

**Sebastian Inlet District
March 2019, Regular Commission Meeting
Wednesday, 4:30 PM, March 13, 2019
Sebastian Inlet State Park Fishing Museum
Vero Beach, Florida**

AGENDA

- I. Call to Order – Chairman Lawton Seal**

- II. Approval of Minutes – Regular Commission Mtg. – February 13, 2019**

- III. Information and Discussion Agenda**
 - A) Media and Information**
 - B) Executive Director’s Reports:**
 - 1. Update on Sand Trap Dredging and Beach Fill**
 - 2. Update on the Status of Easements**
 - 3. Public Outreach Activities**
 - 4. Additional Items**
 - If time permits, site visit of the Dredging project before the conclusion of the meeting.
 - 5. Discussion of Consent Agenda**

- IV. Update on Status of Indian River County Beaches – Kendra Cope**

- V. Park Matters – Jennifer Roberts**

- VI. Legal Counsel Update – Jack Kirschenbaum, Gray Robinson**

- VII. Public Comment Period**

- VIII. Consent Agenda**
 - A) Authorized Work for Commission Review:**
None at this time.

 - B) Recommended for Approval:**
 - 1. Certificate of Deposit (CD) Laddering - staff recommends that the \$3,078,808.11 principal be re-invested with PNC in three, separate CDs as follows:**

CD Number	Amount	PNC Rate	Term
1	\$1,026,000.00	2.00%	90 days
2	\$1,026,000.00	2.15%	180 days
3	\$1,026,808.11	2.20%	365 days

IX. Commissioners Items
Commissioner Mitchell
Commissioner Frazier
Commissioner Hendricks
Commissioner Rowland
Chairman Lawton Seal

X. Unfinished Business

XI. New Business

XII. Adjournment

Sebastian Inlet Tax District
Wednesday, March 13, 2019 4:30 p.m.
Regular Commission Meeting
Sebastian Inlet State Park Fishing Museum
Vero Beach, Florida

Minutes

Present at the meeting were Chairman Jenny Lawton Seal, Commissioners Lisa Frazier, Beth Mitchell, Chris Hendricks, and Michael Rowland. Also in attendance were: Administrator Martin Smithson, Executive Director James Gray, Contracts & Accounting Manager Dave Kershaw, District legal counsel Jack Kirschenbaum, Kendra Cope (Indian River County), Bryan Flynn (ESA), Mike Jenkins (ATM), Tuck Ferrell (North Beach Civic Association) and Sebastian Inlet State Park Manager Jennifer Roberts and Assistant Park Manager David Morris.

Under Agenda Item I

Call to Order – Chairman Lawton Seal called the meeting to order at 4:30 p.m.

Under Agenda Item II

Approval of the Minutes of the regular Commission meeting of February 13, 2019 – Commissioner Frazier made a motion to correct the minutes to reflect that Administrator Martin Smithson was not present and approve the minutes as amended. Commissioner Mitchell seconded the motion. **Motion carried 5-0.**

Under Agenda Item III

Information and Discussion Agenda

- A. Media and Information – Commissioner Mitchell noted that the quality of the articles and information provided.
- B. Executive Director's Reports
 1. Update on Sand Trap Dredging and Beach Fill – Mr. Gray noted that as of the daily report received on March 11th, approximately 75,000 cubic yards have been excavated from the Sand Trap and placed on downdrift beaches per the fill template specs. Approximately 5,000 feet of beach placement has been completed of the 7,000-foot work area so the project is 70-75% complete with construction on the beach. Mr. Gray noted having some challenges with the contractor that have been discussed with ATM and Ferreira, including practices, means and methods. A formal notice letter was sent to Ferreira on March 11 voicing concerns re: Ferreira's interpretation of technical specifications. Ferreira formally replied via letter as requested on March 15. Among the specific concerns; 1- construction of the containment dike and turbidity measurements that exceeded permitted allowances, 2- construction lines and grades with survey control. All of this is governed and clearly identified in the contract documents. Commissioner Hendricks noted that an after-action analysis should be done to ensure future contracts can be written in a way that minimizes the risk of any confusion relative to District expectations of the contractor, if needed. Commissioner Mitchell asked for an update on anticipated project timeline. Mr. Gray estimated another 10 days of pumping with approximately 3,000 cubic yards being pumped per day. With final grading, dressing and tilling, Mr. Gray estimated it would be another 2-3 weeks before the beach phase of the project is completed. Commissioner Frazier confirmed that Ferreira will then move to Phase II of the project, dredging the channel and pumping 30,000 cubic yards of sand into the DMMA. Mr. Gray confirmed Phase II, noting that he expects the project to be completed in April/May. Mr. Gray further noted

that he kept the Commissioners apprised of a contractor building a home on the beach within the project area, Mr. French, who had raised concerns. Mr. French's concerns were taken seriously and site inspections were conducted and samples were taken by Mr. Gray. Among the concerns noted; 1-poor/dark/smelly sand quality, 2-sand being pumped over the nearshore hardbottom rather than on the beach/placement of the sand. Mr. Gray has had numerous conversations with Mr. French. Mr. French has reached out to media (primarily 32963), FDEP, Indian River County officials, Code Enforcement and other homeowners within the project area. He continues to raise unwarranted concerns, but both 32963 and FDEP have inspected the project site and have confirmed our findings that the material is beach quality and that sand is being placed on the beach per the fill template specs. Commissioner Mitchell asked if the property owner was aware of what the contractor was doing. Mr. Gray confirmed that SID has not had direct conversations with the property owner. Commissioner Mitchell asked if we had received any other complaints. Mr. Gray noted receiving several calls from homeowners that he fielded, all that were resolved positively in his conversations with those individuals. Mr. Ferrell representing the North Beach Civic Association and homeowners within the project area asked Chair Lawton Seal if he could add his comments to the discussion and was granted permission. Mr. Ferrell indicated that the many homeowners he was in contact with were pleased and happy with the progress of the project. Mr. Ferrell noted that in his opinion, Mr. French's claims were unfounded. Mr. Ferrell personally walked the beach inspecting the sand and project area after being informed of Mr. French's claims. Mr. Ferrell mentioned talking with Sue Cocking from 32963, urging her to suss out the truth rather than jeopardize future projects because of these unfounded claims. After talking with other homeowners and touring the site with Mr. Gray, 32963 reporter Cocking indicated that the editorial board of 32963 would not be moving forward with a story as Mr. French's claims were unsubstantiated.

2. Update on the Status of Easements – Mr. Gray reported on the contract with Coastal Systems International to review the many easements we have and referenced supporting documentation, pg. 15-17. Discovery phase has been completed. Some easements have expired and have been released, some are current, based on CSI's work to date. Mr. Gray noted needing these easements for SID projects including but not limited to dredging and pipeline corridors, shoreline stabilization. There are some we don't need any longer, and several we may want to add. For example, a staging area by the DMMA site that would include the unpaved area used by the State Park for overflow parking. More information and formal recommendations for the Commissions' consideration will be forthcoming. Commissioner Mitchell had asked if it was possible to consolidate all of the territory needed into one easement, or alternatively, could all of the easements have the same date. The goal being to make this more manageable moving forward. Mr. Gray noted discussing that with CSI. Unfortunately, because of the easement classifications; upland vs. submerged, and perpetual vs. year-specific, creating one easement isn't a possibility. However, some can be combined and set to expire at the same time. CSI will be working to that end. Mr. Smithson called attention to the complex nature of the easements at present and noted that CSI is expected to greatly streamline our easements. Commissioner Mitchell asked Mr. Smithson to speak to the history of SID's easements and the situation SID encountered when building the DMMA for the benefit of new Commissioners and staff. Mr. Smithson shared that Coconut Point was the sand storage area for SID prior to the DMMA being built. It was approximately 14-acres. SID vacated that easement for the State Park when they wanted to build the pavilions, playground and boat launch area. In exchange, they traded us a 2¼ acre easement area on the North side, half of which was unusable as wetlands with mangroves. When we identified the area where the DMMA sits, we negotiated a swap for that 2 ¼ acre easement to develop a 6-acre easement for the DMMA. We went through some pretty intense negotiations with the Division of State Lands. Their initial request was for \$2M in addition to the easement swap. A lot of time and energy was spent and we ultimately pieced a deal together for \$775,000. Commissioner Mitchell indicated that SID should be prepared for similar negotiations in terms of process and cost in the future. Commissioner Frazier verified that SID does not own

property, it is all in the form of easements. Mr. Smithson verified that was correct with one exception. A small parcel of submerged land East is owned by SID.

3. Public Outreach Activities – Mr. Gray noted a one-page list in the Commission packets that detailed public outreach efforts over the course of the last month, offering to provide any additional information of interest. This will become a routine report included in monthly meeting packets. Mr. Gray called the Commission’s attention to the FAQs re: ongoing project on our website, pg. 19-21.
4. Additional Items – Mr. Gray invited the Commission to conduct a site visit of the ongoing project after the meeting, reminding Commissioners that there should not be any discussion amongst the group after the meeting closes and during the site visit.

Mr. Gray pointed out that this is the final meeting for Mr. Martin Smithson, who is retiring as Administrator after 14 years of service. Chair Lawton Seal and Mr. Gray, on behalf of the Commission, presented Mr. Smithson with a plaque of recognition - “With our deepest appreciation and recognition of your exemplary service and leadership, the Sebastian Inlet District Commission commends you for your dedication and commitment.” Mr. Smithson thanked the group sincerely for the opportunity to end his career in service to the Commission and the Sebastian Inlet District.

5. Discussion of Consent Agenda – Mr. Gray detailed consent agenda items. There is no authorized work for the Commissions’ review. Item #1, under Recommended for Approval, relates to SID’s Certificates of Deposit. Mr. Kershaw noted this was pursuant to the discussion at January’s meeting re: maturing Oculina Bank CD. At the time, Commissioners Hendricks suggested laddering, a method of achieving the highest possible interest rate without locking funds up long-term, so buying CDs at different terms and rates as recommended below. For additional context, Mr. Kershaw shared guidelines pursuant to Florida Statute 218.415 that deals with local government investment policies for entities that don’t have formally adopted investment policies. The referenced statute allows for surplus funds to be invested as follows (language from statute):

(17) may invest or reinvest any surplus public funds in their control or possession in:

(a) The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s.163.01.

(b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

(c) Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in s. 280.02.

(d) Direct obligations of the U.S. Treasury,

Commissioners will recall that the CD with Oculina Bank had a maturity date of May 29, 2019, but because of the bank’s imminent sale to a non-qualified public depository, the CD was redeemed with no penalty at the end of February. Staff recommendation is to invest these \$3,078,808.11 in laddered CDs with PNC Bank as shown in the chart below, and moving forward, evaluate options available to SID from three of the State’s local government investment pools.

a. Authorized work for Commission Review: None at this time.

b. Recommended for Approval:

1. Certificate of Deposit (CD) Laddering - staff recommends that the \$3,078,808.11 principal be re-invested with PNC in three, separate CDs as follows:

CD Number	Amount	PNC Rate	Term
1	\$1,026,000.00	2.00%	90 days
2	\$1,026,000.00	2.15%	180 days
3	\$1,026,808.11	2.20%	365 days

Under Agenda Item IV

Update on Status of Indian River County Beaches – Kendra Cope shared with Commissioners that Indian River County (IRC) is currently planning three beach renourishment projects for 1-Sector 3, a 6.5-mile stretch from Treasure Shores down to Turtle Trail, 2-Sector 5, city center and a 3.1-mile stretch from Sea Watch to Riomar area, and 3-Sector 7, a 2-mile stretch from Seagrove to the Moorings. All three of these beach sectors were damaged in hurricanes Matthew and Irma, and are part of the IRC long-range beach management plan. IRC has applied for the necessary permits through FDEP and US Army Corps of Engineers for the Sector 3 project, and ultimately 400,000-500,000 cubic yards of sand will be placed either from an upland source or offshore borrow area. Anticipated project start is Winter 2020. With regard to Sector 7, IRC has submitted permit applications to FDEP and USACE, shortly before Sector 3 permitting so that application is a little further along. 450,000 cubic yards of sand is scheduled for placement and construction timeline is also likely Winter, utilizing our offshore borrow area. For Sector 5, FDEP permitting has been received and IRC anticipates finalizing the USACE permits very soon. Upland sand will be utilized for Sector 5 and IRC anticipates a November 2019 start date, placing a total of 155,000 cubic yards of sand. IRC is also working on construction easements for all planned projects.

Under Agenda Item V

Park Matters - Park Manager Jennifer Roberts introduced new Assistant Park Manager David Morris, indicating the entire team was excited to have him on board. Mrs. Roberts referenced that some FDEP leadership has changed under the new Governor/Administration. The Secretary – Noah Valenstein - has remained the same. The new Chief of Staff is Darica Smith, and Deputy Secretary David Clark was moved into a new position with the Division of Management Services. A great leader, Clark will be missed. The new Deputy Secretary is Barbara Goodman. Goodman was with National Park Service for 33 years so brings a wealth of experience in park management to the position. Lastly, SISP had its first sea turtle come ashore on North side of Sebastian Inlet last Friday, and while it did not nest, SISP rangers and volunteers will be watching and reporting nesting season progress.

Under Agenda Item VI

Legal Counsel Update – none at this time.

Under Agenda Item VII

Public Comment Period – none at this time.

Under Agenda Item VIII

Consent Agenda – Commissioner Hendricks moved to approve the consent agenda with Commissioner Rowland seconding. **Motion carried 5-0.**

Under Agenda Item IX

Commissioner Items – Commissioner Mitchell thanked Mr. Smithson again for his service and leadership, and wished him well in his retirement. Commissioner Frazier and Commissioner Hendricks both indicated they would have appreciated the opportunity to work with Mr. Smithson in his role as Administrator a little longer, but wished him all the best. Commissioner Rowland also recognized Mr. Smithson for his work since 2004.

Under Agenda Item X

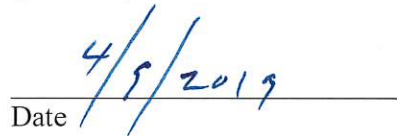
Unfinished Business – There was no unfinished business.

Under Agenda Item XI

New Business – There was no new business

Adjournment – Chairman Lawton Seal adjourned the meeting at 5:34 p.m.


Secretary/Treasurer


Date