

## MINUTES OF THE BOARD OF SUPERVISORS

### ISLE OF PALMS SPECIAL DISTRICT

January 13, 2021

[As a result of the COVID-19 Pandemic and necessary restrictions related to public gatherings, this Board meeting was conducted outside, under the pavilion at the Isle of Palms Park on Eunice Road but could also have been attended via Skype-based audio-only teleconference. The call-in phone number was (904) 348-0303 and the Conf. ID was 972932507#]

Board President Ken Wright opened the meeting; calling it to order at approximately 1833 hours with a Roll Call of all Board members present [Agenda Item 1] at the park. Other Board members/officers present were Vice President Paul Raudenbush, Secretary Brad Radloff, Member Dave Touring, and Josh Reichert (arrived at approximately 1835 hrs.). A quorum was established with the five Board members present at the meeting. Board Attorney Wayne Flowers of Lewis, Longman & Walker (LLW) was also present at the park/meeting. Charlene Stroehlen, P.E., the Project Manager with Wood, PLC, as representative for the District's Engineer of Record to administrate upcoming dredging efforts, was neither present at the meeting nor available via call-in/speaker. There were no homeowners physically attending the meeting but there appeared to be several (5) call-in attendees that did not identify themselves. Lance Young of Brance Diversified (BDI) and Don Fletcher of Florida Dredge & Dock (FD&D) arrived at the park at approximately 1840 hrs. The meetings (as a public gathering) are normally held in a Community Meeting Room of the Pablo Creek Regional Library at 13295 Beach Boulevard, Jacksonville, FL 32246 but due to safety restrictions still in place at the library, the meeting was held outside at the above identified public park.

#### **Agenda-Specific Public Comments [Agenda Item 2]-**

As a result of a Florida Statute, *public comments of Agenda items only* (no general items) are to be taken prior to addressing the Meeting Agenda. There were no public comments on any of the Agenda items from homeowners - either present (if so) or from those that may have called-in to the meeting.

#### **OTHER AGENDA ITEMS**

3. Vote on approval of the Meeting Minutes from the December 9, 2020 Board meeting.

**MOTION:** To approve the minutes of December 9, 2020 Board meeting, by KWright.

**The motion was seconded by PRaudenbush and PASSED unanimously by the Board members present.**

4. Treasurer's Report. PRAudenbush provided an update to the Treasurer's Report for this meeting and reported the District's bank balance at \$1,433,143.31, as of December 31, 2020. There was one bill(s)/invoice(s) needing approval for payment: (1) \$5,212.38 to LLW for the month of December legal fees/expenses. As a special note, there is a dual signature requirement that is in place for all checks/bill payments.

**MOTION:** To approve the payment to LLW, as described above, by KWright.

**Motion seconded by BRadloff and PASSED unanimously by the Board members present.**

For the monthly summary/update regarding the Budget Report, there was no discussion since amendments were made to the budget at the June 2019 meeting to reflect more accurate line items for engineering, auditing, and insurance fees. The general intent of said report is to facilitate the reporting/accuracy of the current year's budget and preparation for projecting the upcoming fiscal year's budget and will be very useful closer toward the end of the fiscal year.

5. Status of Brance Diversified (BDI) compliance with Bid Documents. [HISTORY: The one and only contractor submitting a bid for the project, FLD&D, informed the Board, shortly after submitting, that they wanted to pull out of the project but assign their contract to Brance Diversified, Inc. (BDI), whom was named as a subcontractor in their bid submittal to the District. The Board discussed the prospect of the new information, along with the associated legal aspects, and determined that either the entire bidding process would have to be re-initiated or go through with the award of the project to FLD&D and officially allow the assignment of the project to BDI pending the completion of a new due diligence process directed toward BDI. If the assignment of the contract was to be made, it would have to be done simultaneously with FLD&D and BDI. Also, this new information regarding the assignment of the contract basically nullified the clarification of ways and means requested by the Board from FLD&D since the primary method of dredging would go from a combination of hydraulic dredging and mechanical dredging to mechanical alone; however certain aspects, such as how the individual/private dredging would be done and charged would still need to be addressed. PRAudenbush indicated that we would likely need to obtain a determination from the COJ-OGC as to whether the assignment can legally occur or not. WFlowers indicated that a Notice of Intent to Award can occur which would allow the 45 day negotiation period and determining whether BDI qualifies, if the Board determines that they would want to allow the assignment of the contract from FLD&D to BDI. A Committee was formed, which consisted of Board Members PRAudenbush and DTouring, to represent the Board during negotiations with FD&D and BDI (outside of regularly scheduled Board meetings) in an effort to determine whether it is feasible for the Contract, if it is awarded to FD&D, to be assigned BDI. As such, the committee was to bring the proposed/negotiated terms back to the Board to

discuss approval of the assignment or not. At the November meeting, PRAudenbush reported that such meetings/negotiations had not occurred prior to the meeting, so such discussions were deferred by the Board until such negotiations had occurred. However, PRAudenbush did report the receipt of a letter (copies of which he distributed to Board members) from FD&D, dated November 11, 2020, that indicated the following “items that are still under negotiation:” (1) Homeowner waivers in areas where at least a 25 foot dredge template cannot be achieved while staying 10 feet from any structure, (2) approved canal closures as required by contractor, (3) 7 day a week/daylight hour schedule approval by District, (4) approval of assignment of contract for BDI. Upon approval and execution of assignment BDI will deliver Bonds and insurance to the District, and (5) Homeowner dredging contract conditions. During the December Board meeting, PRAudenbush reported that a meeting to negotiate the indicated items (above) was set up for December 1, 2020 between the IOPSD Committee members, Lance Young with Brance Diversified (along with their Legal Counsel and Insurance Representatives), and the District’s Legal Counsel WFlowers of LLW. Subsequent to the negotiation meeting WFlowers distributed revised contract documents to Board members prior to the December Board meeting for review and possible approval at said Board meeting. PRAudenbush also reported at the December meeting that there were seven items “reviewed and discussed” during the December 1<sup>st</sup> negotiations meeting and included:

- 1) Homeowner waivers for when the contractor gets within 10 feet of the dredge template and the language in the waiver that would need to be approved.
- 2) Canal closures and a schedule of closures for a potential 42 week program.
- 3) Contractor’s request to work 7 days per week but with some limitations/conditions on weekends/holidays.
- 4) Approval of Assignment Agreement language and still requires to be executed when to the Contact is signed by FD&D.
- 5) Homeowner/Contractor Agreement/Conditions for when additional individual dredging is done using the Contractor’s form. The Board does not have an issue with their own form but the Board will have to be provided a copy of each Homeowner’s signed Agreement and the dredging for the individual homeowners will still have to follow the overall District Agreement Terms and Conditions. An issue with the definition of “Structures” in the contract needed to be clarified relative to the off-set distances of 5 feet and 10 feet and whether docks, bulkheads, or bulkheads are structures. Some discussion ensued between the members, WFlowers, and Lance Young to address/adjust language in Agreement and some related possible waiver issues.
- 6) Liquidated damages clause issues for actual and engineering.
- 7) Contractor request to bill/invoice based upon quantities for every 3000 linear

feet of dredging, as opposed to an entire canal/reach.

Modified contracts had already been returned, with the above mentioned items, to the Contractor for their signature but nothing had been heard back from them, as of the day of the December Board meeting. A motion to approve the negotiated changes to the Contract Documents was passed by the Board.] For this January 2021 Board meeting, PRAudenbush reported that Lance Young from BDI and Don Fletcher from FD&D were intended to be present at this meeting (actually arrived at approximately 1840 hrs.) to execute the final Contract Documents, including the assignment of the contract to BDI from FD&D. WFlowers presented the final documents once BDI and FD&D arrived and all necessary signatures were made after questions, clarifications, and any new adjustments to the contract language were addressed during the procedure. At this time, Lance Young expressed his concern over not separating payments for the primary dredging (down the center of the canal) from homeowner payments for providing personalized dredging. In other words, he wants to close out and finalize all payments, including the retainer, for the primary dredging before starting the personalized dredging. Also, a "Notice to Proceed" was estimated to be issued on or about March 1, 2021. BDI and FD&D departed the meeting at approximately 1855 hrs.

6. If appropriate, in light of above Agenda items, discuss timing of Notice to Proceed. This Agenda Item was deferred until such time that the financing has been completely secured and closed-on.
7. Report on response of Wells Fargo financing for dredging project. PRAudenbush reported that Wells Fargo has issued a letter of commitment to provide financing for this project but still requires certain documentation (i.e., draw schedules, bond documents) to complete their due diligence requirements that will need to be obtained from the Contractor (BDI) once the contract documents have been dually executed (which was completed during this Board meeting as a matter of Agenda Item 5.). PRAudenbush also briefly summarized some of the loans details, such as, a loan of amount of 3.3 million plus, an interest rate of less than 4%, and payback period of 10 years.
8. Report on negotiations and discussion re: finalizing Engineer to oversee dredging. PRAudenbush indicated that he and Charlene at Wood have already reviewed the scope of services that will be needed based upon the dredging contractor's current schedule and Charlene indicated that she would have a revised Proposal to provide the needed engineering services to administrate the dredging contract by the end of January, possibly by the 25th. She also indicated that Wood will have a local engineer that will check-in on the project on a weekly basis and she will come out monthly as the Engineer of Record.
9. New Business. (1) Pursuant to the Board's desire to hold the monthly meetings in an interior location, BRadloff indicated that, after talking to the owner of Angie's Sub Shop (Angie's)-Ed Malin, the District's meetings can be held there at the normal 2<sup>nd</sup> Wednesday of each month at 1830 hrs. At this time, this location would be considered temporary until the library location reopens. WFlowers indicated that BRadloff provide

the address to him so that he can publish the necessary meeting dates. The address for Angie's is 1436 Beach Blvd. in Jacksonville Beach, FL 32250.

**MOTION:** To authorize KWright to get the paperwork going pursuant to removal of said vessel, by PRaudenbush.

**Motion seconded by KWright and PASSED unanimously by the Board members present.**

(2) KWright brought up the fact that there is still a sunken vessel in the canal to the north of Plumosa which will require removal before dredging of that canal can occur. He reminded the Board members that the District has authority to pay for the removal of the vessel and assess the cost back to the owner of the property where the vessel is sunk. However, he suggested that he be allowed to send a notification letter to the property owner that the vessel must be removed or other authorized actions may have to be taken.

**MOTION:** To authorize KWright to send a notification letter to the homeowner indicating that the vessel must be removed or the District will take action, by KWright.

**Motion seconded by PRaudenbush and PASSED unanimously by the Board members present.**

### ***General Public Comment -***

There were no other comments from the public at the end of the meeting (comments/questions were taken during the meeting, if any).

### ***Adjournment -***

KWright adjourned the meeting at 1904 hrs.

### ***Future Meeting Dates -***

Meetings are held on Wednesdays at 6:30 PM, normally at the "Pablo Creek Regional Library," 13295 Beach Blvd. Jacksonville 32246 but currently are being held at the park location indicated earlier in this document; for the dates listed below **[however, because of the uncertainty revolving around the ever-changing restrictions placed on public gatherings, please check the District's website ([isleofpalmsjax.com](http://isleofpalmsjax.com)) for any updates to the location of the upcoming meeting]:**

February 10, 2021

[Future meeting dates for the 2021 calendar year will be posted on the District website and published on a month to month basis, hopefully, only for the near future]