct access to Lake Norris, rather than having to come down Blackwater Creek.

Mr. Perry stated that the total proposed budget for Financial – Land Resources has a \$500,000 reduction for next year when compared to the current year's budget.

**BALANCE LIST**

Lines 601 through 607 – Contingencies and Reserves

Line 602 – Self Insurance

He also noted that he took a little bit of the funding from self-insurance, but he was cautious not to take too much.

Line 603 – Building Maintenance Fund

He stated that this fund was established when the Water Authority was located in the old building downtown. He stated that now that we are in the new office and don't have the same maintenance issues, except for the air conditioner, expenses are not as high, and he has reduced this line item slightly

Line 604 –Contingency Reserve

Mr. Perry explained that funding in this section are reserves to keep the lights on during the months of no incoming tax revenue should the need arise. He stated that they have never had to use any of it, so to help balance the budget, he has removed a portion of the funding for the next fiscal year.

Lines 610 through 625 – Community Redevelopment Trust Fun Reimbursement

Mr. Perry explained that this is tax funds that the Water Authority has to return for funding for Community Redevelopment Districts for improvements in infrastructure, etc. He noted that these costs have gone up quite a bit.

Mr. Perry stated that the total expenditures in this proposed budget is \$12,810,047 which is a reduction of approximately \$3.7 million-dollars from last fiscal year.

**CASH CARRY FORWARD**

Mr. Perry explained that this is the money that is either encumbered in contracts that we have to carry forward, are unexpended funds or in a reserve.

He stated that biggest assumption and wild card related to the Cash Carry Forward is how much money on alum that we might be spending between now and the end of the current fiscal year. He stated that we will not really know until the final budget hearing.

Mr. Perry stated that at this time the Cash Carry Forward is estimated to be almost four million dollars less than last year. He noted that Ms. Rider will recalculate that figure at the end of every month.

Mr. Perry stated that our millage last year was .2554 and we have been told by the Property Appraiser's Office that there is a 9% increase in property valuations this year, so the same millage will generate about \$440,000 more money for the upcoming fiscal year.

He stated that the Property Appraiser's Office hasn't provided the Roll-Back Rate as of yet, but staff will let them know as soon as it is received.

He also noted that there are some other small outside revenues, such as the TDC money that staff is expecting to expend during the current fiscal year.

He explained that the Cash Carry Forward, the money generated by the millage, and the small outside revenues become the Total Revenue, which is the same as our proposed expenditures.

Mr. Perry noted that he had provided them with a spreadsheet related to millage, if they had any interest in generating additional funds. He also noted that the budget was based on no salary adjustments. He stated the cost of living for Social Security for 2018 is 2% and CPI is 2.5%. He

noted that he had also provided them a graph showing the difference with a 1%, 2% and 3% increase in salaries and the impact to the budget.

**The Board took a break at 12:43 pm for lunch and then returned to their discussions 1:03 pm.**

Mr. Perry explained that now was the time to let him know if there are any changes they want him to make or any projects that they would like to add or subtract from the budget. He explained that the budget they had just reviewed was prepared with the assumption that there would be no millage increase. He noted that the millage rate has been the same for about the last four or five years. He stated that it's been the history of the Board to try and keep the millage low.

Chairman Bryant noted that they have been reviewing the proposed budget at the .2554 millage rate, with no millage increase.

He stated that in talking with Mr. Perry, he had requested that he also prepare a budget that didn't increase any of the items, except for some large ticket items, and continued the programs as they have been during the current fiscal year. He noted that it would continue the programs at their current funding level, as if we hadn't had a hurricane. He noted that it also includes the Lake Denham Muck Farm, which is an out of the ordinary capital expenditure that we wouldn't normally have in any other year. It was noted that to carry such a budget, the millage rate would be about .4054 mils.

Chairman Bryant stated that sometimes they don't stop to realize that the millage doesn't have to be .2554, and they could set the millage anywhere from 0 mils to .5 mils, and it's a matter of what we can do that is reasonable within that framework.

There was discussion on calculating how much of a cost Hurricane Irma had put on the Agency. Chairman Bryant stated that it is hard to put a total cost and Mr. Farner noted that a lot of it is the environmental damage, and Chairman Bryant stated that the damage calculations were well into seven figures as far as what it has cost in the budget.

Chairman Bryant stated that they could go through the Other Option Budget and address some of the items they discussed in the first budget.

It was noted that if you set a budget based on the Rolled-Back Rate, it doesn't prohibit them from increasing the millage rate in a future budget year, it just can't be changed within the existing fiscal year.

There was discussion regarding the NuRF and it was noted that it was designed to run on average at 50 cfs. Mr. Perry stated that it has been running above 50 cfs for over 180 days.

Mr. Perry informed the Board that when the Board first became and elected Board in 2000, the millage was almost at .5 mils, and the Board was holding a lot of reserves and budgeting for a lot of things that never were done.

He stated that there was a lot of work to bring the millage and budget back in line. He stated that the current millage is only at about 60% of what it was at that time. He stated that the Board has been operating very conservatively and have actually gone less than the Rolled-Back Rate during a couple of years.

Mr. Farner stated that even going to the Rolled-Back Rate, the budget stays the same, because of property values going up. He stated that he believes they are in a position where they need more money and now is the time to discuss it.

Chairman Bryant asked to go over the Other Option Budget to get a better feel of what to items they want to incorporate in the budget.

### **ADMINISTRATION**

Mr. Perry stated that this budget assumes a 3% salary increase, as it is usually the amount given in previous years.

He also informed the Board that if they were to increase the millage, the amount payed to the Tax Collector in commissions, would also be likely to go up.

#### **Line 110 – Website Update**

He noted that this budget puts \$25,000 back in the budget for Ben Garcia to upgrade the website and is consistent with their discussion of bringing the website up to ADA Compliance.

Chairman Bryant noted that Vice Chair Stone and he felt there was probably a Board consensus that it was better to raise up to a point to where they can make the website ADA Compliant. Vice Chair Stone stated that it is a tremendous amount of work that has to happen and it's going to cost a lot to happen, whether funding is put in the budget or not.

Mr. Farner stated he would rather do it now than have a lawyer collecting fees on us. Just put in the money and get it down now.

Chairman Bryant stated that they should just leave the \$25,000 in the budget until they can get more input from Mr. Garcia.

### **WATER RESOURCES**

Mr. Perry stated that with this budget, the amount budgeted for Lake Yale has been restored to the same amount as the current budget. He explained that that figure was last year's amount of \$2, 202,328.

Ms. Cox asked where last year's estimate came from and Mr. Perry stated that it was a combination of trying to provide as much money as possible to be able to do the work. He noted that it is close to half the cost of the project.

He noted that this budget does not add back in the cost of the Apopka-Beauclair Ag Diversion Project.

Line 379 – Lake Denham Muck Farm

Mr. Perry has asked that another million dollars be added to the Lake Denham Muck Farm Acquisition Budget which would bring it to \$2,020,362.

He noted that he also added acquisition money for the Apopka-Beauclair Project, should they want to acquire property, so that they can move forward with the project at a later date.

NuRF Replacement Tank

Mr. Perry noted that in the Other Option Budget, he budgeted \$450,000 for the replacement of another one of the tanks at the NuRF. It was noted that it had also been budgeted in the first budget reviewed. Mr. Hart noted that one of tanks is leaking, and is going to need replacement soon.

Chairman Bryant stated that he did ask Mr. Perry to add in the additional million dollars for Lake Denham, because at best estimate, if things go well with the appraisal, we might actually be able to purchase the property. He stated that this is a high priority item and he would like to at least have that amount in the budget until we get the appraisal back. He noted that they can always take things out of the budget and adjust things, if it is not needed.

Ms. Cox stated that she agrees that the money should be left it and we could restore the wetlands and solve a lot of problems and pollution coming into the Harris Chain, and this opportunity may not come along again. Ms. Cox stated that even if they need to up the millage rate slightly to accomplish the purchase, they need to do so.

Line 402 – Stormwater Retrofit Grants

Mr. Perry noted that in this budget he had put \$100,000 for Stormwater Retrofit Grants, but Vice Chair Stone would like to up that amount to \$250,000. Chairman Bryant stated to tentatively insert \$250,000 to that budget line.

Ms. Cox noted that the City of Minneola, has put a hold on development for the next five years, as they don't have the infrastructure to accommodate what has been approved. She stated that she feels it is important to have Stormwater Retrofit funds available for the future of the communities who use the lakes, as she feels more and more cities are going to feel the same economic pressure.

Mr. Perry noted that the Apopka-Beauclair Acquisition money was not included in the first budget presented, but on Line 379 of this budget, money has been included for acquisition of land should they want to move ahead with the project.

Ms. Cox asked if the District was willing to put any money into the project and Mr. Perry noted that they haven't offered any money at this time and the Water Authority would probably have to go through their grant application process.

Mr. Hart stated that the Water Authority may be able to get partial funding from DEP toward construction costs but not toward acquisition. He stated that the acquisition portion of the project is the hard part for getting additional funding and when talking with the Department of Agriculture, they have stated that they are not interested in the project as it is for the treatment of stormwater and takes land away from agricultural use.

### **FIELD SERVICES**

Mr. Perry stated that the only possible changes to the Field Services Budget would be to put the cost of a new truck and tractor arms and claws back in the budget.

Chairman Bryant asked if this was needed now, and Mr. Nagy explained that the tractor arms and claws would be needed for storm cleanup, as the one tractor with arms and claws is five or six years old and it is not always sufficient with just one when trying to handle all the projects.

Mr. Gugliotti stated that the arms and claws are used for quite a few things, such as when they cut trees, as well as prescribed burning as they use it to set the pile. It was also noted that it is used to put poles on the barge when having to put in waterway signs.

Chairman Bryant stated that it would probably be better to bite bullet and get the arms and claws this year, given the age of the other tractor and claws. Mr. Farner noted that if they were to have to rent one they would charge pretty heavy fees.

Mr. Gugliotti stated that if they were to be in a storm situation, there may not even be one available for rent.

Mr. Dufresne for going ahead and getting the arms and claws for the tractor.

### **LAND RESOURCES**

Mr. Perry stated that the one thing that would be a big change in the budget, would be to add funding for future land acquisitions. He noted that the first budget also did not include any money for future acquisition.

Mr. Perry explained that just to fund the items that have been restored to the budget, we are at a 73% increase in millage. He stated that this includes the Lake Denham Project, the Lake Yale Project and the Apopka-Beauclair Canal Project. He noted that they had also requested that stormwater funding be put back in the budget as well as the website upgrades.

He stated that if they were to want to generate an additional 1.2 million dollars, that is a 26% millage increase, and if they were to want an additional 3.2 million dollars, it would be a 65% increase in millage.

Ms. Cox stated that if they don't increase the millage, the budget would be 3.6 million dollars less than last year's budget, even though there is an increase in revenue. It was noted that Lake Denham and Lake Yale were in the current fiscal year budget and accounts for most of the difference.

Ms. Cox stated that they may have to pick a millage somewhere between .404 and .4225 and pick the items with the highest priority for funding, such as Lake Denham and storm water retrofit grants.

Ms. Cox stated that she doesn't know how long the growth is going to last, so let's make sure that we are getting done what is necessary to preserve the lakes and the waterways, versus not doing it, and two or three years from now, the economy starts dropping.

Vice Chair Stone noted there may be public backlash if they increase the millage and Mr. Dufresne stated that all it would take is another hurricane and a tropical storm and we are done.

Mr. Farner stated that even if the Water Authority doesn't increase the millage rate this year, keeping the same millage rate will still be considered an increase as property values have increased.

He stated that he feels pretty sure that the county's tax base is going to go up significantly in the next few years with the addition of the beltway around Orlando. He stated that he is not opposed to increasing the millage, but they need to be careful and to make sure as a Board that they can justify the expenses.

He stated that there are ample cash reserves to deal with emergencies, even if they do have to move money around and put things off. He noted that the Water Authority has always saved up for large projects in the past, and stated that the Water Authority is not going to bond money and encumber future boards.

Ms. Cox noted that although the Water Authority has the ability to issue bonds, they do not burden the future. She stated that it is a good thing because without debts that they are obligated to pay, it gives the Water Authority the freedom to move funding around when needed.

She stated that if there is any criticism, we might want to remind people that the Water Authority spends every tax dollar on what we are mandated to do and to pay the staff, and we do that without borrowing money to do it.

Mr. Farner stated that there are things that they need to be looking toward the future for funding. He stated that his pet peeve right now is on the Hydrilla in the Chain of Lakes. He stated that he was out on Lake Eustis yesterday and he could see million-dollar projects staring him in the face.

He asked what if Fish and Game decides they don't have enough money to treat the Hydrilla, the cost will end up tripled. He would like the Board to look at dedicating some funding in the future to hire some full-time staff to treat Hydrilla on a regular basis. He stated that he agrees with the fishermen about Fish and Wildlife coming in and bombing the lakes.



He noted that there are acres of Hydrilla hedges are growing in Lake Eustis, even in the middle of the lake.

He asked if anyone had been on Lake Okahumpka lately and stated that he would like to direct staff to go out on Lake Okahumpka, to see if boat can even get on it. He stated that last he heard you couldn't even get a boat out on Lake Okahumpka, as it is so filled up with Hydrilla.

He stated that although people will argue that it is wonderful habitat for fish, but he remembers when Lake County was the Fishing Capital of the World and there was no Hydrilla in the lakes.

Mr. Hart stated that many years ago, the Water Authority was the agency that managed aquatic plants, but it was highly controversial, and the Water Authority back away and gave that responsibility to the County. He stated that due to the costs associated with it, the County may be willing to give the responsibility back to the Water Authority, but it would mean putting a lot of money toward it for personnel and equipment.

Mr. Farner stated that he just considering funding a couple of people for Fish and Game and our staff directing the areas to be treated with monthly reports on the progress.

Mr. Perry stated that what he has heard as part of these discussions is that if they were to increase the Lake Denham Project by another million dollars, add \$25,000 for the website ADA Compliance, add Stormwater Retrofit Grants at \$250,000 and the tractor arms and claws at \$12,000, we would be at 1.287 million dollars that we would have to add into the no-millage increase budget.

He stated that based on spreadsheet they are looking at going from .2254 mills to .2954 or about a 26 % increase. It was noted that this assumes that Lake Yale stays at one million dollars and we don't get a new truck.

Ms. Cox that an increase to .2954 is not enough of an increase to send everyone into hysterics.

Mr. Perry stated that at the .2954 millage rated, it would allow for the replenishment of alum funding, and cost that was expended during the hurricane and the substantial rain since then.

He stated that he would have to figure out how much it would cost to provide a couple of staff for Fish and Wildlife, but he couldn't imagine it would be more than \$40,000 or \$50,000.

Ms. Cox noted that just because they put in \$250,000 for Stormwater Grants, it doesn't mean that it will all be spent. She stated that she agreed with Vice Chair Stone, that it is part of what we do and we ought to have funds available.

Mr. Perry asked if there was anything else they haven't accounted for, or touched on, that they would like back in the budget.

Chairman Bryant stated that he had a question on Line 338 - Maintenance Reserve under the Optional Budget. He stated that the maintenance reserve was \$300,000 last year and Mr. Perry

had projected it to be \$500,000, and then they cut it back to \$300,000 to keep the budget down. He questioned why Mr. Perry had been looking to increase the budget to \$500,000 and how much of that was needed. Mr. Perry stated it was an assumption by staff, and that \$300,000 may be sufficient.

Mr. Hart explained that the NuRF's main tank has been corroding over time and once it becomes too corroded, it will be close to a \$500,000 expense. He stated that the tank has reached the end of its lifespan and we are going to get hit with a big expense, more likely sooner than later.

Mr. Farner stated that if the tank needs to be replaced, we need to do it now. He stated that if a 250,000-gallon tank ruptures someone could get seriously hurt or killed.

Mr. Hart stated they have an annual maintenance contract on it, where the tank is drawn down and we have it inspected, and the contractor comes out and recoats the inside of the tank, to minimize the amount of steel that gets lost.

He explained that with NuRF running around the clock they haven't been able to draw the tanks down, so they haven't been able to do maintenance this year, as it means having to stop running the facility for a month or two, to allow time for the maintenance and recoating of the tanks. He stated that staff will be able to tell when the tank has reached the end of its lifespan, as the corroded areas will begin to spout pin hole leaks. He noted that they are already seeing areas of corrosion. He stated that next time the tanks are drawn down, staff will try to get an estimate of its remaining life span.

Mr. Perry stated that he is hearing that they have sufficient funding in the budget to buy a new tank and Mr. Farner stated that it is a necessity and he wants them to change out the tank when it is feasible.

In response to Mr. Farner, Mr. Hart stated that an outside contractor normally comes in once a year to inspect the tanks. Mr. Farner stated would like the tank inspection on a regular basis and that asked staff to create an inspection schedule and document their findings. He stated that staff could at least do a visual inspection from the outside and give the Board a report on their condition.

Ms. Cox stated that they need to leave the \$499,000 in the budget to replace the tank. Chairman Bryant noted that there is already \$300,000, so they need to add an additional \$200,000 to the budget.

Mr. Perry asked how the Board wanted to proceed with Line 380 – Apopka-Beauclair Canal Stormwater Acquisition Project for the purchase of the sand mine. It was noted that the purchase of the land is about \$400,000 and the design and construction costs would be \$750,000. It was explained that this would be to use the sand mine pit as a stormwater pond to allow water to settle before entering the Apopka-Beauclair Canal.

Mr. Perry stated that in his opinion he would rather look to the safety side of things and budget for replacement of the alum tank. Ms. Cox stated that she agrees and noted that the NuRF needs

to be able to be operational at all times, or within a very short amount of time should it be needed.

Vice Chair Stone asked if the new budget accounts for the temporary labor contract for additional personnel at NuRF and Mr. Perry stated that it is not budgeted for in the upcoming budget. Vice Chair Stone asked if there was any backup contingency, and Mr. Perry stated that he would find a way to add that to the budget.

Vice Chair Stone stated that she hates to see the Lake Yale Project being deferred and Mr. Hart stated that realistically with the expenditures the Agency has had this year, some of projects may have to put further into the future.

It was stated that the Board consensus on the Lake Yale Project was to leave the amount at one million. Mr. Perry stated that they would also look for partners for the Lake Yale Project.

Mr. Perry stated that he wanted guidance on one last topic. He noted that the Other Options Budget has a salary adjustment of 3% and the first budget with no millage increase showed no salary increase. He stated that if he were to advocate for anybody, he would advocate for the field staff.

Mr. Perry stated that across the board the 3% increase would cost the Agency approximately \$115,849. Vice Chair Stone stated that she would hate to do less than a 3% raise and Mr. Dufresne stated that he felt that staff should receive a 3% raise.

Ms. Cox noted that the Board Pay needs to be adjusted. She stated that with the Board being a Partisan Election, it is hard to get anyone to run for \$25 a meeting. She stated, for the benefit of those attending who are running for the Board, it does require a learning process and there is a lot of knowledge and things you have to learn in order to be able to make intelligent decisions.

Chairman Bryant acknowledged the two candidates in attendance and apologized for not welcoming them to the meeting sooner.

Ms. Cox stated that the water resources in Lake County are one of the biggest draws as to why people come to Lake County. Mr. Farner noted that you can be guaranteed that if there is a problem, they bring it to the Water Authority.

Chairman Bryant stated that when they come back at the Regular Meeting on July 25, that will be when they need to make a decision on upper end of mil levy and noted that they will be looking at only one version of the budget.

He stated that it has become clear to him that they can't stay at the present mill levy, no matter how much they might like to. He stated that Hurricane Irma is a main reason along with the once in a lifetime chance for the acquisition of the Lake Denham Muck Farm. He stated that if not for those two items, we'd be well with the .2554 mils, and if there isn't another hurricane, we may well be looking at a millage decrease the following year. He stated that he felt they all agreed, that they don't have a choice.

Ms. Cox noted that the Legislature mandated years ago that the Water Authority cannot charge more than .5 mills. She stated that for as long as she has been on the Board, they have held the millage close to .2554 mills. She stated that the Water Authority is a rarity when it comes to government agencies, in that the Water Authority does not borrow money, and that is a point worth remembering.

Mr. Perry informed the Board that next year or the year after that there is a potential that increase in the homestead exemption will be reducing our revenue.

Mr. Farner stated that he thinks that because of future growth the Water Authority will be fine, but agencies such as the Sheriff's Department and the School Board will have a hard time.

He stated that as long as the Water Authority can justify their projects, he has no problem in doing what needs to be done to fund them.

Mr. Farner stated once the law is finalized, he would like a presentation at that time regarding the Homeowners Exemption and how it will affect funding in the future.

Mr. Dufresne asked the millage they are looking at and it was stated that it will be in the range of .2954 to .3 mills. Ms. Cox stated that she would like to keep the millage under .3 mills.

Chairman Bryant adjourned the meeting at 2:23 pm.