

MINUTES OF THE BOARD OF SUPERVISORS

ISLE OF PALMS SPECIAL DISTRICT

December 9, 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 1830 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 Josh Reichert. Member Dave Touring was not able to make the meeting either in-person or via call-in/speaker. A quorum was established with the four 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 call-in attendees that did not identify themselves. A representative from The Moorings' dredging committee indicated that he called in and Lance Young of Brance Diversified was present at the park. 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 November 11, 2020 Board meeting.

MOTION: To approve the minutes of November 11, 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 \$1,360,249.58, as of November 30, 2020. There were five bill(s)/invoice(s) needing approval for payment: (1) \$750.00 to LLW for the month of November legal fees and (2) reimbursement of \$215.95 to VP PRAudenbush for Web.com and management of the District's website, (3) \$22,300.00 to Arc Surveying and Mapping, Inc. (ASM) for the recent bathymetric survey, (4) \$197,916.67 to the HWSD as 2nd installment payment to use their spoil site, and (5) \$175.00 to the FL Department of Economic Opportunity (FLDEO) for their annual fee. 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, PRAudenbush, ASM, HWSD, and FLDEO, 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 by Committee re: Florida Dredge & Dock (FD&D) Bid Assignment to Brance Diversified (BDI) and associated due diligence on BDI. [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.] For this 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 this Board meeting for review and possible approval at this Board meeting. PRaudenbush also reported that there were seven items "reviewed and discussed" at the December 1st 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 have already been returned, with the above mentioned items, to the Contractor for their signature but have not heard back as of the day of this Board meeting.

MOTION: To approve the changes to the Contract Documents, as provided by the negotiations committee and as presented by WFlowers, along with minor modifications discussed at this December Board meeting, by KWright.

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

6. Vote on assignment to BDI. Board members discussed the finalized Assignment Agreement and having no issues with it, motioned to approve the assignment.

MOTION: To approve Assignment of the Contract with FD&D to BDI, by PRAudenbush.

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

7. If appropriate, in light of above Agenda items, discuss timing of Notice to Proceed. This Agenda Item was deferred until such time that the Contract, with the dredging contractor, has been finalized/executed.
8. Discuss response of banks to RFI to finance for dredging project. [*HISTORY:* PRAudenbush's report from last month's Board meeting reiterated that the District only received two responses interested banks - Ameris Bank and Wells Fargo Bank. However, he also indicated that recently Ameris informed him that, at that time, they would be retracting their offer to underwrite for the District for various reasons but that if anything changes in the near future, they would contact the District. WFlowers suggested contacting Florida of League of Cities for help with lending. PRAudenbush indicated that he would get back with Wells Fargo and KWright indicated that he would contact Florida League of Cities.] For this December Board meeting, PRAudenbush reported that Wells Fargo seems interested but still requires certain documentation such

as Contractor info. and Bond/Insurance documents before going forward. PRAudenbush also brought up a discussion regarding whether the District needed a Tax ID number or not and as gov't entity, it would appear not but he has been asked for that constantly. KWright also reported on his findings with the FL League of Cities and suggested that they initially seem to have high costs associated with applying for loans through them but also indicated that with a tax exempt status they would be able to work better with the District. Some discussion ensued on various aspects of bonds and tax exempt status between the Board members and WFlowers. KWright said he left it with them that he would have to get back to the Board to discuss and basically indicated that we would get back with them at the appropriate time if the Board was inclined to go in their direction.

9. Report on negotiations and discussion re: finalizing Engineer to oversee dredging. PRAudenbush indicated that he has contacted Charlene at Wood and has asked her based upon the newly determined scheduling with the Contractor to provide the Board with an updated Proposal for their part in the dredging operations. KWright asked if there was indication from Wood as to who, in terms of an Engineer overseeing the project, would be assigned to review invoices/payments to the Contractor. It was determined that someone on Board or associated with the Board would need to volunteer to keep up with the review of invoices, etc. for approval. PRAudenbush indicated that he would take on the duty of the Board representative to interface with the Contractor and review/approve invoices.

10. Establish and publish meeting dates and place for 2021. JReichert indicated that he did not have good news regarding meeting at the Library yet but would follow-up with the Library to see if they have any idea when that might open up again and possibly checking into a nearby school, like Alamicani on San Pablo Rd. As for now the meetings are to stay at the Park for the 2nd Weds of the month and the next meeting will be published for January 13, 2021. On-going meeting dates/places will be published from one meeting to the next until a more permanent indoor location can be established.

[*HISTORY:* Due to the difficult [COVID-19] nature of securing an indoor space for future Board meetings, the Board is looking for suggestions from anyone that might have any ideas as to where the District could hold its meetings (other than the park) until the Library space opens back up.]

11. Obtain information from the Board on Records Management Compliance (Record Retention per State law). KWright has to make a report to the State regarding such records management and specifically asked each Board member whether they are properly retaining all records associated with the District, have not destroyed any of the same, and indicate whether any member's addresses have changed or not. All members present (DTouring being not present would have to be asked separately another time) indicated compliance, as such.

12. New Business. None

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 1912 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) for any updates to the location of the upcoming meeting]:**

January 13, 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]