

MINUTES OF THE BOARD OF SUPERVISORS

ISLE OF PALMS SPECIAL DISTRICT

October 14, 2020

[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, and Member Dave Touring. Member Josh Reichert initially joined the meeting via call-in/speaker but then became physically present at about 1848 hours. A quorum was initially established with four Board members present at the meeting and then the total five members after JReichert's arrival at the park. Board Attorney Wayne Flowers of Lewis, Longman & Walker (LLW) joined the meeting via call-in/speaker. 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 not present at the meeting nor available via call-in/speaker. There was also one dredging contractor representative (Brance Diversified) present at the meeting along with Stanley Pipes of HWSD. There was one homeowner physically attending the meeting and several calling in with only two identifying themselves as Donna and Bruce Randall from the Moorings. 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 or from those that may have called-in to the meeting.

OTHER AGENDA ITEMS

3. Vote on approval of Meeting Minutes of the September 9, 2020 regular Board meeting and of the September 16, 2020 Special Board meeting.

MOTION: To approve the minutes of both the September 9, 2020 regular Board meeting

and the September 16, 2020 Special Board meeting, by KWright.

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

4. Treasurer's Report. PRAudenbush had no data to provide an update to the Treasurer's Report for this meeting (the District's bank balance as previously reported at the September meeting was \$1,268,702.97, as of August 31, 2020). There was one bill(s)/invoice(s) needing approval for payment: \$1,737.38 to LLW for the month of September 2020 legal fees. As a special note, there is a dual signature requirement that is in place for all checks/bill payments.

MOTION: To approve the payments 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. Report re: Insurance obligation to defend IOPSD. After checking with the District's insurance carrier, KWright indicated that for purposes of potential law suits and defense related to bulkhead, etc. damage during dredging operations, the District and the Board members *are* covered by the current insurance policy, barring any special circumstances. Member DTouring had a concern over who has control over the proceedings of a law suit, the insured or the insurance company, and if it is the insurance company, would the District have any "say" in the matter. KWright indicated, based upon his legal experience regarding just these types of law suits, that basically, the insurance has control since they would be paying for the defense and that likely the District would not want to interfere with the proceedings.
6. Report on negotiations and discussion re: finalizing Engineer to oversee dredging. PRAudenbush indicated that the Board still needs to address the level of service required of Wood, but since the Board has not finalized the selection of a dredging contractor (need to see what their services will include); he once again suggested waiting until the selection of a contractor is complete before determining the scope of services from Wood.

7. Florida Dredge & Dock (FLD&D) Bid Due Diligence: a) Report on References/Jobs Completed and b) FLD&D response to the Board's inquiries re: resident ingress/egress, impact of any residual solids in the water transfer spoil site, and details regarding additional residential dredging. Initially, KWright reported on his due diligence work to contact/interview the references FLD&D provided (by going over a list of those he contacted and their individual responses), as required by the bid solicitation, and indicated that he received good reports on FLD&D, based upon response and service. However, he also indicated that after conducting the due diligence, he learned that the one and only contractor submitting a bid for the project, FLD&D, informed the Board 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.

MOTION: To issue a Notice of Intent to Award the contract to FLD&D, pending appropriate due diligence with BDI, by KWright.

Motion seconded by PRAudenbush, and PASSED unanimously by the Board members present.

Subsequent to the motion, it was decided that a two-person committee be setup with published meetings so that two Board members could meet together to discuss the prospect of the assignment/negotiate with BDI and obtain necessary due diligence and legal information from BDI, etc. PRAudenbush and DTouring volunteered to complete the committee tasks. Also, PRAudenbush indicated that he asked WFlowers to look into receiving a determination of whether the contract can be assigned to another contractor from the COJ OGC.

8. Status of the RFI to Banks for dredging project. PRAudenbush reported that from the RFI, two banks responded - Wells Fargo Bank and Ameris Bank. The Board doesn't

have to move on this yet since the selection process for the dredging contractor is not complete. Based upon his review of the two proposals, PRAudenbush indicated that he thought Ameris had better terms. But since only one of the proposals was forwarded to the other Board members, selection of a lender for this project was deferred until next meeting. PRAudenbush indicated that would distribute the other proposal to the rest of the board members.

9. Discuss and vote on issuance of Notice of Award for the dredge project. Basically, this Agenda Item was already addressed and voted on during Agenda Item VII above.
10. New Business. Due to the difficult [COVID-19] nature of securing an indoor space for future Board meetings, KWright asked if anybody had any ideas as to where the District could hold its meetings until the Library space opens back up. If anybody can come up with something, the Board would be open to suggestions or it may just be something as simple as changing the meeting day to circumvent the noises related to the food trucks that come to the park on Weds.

General Public Comment -

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

Adjournment -

KWright adjourned the meeting at 1907 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; 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) for any updates to the location of the upcoming meeting]:**

November 11, 2020 December 9, 2020