

MINUTES OF THE BOARD OF SUPERVISORS

ISLE OF PALMS SPECIAL DISTRICT

February 10, 2021

[As a result of the COVID-19 Pandemic and necessary restrictions related to public gatherings, Board meetings are temporarily not held at the San Pablo Public Library, as their meeting rooms have not been reopened yet. Recently, space within the Angies' Subs Shop has been reserved for the Board meeting where mask-use and/or spacing guidelines can be observed, if necessary. The Board meeting 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 Angies' Subs. Other Board members/officers present were Vice President Paul Raudenbush, Secretary Brad Radloff, Member Dave Touring, and Josh Reichert. 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 Angies. 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 five homeowners physically attending the meeting and several there appeared to be several other 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 January 13, 2021 Board meeting.

MOTION: To approve the minutes of January 13, 2021 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 \$1,444,349.20, as of January 31, 2021. There was one bill(s)/invoice(s) needing approval for payment: (1) \$2,075.00 to LLW for the month of January 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. Vote on whether to accept bid. [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 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 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. During last month's meeting, PRAudenbush reported that Lance Young from BDI and Don Fletcher from FD&D were to attend the meeting (and did but arrived a little late 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.] For this February meeting, PRAudenbush reported that all the documents (from the Contractor), as required by the bank for financing the project, have been submitted to the Bank and the Bank indicated that they are satisfied with the contract documents and that they approve of said contract documents.

MOTION: To execute the dredging contract documents, which have already been signed by FD&D/BDI, as described above, by PRAudenbush.

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

6. If appropriate, in light of above Agenda items, discuss timing of Notice to Proceed. PRAudenbush reported that, although at this point in the contract settlement with BDI a Notice to Proceed (NTP) could be issued, the financing arrangements have not been completed quite yet. He continued that the underwriting is substantially complete, however, there is some question as to whether or not the HWSD spoil site has been permitted by the State to accept any spoils from the IOPSD, as yet, or if that is even an issue (The District's Engineer of Record, Wood, indicated that a permit is needed by HWSD but apparently HWSD indicated that they can accept spoils anyway or that it will be permitted when ready). Either way, WFlowers indicated that likely the Bank will want to see some kind of paperwork from the State indicating that the spoil site is ready to accept spoils from the District. Based upon discussions, it was determined that the

District was not ready to issue a NTP anyway because the financing is not complete. Some additional discussion ensued on this issue between the Board members. This Agenda Item was then 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. WFlowers provided a summary of how the financing/loan arrangements typically proceed and what the timing (in terms of how quickly the bank will be ready) might be in order to decide when to issue the NTP. Some discussion ensued on this issue between the Board members. This item was partially discussed in Item 6 above, indicating that the financing is not quite complete but almost there.
8. Report on whether to accept Wood Engineering Contract to oversee dredging. PRAudenbush indicated that Wood's revised proposal was emailed to all the Board members prior to the meeting and asked for any comments or questions. Some discussion ensued and some clarifications made about the proposal. One of the main issues brought up was the weekly inspection by a local engineer and Charlene Stroehlen indicates in the Proposal that Wood will have a local engineer weekly and she will come out monthly, coincidental to the monthly Board meetings. Subsequent to the discussion, PRAudenbush motioned to approve the Wood's Proposal, as presented.

MOTION: To approve Wood's Engineering Proposal/Contract, as described above, by PRAudenbush.

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

9. Discussion of Proposed Letter to IOP Residents to Notify them of Dredging. PRAudenbush provided a draft letter that he emailed to all the Board members prior to the meeting. A discussion ensued regarding some of the language of the letter and some typos. Also, the issue of whether a "structure" has been defined in the contract or not, as was discussed in the December meeting. So, apparently, the contract was not changed to reflect what was included or not included (i.e., floating docks) in the definition of a "structure", as discussed in the December meeting. The Board members decided that the language in the letter, regarding floating docks would stay as written since the contract did not indicate the difference. Other minor revisions to the draft letter were discussed.
10. Preliminary discussion of Proposed Budget for 2021-2022 FY (proposed budget attached). KWright brought up the subject budget with some changes to reflect to upcoming adjustments that will be necessary once the dredging is underway. Some questions, comments, and timing were discussed. PRAudenbush suggested increasing the engineering budget a little. After the discussion, KWright motioned that budget be approved with the suggested adjustment (increase the engineering budget to \$80,000.00).

MOTION: To approve the preliminary 2021/2022 FY budget, as described above, by KWright.

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

11. New Business. Regarding the notification letter KWright prepared and sent to the homeowner that has a sunken vessel/sailboat at their property and that they need to have it removed prior to initiation of the dredging project, KWright brought up that the letter was sent but he has heard nothing back, as yet.

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 1905 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 are currently being held in Angies’ Sub Shop at 1436 Beach Blvd. in Jacksonville Beach until further notice; 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]:**

March 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]