Minutes of the Budget Workshop of the South Indian River Water Control District Held on June 18, 2026

The budget workshop of the South Indian River Water Control District was held on June 18, 2026, at 3:00 p.m. at the District Work Center, 15600 Jupiter Farms Road, Jupiter, Florida, and via Zoom video conferencing. Present in person were Supervisors Susan Kennedy, Beth McElroy, John Meyer, and Bob Berman. Also present were William "Chad" Kennedy, Executive Director; Dustin Fazio, Supervisor of Operations; Ryan Grigg, Chief Financial Officer; Charles Haas, Treasurer; Seth Behn, Attorney; and Donna DeNinno, Public Information. Approximately 8 landowners were present in person. Approximately 3 landowners were present via Zoom video conferencing.

Ms. Kennedy called the workshop to order and explained the workshop is a precursor to developing the budget, which will be refined and presented to the Board at their July meeting, with initial assessments submitted to the property appraiser by the end of July. The proposed budget will then be presented to the public at a public budget hearing in August. The workshop is the beginning of the process.

Mr. Grigg presented the proposed preliminary budget for Fiscal Year 2026-2027. He noted that the Supervisors had received the presentation last week for review and he consulted with each Board member separately regarding the proposed budget. Since that time, there had been several changes based on consultation with the Board and the District Attorney regarding the proposed Canal C Phase 2 project. He said that after a discussion with District Treasurer Charles Haas, there is an approximate $500,000 fund balance in the water distribution bonds that they would like to use over the next three years of assessment for that project. They would like to transfer $400,000 from the road maintenance funds to the road capital projects funds for Jupiter Farms and Palm Beach Country Estates. Mr. Grigg added they want to replenish the renewal and replacement fund, which is the grant matching revolving fund, back up to $776,000. He reiterated these changes are not reflected in this preliminary presentation, but he will address how these will impact the budget.

For Jupiter Farms, the Fiscal Year 2025-26 assessment for a 1.25 typical acre lot was about $535 annually. In this presentation, for Fiscal Year 2026-27, they are proposing a $615 assessment, an $80 increase, but based on the proposed changes discussed, that will probably increase. He said he didn't have the estimated new number at this time but thought it would be in the range of a $130-200 increase. For lots on County roads that don't pay a road assessment, in Fiscal Year 2025-26, the assessment was $333 for a 1.25-acre parcel, and it is proposed that it would increase to $340 for Fiscal Year 2026-27, though with the changes discussed, it would need to be revised.

Ms. Kennedy asked if these increases were for water control and not road maintenance, and Mr. Grigg replied the numbers include everything, with water control assessments based on acreage and road maintenance assessments based on per parcel. Mr. Grigg noted in this budget, the road resurfacing capital project funds will be split so there will be two separate funds.

For Palm Beach Country Estates, the $228 increase shown would most likely decrease based on changes discussed for the Canal C Phase 2 Project. For Fiscal Year 2025-25, the assessment for a typical 1.15-acre lot was approximately $1,420 for water control, road maintenance and potable water. The presentation shows this increasing to $1,648 for Fiscal Year 2026-27, but the removal of Canal C debt service will affect that, and if approved, would impact Fiscal Year 2027-28's budget. Another item that will impact this assessment is the use of the $500,000 fund balance in the potable water distribution bonds fund. Mr. Grigg said approximately 46% of the Palm Beach Country Estates' assessment is going towards the potable water distribution bond, so that is why assessment rates are higher on that side. For Fiscal Year 2025-26, the assessment per parcel for the potable water was $664, which he estimates should be reduced to approximately $613 for Fiscal Year 2026-27.

Mr. Grigg reported that assessments for Egret Landing and Jupiter Park of Commerce are not expected to increase.

Mr. Grigg showed a chart depicting the allocation of the District's proposed Fiscal Year 2026-27 budgeted revenue and other financing sources. He said the proposed non-ad valorem assessments shown at $6.3 million would be reduced to approximately $6.1 million by removing the Canal C Project assessment, which would go into Fiscal Year 2027-28. The $2.88 million in debt proceeds will stay in the budget because the $2.5 million for Canal C is being used as a placeholder based on estimated debt issuance cost and debt interest should the project proceed.

Mr. Kennedy noted there is a lengthy process for approving the Canal C project. Ms. Kennedy said to be clear, this is an ongoing project and Mr. Kennedy agreed, noting that only one-third of the Canal C Realignment Project was completed with the available funds. Mr. Meyer wanted to be sure that there wouldn't be an assessment for the remaining two thirds of the project in this budget. He asked Mr. Kennedy if had an idea of project costs, what the financing would be, and length of the term. Mr. Kennedy said the design had already been completed, the previously authorized Invitation to Bid went out, and bids are due next week. There is some urgency as the exemption from the Florida Department of Environmental Protection will expire in June 2028. If allowed to expire, we'd have to go through the Army Corps of Engineers for a nationwide permit and a lengthy delay. In addition, the Palm Beach Country Estates drainage study determined that there are deficiencies in the water control system based on permit requirements, so the canal work is part of due diligence. Mr. Kennedy said once we receive the bids, he will let the Board know what the project costs and financing will be should the Board decide to proceed with the project.

Mr. Kennedy added that they are working on updating the water control plan and other capital improvements are needed in Palm Beach Country Estates that may be expensive but are necessary to meet our permit requirements. Mr. Meyer asked what we are looking at in terms of assessments and what a financing timeline would be. Mr. Kennedy and Mr. Grigg said it depends on the terms of a loan, and they would look at options. Ms. Kennedy noted we are looking at some serious deficiencies in Palm Beach Country Estates. Mr. Kennedy said the drainage study identified discharge structures, weirs, and pumps that need replacement. Mr. Meyer asked if some of these projects, depending on the water control plan, resiliency studies, and grants, could be combined with the Canal C project. Mr. Grigg replied it could be a refunding bond or callable note with a shorter term. Mr. Berman said in over 45 years there has never been indebtedness to landowners without at least prior circuit court approval or referendums. He understands that the Board now has authority to do this without a referendum, but he is hesitant to move forward with indebtedness on anyone's property without their consent and feels it's wrong for the Board to do this. Mr. Kennedy said all affected landowners would be notified of a public hearing on the project; however, it is not legally required to go to referendum. Mr. Behn said the required notice would lay out project details and costs and provide for pre-payment to avoid interest and that the Board has the authority to assess capital improvement projects.

Mr. Grigg noted there is $138,000 of Intergovernmental revenue for two Loxahatchee River Preservation Initiative grants for Jupiter Farms and $75,000 is budgeted to be collected from Palm Beach County for the road maintenance work provided by the District. Driveway culvert revenues are budgeted at $66,000 for Fiscal Year 2026-27. Mr. Kennedy said they are looking at the Palm Beach County contract to ensure the District's costs are covered.

Mr. Grigg then showed a slide comparing the Fiscal Year 2025-26 budgeted revenues with the Fiscal Year 2026-27 proposed budgeted revenues. Removing the Canal C project, there is an increase of approximately $200,000. Mr. Grigg noted that the District is currently earning only .01% on investments, but he would like to consider other investments such as Florida PRIME which is a State-run investment pool that is paying about 3.7%. This could generate $100,000 to $150,000 a year. This is not currently included in the budget.

Mr. Grigg then discussed a chart showing Fiscal Year 2026-27 budgeted expenditures by fund type for the District's governmental funds. The number that will change is the water control debt service due to removal of the Canal C debt service account, which will go from $1.98 million to $1.79 million. Capital projects, water control, and road maintenance make up the majority of expenditures.

Mr. Grigg then presented slides comparing Fiscal Year 2025-2026 and proposed Fiscal Year 2026-27 water control maintenance funds for the West and East Basins. Mr. Grigg stated for this year he is doing a zero-based budget, so the transfers plus expenses should equal out to assessments. For the West Basin, we are looking at transfers of $222,500, $1.9 million in expenses, and revenues of $2.13 million. Transfers out are for the water control update as there are five gates on the West side that need repairs and there is an easement they are trying to secure at $60,000.

For the East side there are transfers of $112,500 for bridge repairs and water control plan update. Expenses are approximately $727,000 and we are proposing revenues of $840,000.

For Road Maintenance funds, Mr. Grigg showed a comparison of the road maintenance Fiscal Year 2025-26 and Fiscal Year 2026-27 budgets. The changes from this slide will include a transfer of $200,000 from the road maintenance funds to the road resurfacing capital project funds. The expenses increase from the prior year's budget for both the East and West Basins is mostly due to doubling the road materials budget based on the new road maintenance program being implemented by the District. There are also slight increases in personnel and fuel costs. We are budgeting $398,000 in expenditures for the East side and $1.1 million for Jupiter Farms.

Next, Mr. Grigg showed a graph with various types of expenditures that the District has budgeted for Fiscal Year 2026-27. Capital outlays are the majority of the proposed budget, followed by personnel and debt service, which will drop due to Canal C project's debt service cost removal. Professional staff costs are also shown.

Mr. Grigg then showed a slide with a schedule of capital expenditures that the District is planning to complete during Fiscal Year 2026-27. Again, the $2.5 million for the Canal C project is shown as the largest project. They are looking at a cost of $420,000 for a mile of road resurfacing and $226,000 for invasive tree removal on the West Side. Half of the $226,000 will be funded through the $113,000 grant from Loxahatchee River Preservation Initiative. Also included are the bridge repairs and various vehicle financing, as well as building additions and repairs. In total, it is approximately $3.9 million.

The Personnel Services slide shows the comparison of the Fiscal Year 25-26 budget and the Fiscal Year 2026-27 proposed budgets for the various personnel costs. The District is proposing a total increase in personnel costs of $68,650, which is a 3.6% increase. This increase is mostly contributed to promotions, increases to base pay for entry level positions, and performance-based increases. Executive salaries increased from Fiscal Year to Fiscal Year 2026-27 and regular salaries decreased. This is due to the District planning on making the Office Administrator position a salaried position, which resulted in an increase in salary and a reclass from regular wages to executive salaries. Life and health insurance expenses are also budgeted to increase based on conversations with our insurance provider.

Mr. Grigg next presented a slide showing the comparison of the Fiscal Year 2025-26 budget and Fiscal Year 2026-27 proposed budget for professional staff expenses. The District is proposing a total decrease in professional staff expenses of $171,370. Mr. Grigg noted this is largely due to the Chief Financial Officer taking over some of the responsibilities from the Treasurer, accounting services, and assessment roll preparation fees. The District is proposing an increase in the engineering budget of $79,930 due to engaging with Kimley Horn, who will be helping the District with grant-related projects. The District is proposing slight increases for public information and legal services, based on inflation. Ms. Kennedy clarified the money for Kimley Horn is a one-year expense and afterward it would be paid for with grant funding and Mr. Kennedy said that is the intent.

The Debt Schedule slide shows the list of the District's bonds and notes. The slide currently includes issuing debt of $2.5 million for the Canal C Realignment Phase 2 Project and the $79,274 would come off this schedule as we will not be paying any debt service for this. The 2007 series open-graded emulsified mix road debt service note will be paid off in Fiscal Year 2026-27. The potable water distribution bonds will be at $4.045 million at the end of Fiscal Year 2026-27, with three years left on the assessment.

Mr. Grigg's next slide showed the budgeted transfers being proposed for the Fiscal Year 2026-27 budget. What is missing from this slide is the additional $200,000 from the road maintenance funds transfer for both Palm Beach Country Estates and Jupiter Farms. Mr. Grigg concluded his presentation and asked the Board if there were any questions.

Mr. Berman said he looked back at the difference in assessments for dirt and paved roads. If you look at funds collected from properties for paved roads and that money had been specifically set aside for repaving, and money collected from properties on dirt roads that is used for that maintenance, in Palm Beach Country Estates we are $880,000 short to repave roads, even with the transfer of the $200,000. He understands the District is attempting to evaluate the roads more precisely as to what future needs will be. Moving forward, he would like additional segregation of funds based on projected expenses. He felt that almost all of the money has gone to maintenance of dirt roads and very little has gone towards repaving roads. There was an expectation that money would be there and it isn't. There may need to be an additional assessment for both these accounts over a period of time to meet needs and make up for lost time. Ms. Kennedy said it is currently too big of a bite, but it needs to be something that is worked on. The proposed plan will help to plan assessments over a 5-year time frame. Mr. Berman agreed. Mr. Grigg said the transfer is the first step and agrees this needs to be implemented. Mr. Kennedy and Mr. Fazio noted their new Geographic Information System equipment will be very helpful in accomplishing this goal and the Board will be apprised as the road maintenance plan is implemented. Mr. Berman said he felt when the pink roads were resurfaced, they really didn't need it, so the current repaving process needs to be further examined.

Mr. Berman has no problem with the work that needs to be done but doesn't agree with the Board's legislative authority to do projects and feels there needs to be a referendum for capital projects. Ms. Kennedy said the Board has the authority to make decisions for water control based on the welfare and safety of residents, and while public information and input is needed, we do follow the law. She felt it was not fiscally responsible to undertake a process that we are not required to do by law, especially when we are talking about increasing assessments. Mr. Meyer said we've done a lot of projects that have been assessed. Ms. Kennedy said our assessments are still indebtedness. Mr. Berman felt the difference was financing.

There being no further business to come before the Board, the meeting was adjourned at 4:06 p.m.

ADJOURNED

Recording Secretary

Approved