

MINUTES OF THE BOARD OF SUPERVISORS

ISLE OF PALMS SPECIAL DISTRICT

March 18, 2014

Board President Jason Sessions opened the meeting and called it to order at approximately 1833 hours. Other Board members/officers present were Vice President Ken Wright, Treasurer Matt Kwartler, Secretary Brad Radloff, Board member Tim Pacheco, and Board Attorney Wayne Flowers of Lewis, Longman & Walker (LLW). Approximately 20 homeowners of the District attended. Joe Wagner, P.E. of Taylor Engineering attended to present the results of the canal bathymetric surveying.

Agenda-specific Public Comment-

As a result of a new Florida Statute, public comments of agenda items only (no general items) are to be taken prior to addressing the Meeting Agenda. As such, a call for such public comments was made at this time. There were no comments made from the public regarding agenda items.

AGENDA ITEMS

First Order of Business - Approve the Minutes of the February 18, 2014 Board meeting

MOTION: To approve the minutes of the February 18, 2014 Board meeting, by JSessions.

The motion was seconded by MKwartler and passed unanimously by all Board members.

Secondary Business/Issues -

1. Treasury Report by MKwartler. Update on funds received from the COJ and outstanding bills. The District received funds from the COJ twice since that last meeting -- \$330.99 on Feb. 26 and \$2,006.23 on Mar. 6. He also reported that the District's current bank balance was \$129,966.52. There was one outstanding bill from LLW for \$675.00 (Inv# 98858) and Kwartler made a motion to pay said invoice.

MOTION: To approve payment to law firm Lewis, Longman & Walker, P.A. for monthly fees in the amount of \$675.00 (Inv# 98858, dated March 7, 2014).

The motion was seconded by JSessions and passed unanimously by all Board members.

At this time, JSessions wanted to make as a matter of record, with regard to invoices that are generated on behalf of the District, that said invoices shouldn't be address to Sessions Realty (Taylor Engineering had addressed one that way) but instead 'Isle of Palms Special District.'

KWright also wanted update the Board on receiving and paying an invoice to the insurance company that is insuring the Board for liability. He has not received an invoice as yet, even after some prompting of the agent, but apparently by telephone he was told it is forthcoming AND that the Board shouldn't worry, it is bound and covered.

2. The next item on the agenda was discussion of the surveying results, however, KWright requested that an item further along on the agenda be addressed, at this time, since it may be a shorter discussion than the survey. This item was the "discussion on finding a way to stop or mitigate the deposition of material into the central area canal by a creek near its confluence with the intracoastal" by a resident (Mark Vitry) from that Central IOP canal. Mr. Virty summarized the situation briefly. JSessions suggested that similar situations are also present at several areas around the canal system and that this is going to be on-going issue as the District moves along the dredging and that although this is a topic that will need addressing at some point, it is going to be something that will need to be discussed over time to determine what our options are. BRadloff informed the Board that during the ACOE meeting that he and Joe Wagner attended (to discuss extending the District's current permit), this issue was brought up to see how the ACOE would treat solutions to this problem. The discussion was turned over to Mr. Wagner who suggested that the ACOE is open to solutions that would address problems such as this but that studies need to be done to show the cause(s) of such sedimentation and then engineering solutions can be based up that. That being said, any such engineering solutions would need to approved through the ACOE and be totally sensitive to the marsh, wetlands, natural processes, etc. (in general, the affected environment) in the area needing a remedy. Subsequent to Mr. Wagner's discussion, other residents (Board member TPacheco, Board Pres. JSessions, Don Smith, Greg Lawrence, Board VP KWright) having similar problems spoke to discuss their situations and thoughts on the issue with various discussions on possible solutions, costs, permitting, and timing. The main question was, as a maintenance dredging District - Do we want to fix problems or dredge canals?

3. Discuss Survey Results. For this agenda item, Joe Wagner with Taylor Engineering, hired by the Board to handle the engineering aspects necessary to actually get the District dredged at some point, including but not necessarily limited to obtaining surveying services, calculating dredging volumes, presenting illustrations indicating areas needing dredging, and managing dredging operations, etc. At this time, Mr. Wagner was prepared to present the first surveying results recently conducted (first time since the last dredging) in the form of aerial boards with color coding indicating the thickness of sediments above our permitted target depth of “five feet of water at mean low tide” and a Power Point presentation that provided preliminary information about how the surveying was conducted, what the aerials boards meant, a discussion of each of the boards covering every area/canal in the District, estimated volumes of sediment needing removal in each area, where do we go from here, what are calculated costs based upon certain assumptions (primarily dredging everything all together and depositing dredged material at a spoil site that is readily available), and several detailed real-world examples in the region showing volumes, spoil sites, costs, etc.

Specifically for IOPSD, relating to the completed scope of services approved by the Board to this point (for this presentation), Mr. Wagner suggested that based upon the current dredging and calculations made by Taylor Engineering, there is **a total of 79,300 cubic yards** of sediment that would require dredging (based upon the five feet of water at mean low tide datum point). He also suggested that the amount of material needing to come out to bring the canals back to the target depth calculates to **an average thickness of one foot**. Probably **costs to dredge**, based upon dredging all the canals at the same time (of 80,000 cubic yards by mechanical means) is **\$1,560,000.00**, including dredging contractor and sediment disposal (not including engineering fees for permitting, bid administration, construction management, etc.).

Mr. Wagner also summarized the results of the meeting with the ACOE to discuss extending the permit beyond May 14, 2014 to continue our maintenance dredging needs. Unfortunately, the ACOE indicated that the permit could not just be extended without going through a review and engineering process. Basically, the only certain aspects permit would have to be redone as long most of the parameters for the current permit stay the same such as the lots included in the permit and the targeted dredge depth. As such, there will be a minimum time lag of six months, maybe up to eight months, to obtain approvals for the new permit. Of course, these additional permit requirements will require additional engineering costs.

4. Budget Discussion. WFlowers informed the Board that in order to the meet the deadline for a budget submittal to the COJ, it will be necessary for the Board to finish discussions on the budget and vote on a resolution to adopt one. During

the February Board meeting, adjustments were made to budget for the upcoming fiscal year and the most current proposed budget posted on the website for review by everyone. The question arose as to when the issue of possibly increasing the assessment (up to another \$100.00 per year) should be addressed - before approving a budget or after. WFlowers suggested that it would be up to the Board but that if the Board thinks there is going to be an increase then include it then, if it does not happen, submit an adjustment to the budget at a later date. The Board decided to go ahead and include the new assessment in the budget, based upon the fact that it could be changed later. After some discussion on how to adjust the budget to account for new engineering fees going forward, KWright motioned to approve the 2014-2015 budget at which time WFlowers informed the Board that he had prepared a Resolution as "Exhibit A" to signed by the Board Chair and attested by the Board Secretary for submittal to the COJ.

MOTION: To approve "Exhibit A" of the Resolution to adopt the budget for Fiscal year 2014-2015.

The motion was seconded by TPacheco and passed unanimously by all Board members.

5. The Board decided to go ahead with a preliminary idea as to what each Board member's opinion is and how he might vote during an official public hearing coming up for the May 13 Board meeting. Each of the members briefly discussed their thoughts on the matter. JSessions opinion is that the assessment should be raised the allowable full \$100.00 increase for the year. MKwartler's opinion is also to vote for the full \$100.00. BRadloff's opinion is for no additional assessment until the original dredging bill is paid off. TPacheco's opinion is that he is willing to compromise and vote for an increase to \$50.00 for the year. KWright's opinion in retrospect is that the assessment started off too low and his inclination is to raise it the full \$100.00. After the Board members spoke their opinions, JSessions asked the present homeowners, by show of hands, to indicate the amount that they would be in favor of. Nobody counted but there appeared to be a fairly even split between raising the assessment and not, with what appeared to be a slight leaning toward raising the assessment. After the show of hands, attendees were asked for comments, to which several addressed the Board and the attendees. Subsequent to public comments, JSessions motioned to have a public hearing on April 15, 2014 to vote on the proposed assessment increase to \$450.00 per year for the Fiscal Year 2014-2015. At this time, WFlowers suggested that due to time constraints along with the verification process involved with notifying all the homeowners, the Board may want to consider holding the hearing on May 13, 2014 instead. Board members agreed and JSessions made the same motion with the exception of changing the hearing date from April 15 to May 13.

MOTION: To hold a Public Hearing on May 13, 2014 for the purpose of voting on a proposed assessment increase to \$450.00 per year from the current \$350.00 for the Fiscal Year 2014-2015 and to mail the necessary notices to the District Homeowners via

a mailing agency to which WFLowers will provide the necessary information to have the mailing done.

The motion was seconded by KWright and passed unanimously by all Board members.

6. Next Meeting Dates. JSessions motioned to change the next meeting date from April 15 to May 13 in order to allow for the required time between publishing/ mailing notices and the hearing date. And then continued the motion to include notices for the next several meetings to come after May, being June 24, July 22, and August 19, in an effort to save money on publishing.

MOTION: To change the date of the next Board meeting from April 15, 2014 to May 13, 2014 (for the Public Hearing) and include subsequent meeting dates for publication of June 24, July 22, and August 19, 2014.

The motion was seconded by KWright and passed unanimously by all Board members.

7. WFlowers brought up an off-agenda item regarding consideration by the Board to determine by whom (an engineer) and when will the dredging permit be extended. Discussion ensued regarding timelines and related potential engineering costs and that the Board did not want to let the permit lapse. WFlowers suggested that the Board approve a not to exceed cost number that should cover the permit extension and hopefully and RAI's that might come up as a result. At this time, JSessions motioned to approve a not to exceed dollar amount of \$25,000.00 to cover the cost of a permit extension and for Board member BRadloff to work with Taylor Engineering outside the Board meetings to get the permit extension approved as soon as possible.

MOTION: To approve a not-to-exceed dollar amount of \$25,000.00 to cover the cost of a permit extension and for Board member BRadloff to work with Taylor Engineering outside the Board meetings to get the permit extension approved as soon as possible.

The motion was seconded by TPacheco and passed unanimously by all Board members.

8. WFlowers brought up another off-agenda item regarding consideration by the Board to select an auditing firm for this year since now that the District is collecting public funds there will need to be an audit of the District's financials prior to the end of the fiscal year (June 30). At this time, JSessions motioned that

MKwartler obtain bids from three auditing firms as soon as possible.

MOTION: To have MKwartler obtain bids from three auditing firms as soon as possible.

The motion was seconded by TPacheco and passed unanimously by all Board members.

9. TPacheco suggested that additional signs are needed to replace some that were stolen and requested \$150.00 to replace said signs. At this time, KWright motioned to allow \$150.00 for additional signs.

MOTION: To allow \$150.00 for TPacheco to purchase more signs to replace those that were stolen or otherwise removed.

The motion was seconded by MKwartler and passed unanimously by all Board members.

Future Meeting Dates -

Meetings are to continue to be held in the "Advance Hall" (around back) as usual at the First Baptist Church at 324 N. 5th St., Jacksonville Beach, 32250; for the meetings listed below. All meetings are still to be held at 6:30 PM.

May 13, 2014 June 24, 2014 July 22, 2014 August 19, 2014

General Public Comment -

1. There were no public comments.

Adjournment -

JSessions motioned to adjourn the meeting 2013 hrs.