

## MINUTES OF THE BOARD OF SUPERVISORS

### ISLE OF PALMS SPECIAL DISTRICT

July 13, 2022

Board President Ken Wright opened the meeting; calling it to order at approximately 1830 hours with a Roll Call of all Board members present at the San Pablo Public Library. Other Board members/officers present were Vice President Paul Raudenbush, Secretary Brad Radloff, and Member Josh Reichert. Member David Touring could not attend. A quorum was established with four Board members present at the meeting. Board Attorney Wayne Flowers of Lewis, Longman & Walker (LLW) and Charlene Stroehlen, P.E., the Project Manager with Wood, PLC, as representative for the District's Engineer of Record to administrate the dredging efforts, and her Assistant Project Manager, Leah Torres, were also in attendance at the meeting. Lance Young of Brance Diversified, Inc. (BDI), the dredging contractor, did not attend, however was represented by the presence of his attorney, Lindsey Brock, at the meeting along with a professional court reporter, Elise Cashman, and hired by Mr. Brock and five members of the BDI crew. There was 1 homeowner from the District physically attending the meeting and no unidentified call-in attendee(s). The meeting was held in a Community Meeting Room of the Pablo Creek Regional Library at 13295 Beach Boulevard, Jacksonville, FL 32246 but could also have been attended via Skype-based audio-only teleconference. The call-in phone number was (904) 348-0303 and the meeting ID 809 721 327.

#### **Agenda-Specific Public Comments [Agenda Item 1]-**

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**

2. Vote on approval of the Meeting Minutes from the monthly Board meeting of June 8, 2022.

**MOTION:** To approve the minutes of the Board meeting held on June 8, 2022, by KWright.

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

3. Treasurer's Report. PRAudenbush provided an update to the Treasurer's Report for this meeting and reported the District's bank balance [combined balance bet. two accounts-Wells Fargo and SunTrust] at \$ 901,798.81, as of July 13, 2022. There were two new bill(s)/invoice(s) needing approval for payment: (1) \$599.00 to Wood, PLC for engineering charges during June 2022 and (2) \$2,250.00 and \$1,469.50 to LLW, two separate invoices for June and July charges, respectively. As a special note, there is a dual signature requirement that is in place for all checks/bill payments. Also, now that the District has obtained a loan for the dredging, all the dredging invoices have to be pre-reviewed by the Bank prior to providing the funds to the District to make the payments.

**MOTION:** To approve payments for the Wood and LLW invoices, as described above, by PRAudenbush.

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

4. Review dredging progress, follow-up on status since last meeting. [**HISTORY:** At the last meeting in June meeting, PRAudenbush and WFlowers provided any updates to communications with BDI and/or Lindsey Brock which was little to none since Lindsey Brock's submittal of BDI's Change Orders shortly after the May meeting. PRAudenbush provided a brief summation of where the District currently is after having received BDI's change orders, IOPSD issued the NoD, rejection of certain of BDI's change orders (#4), dispute resolution between the District and BDI, and BDI's plan for recovery. More discussion was held between Board members regarding the legalities revolving around addressing BDI's non-responsiveness to the contract, their recovery from the dispute, and potential mediation proceedings. WFlowers went over the contract process for attempting to resolve any disputes that arise under this contract and the timelines associated with those.

KWright and BRadloff suggested that the Board should specifically go over the Change-orders, at the June meeting, in an effort to allow PRAudenbush to know how to respond back to BDI and Lindsey Brock. Opinions from various Board members seemed to be generally in agreement that most of the change-orders were not acceptable but that given certain assurances from BDI that they will complete the dredging in a timely fashion, the District *might* consider agreeing to portions of a change-order, in an effort to keep the dredging going and remove as much sediment as possible. After much discussion, KWright passed out a draft counter-response to BDI that he wanted the Board to consider for the next meeting in July. It outlined, in detail, his perception of where he thought the District and the project/contract stands, what the District's options might be going forward and where the District would like to be in the near future. After much discussion, it was decided that a counter change-order from the District to BDI should be withheld pending the timeline for BDI to provide their recovery plan with

change-orders and that until then the Board members will individually review KWright's draft C.O. for consideration at the July meeting.] At this July meeting, KWright began the discussion for this agenda item by indicating that a letter, dated June 15, 2022, was received from BDI that was intended to be a "recovery plan" in response to the District's issuance of a Notice of Default, dated May 16, 2022, and summarized said letter. He also indicated that he thought that the content of the letter was inaccurate in many respects and PRAudenbush agreed. KWright and PRAudenbush brought up some of the BDI proposed change orders and how the Board may or may not agree with the said change orders, either in whole or in part. KWright suggested that a meeting should be arranged between BDI and their lawyers and a team from the District's Board to sit down and try and work something out. According to Mr. Brock, BDI asserts that the District changed the dredge template after the initial Change Order #1 (to change the template which, actually, was at BDI's request) and none of the Board members have any recollection of any such additional template change nor is there any documentation to indicate such. PRAudenbush suggested that much of what BDI thinks are disparities with the contract are primarily based upon misunderstanding and miscommunication and that by simply clearing up these misunderstandings and just following the contract, the dredging might be continued. Mr. Brock also indicated that there is confusion about what depth the contract calls for to be completed, either 5' or 6' at mean low tide, and where the dredging is to be completed, down a swath in the center of the canal or basically all over. Some discussion ensued between Mr. Brock and the Board to try to come to some understanding on those aspects of the dredging. Charlene Stroehlen, with Wood, provided a definition for "over-dredge" pursuant to the ACOE Permit issued for this project. Mr. Brock also brought up BDI's case for the additional costs and why he thinks the Board should consider paying said costs.

**MOTION:** To appoint KWright and PRAudenbush to arrange a meeting with BDI to sit down together and figure out, in detail, what is going to work for both parties to get this dredging contract completed, as described above, by KWright.

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

5. Update on getting cost share from the City. DTouring was not present at this meeting to provide an update on this effort. However, at the June meeting, he indicated that the District has already been reimbursed now for the first submittal of District expenses related to this dredging effort and has another submittal pending for an amount of \$182,668.95 that when paid will total over \$332,230.00 of reimbursed expenses, representing approximately 43% of the total Cost-share that was made available to the District. Good efforts by DTouring who indicated that there should be plenty more expenses that can be collected in the future to apply for even another reimbursement.

6. Assessment for FY 2022-2023, discussion and Notice. As a matter of annual routine, prior to the beginning of the new FY, the Board must determine whether to raise, maintain, or reduce the annual assessment for the District. Since the maximum allowable assessment has been reached (by Ordinance), the Board can only maintain the current assessment of \$1,000.00 or reduce it, if justified. General discussion between Board members indicated that because the District is in the middle of completing the current dredging effort there is agreement that the assessment should be maintained. A Hearing was held at this July meeting where a vote was held, between Board members, to make the current assessment official for another year and to adopt the current tax roll for the properties being assessed. WFlowers provided the Resolution 22-02 to be voted on and executed for submittal to the COJ. There were no public comments on the assessment approval for FY 2022-2023.

**MOTION:** To maintain the current assessment of \$1,000.00 for FY 2022-2023 and to adopt the corresponding tax roll as set forth in Resolution 22-02, by KWright.

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

7. 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 1856 hrs.

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

Meetings are held on the second Wednesday of the month (6:30 PM), at the "Pablo Creek Regional Library," 13295 Beach Blvd. Jacksonville 32246. **It is recommended to check the District's website ([isleofpalmsjax.com](http://isleofpalmsjax.com)) for any updates to the location of the upcoming meetings.**

Future meeting dates listed below:

August 10, 2022   September 14, 2022   October 12, 2022   November 9, 2022

December 14, 2022