

MINUTES OF MEETING  
CANOPY  
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Canopy Community Development District was held Tuesday, October 3, 2017 at 11:00 a.m. at Dorothy B. Oven Park, 3205 Thomasville Road, Tallahassee, Florida.

Present and constituting a quorum were:

Tom Asbury	Chairman
Gregg Patterson	Vice Chairman
John "Al" Russell	Assistant Secretary

Also present were:

George Flint	District Manager
Jennifer Kilinski	District Counsel
Alan Wise	District Engineer
George Smith	Bond Counsel
Resident	

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Flint called the meeting to order and called the roll.

Mr. Flint stated there are some items we want to add to the agenda.

Ms. Kilinski stated at the last meeting you reapproved the notice and evaluation criteria for CEI services associated with the engineering portion of the oversight of the construction of the Dove Pond regional stormwater management facility. As you will recall I was waiting on feedback from Blueprint who under the joint project agreement is required to approve the criteria and the advertisement prior to it going out. I thought we were in general agreement of that evaluation criteria; however, I got feedback from them just last Friday. We would like to have a motion to amend the agenda to include the notice, the CEI that you got via email that was also handed out to you for re-approval and we will talk you through those. I also included a form of agreement that has not substantially changed since you approved it and I don't think we need to reapprove that it is just the advertisement and evaluation criteria.

Mr. Flint stated we will add this as a new item five and renumber the other agenda items.

Ms. Kilinski stated I also passed out a resolution that will formalize if the Board so chooses to approve the bid that was submitted in response to our RFP for construction services for the Dove Pond project. I included a resolution that essentially would formalize award of that project. It is not a new item and I would prefer you do it by resolution.

On MOTION by Mr. Asbury seconded by Mr. Patterson with all in favor a new item five, approval of the notice and evaluation criteria for CEI services was added to the agenda.

**SECOND ORDER OF BUSINESS                      Public Comment Period**

There being none, the next item followed.

**THIRD ORDER OF BUSINESS                      Approval of the Minutes of the August 28, 2017 Meeting**

Mr. Flint stated next is approval of the minutes of the August 28, 2017 meeting. Are there any additions, corrections or deletions?

Mr. Patterson stated in several places I'm listed as speaking and it was not me.

Mr. Flint asked did you provide those to Stacie?

Mr. Patterson responded yes.

On MOTION by Mr. Russell seconded by Mr. Patterson with all in favor the minutes of the August 28, 2017 meeting were approved as amended.

**FOURTH ORDER OF BUSINESS                      Public Hearing**

Mr. Flint stated the next item is a public hearing to consider imposition of assessments. At your last meeting you approved a form of engineer's report and assessment methodology and you set today as the date, place and time for the public hearing to consider imposition of the assessments.

On MOTION by Mr. Russell seconded by Mr. Patterson with all in favor the public hearing was opened.

**A. Consideration of Engineer's Report**

Mr. Flint stated the next item is consideration of the engineer's report, which was included in the agenda package. Alan, were there any changes from the prior version?

Mr. Wise responded no.

Mr. Flint stated this is the same report that you saw in your August meeting agenda. It describes all the improvements that would be eligible to be financed by the District and also the estimated costs associated with those and the opinion of probable cost is in Table 3 on page 13 and is \$90,900,000.

### **B. Consideration of Master Assessment Methodology Report**

Mr. Flint stated the next item is the master assessment methodology report. Again you saw this at your last meeting and you set the public hearing. We have taken Alan's engineer's report and his estimate of probable costs and development plan and on page 12 Table 3 we sized the bonds based on his \$90,900,000 capital improvement plan. We included a debt service reserve, capitalized interest of 12 months, underwriter's discount of 2%, estimate cost of issuance, which assumes at least three bond issues and the par amount is \$110 million. What we are doing is setting the ceiling if we were to finance everything we could potentially finance that is what you are going through at this point. When you actually go to issue bonds there will be a supplemental assessment methodology report that will tie to the actual par amount of the bonds after they are priced.

Mr. Asbury stated we don't anticipate issuing \$110 million in bonds. By putting that in there it gives us the option to do it.

### **C. Consideration of Resolution 2018-01 Authorizing the Issuance of Bonds**

Mr. Smith stated the resolution you have before you is for an amount not to exceed \$110 million there will be three or four different bond issues but this is the amount we take before the court and they go through and enter a judgment that the bonds are validly authorized and once the appeal period runs no one can challenge your bonds. Then we will have to come back to you and say we are not ready to actually issue \$10 million or \$20 million whatever that amount is in our first issue of bonds to do our capital improvements. This authorizes issuance of bonds it specifically states before any debt may be incurred we have to come back to you to get that lower

amount approved. It has the form of the master trust indenture attached, and we will finalize that.

Mr. Asbury stated the process of going to court is three to five months?

Mr. Smith responded it is about three to five months. It depends on how far out the court date is then we have to publish notice of the hearing twice before the court date and once the judge issues an order there is an appeal period. Once the appeal period runs and we can do something simultaneous to the appeal period but once the appeal period runs we can be in a position to issue debt a few weeks afterwards.

On MOTION by Mr. Russell seconded by Mr. Patterson with all in favor Resolution 2018-01 was approved.

#### **D. Consideration of Resolution 2018-02 Levying Assessments**

Ms. Kilinski stated this resolution in conjunction with what George went over will not only validate the bonds but we are looking to also validate the assessments. In order to do that we have to go through the assessment process. From a high level this assessment resolution levies your master assessment. You have findings, the District was established by ordinance by the City of Tallahassee, authorized by Chapter 190 to issue debt, levy assessments, etc. It describes in some detail the nature of the project that we anticipate issuing the bonds for what the bonds will be used for constructing, it makes findings regarding Resolution 2017-27, which you adopted at your last Board meeting that authorized the notice of the assessment hearing that we had today. George can confirm for the record that it was actually advertised consistent with Florida Law, we have an affidavit of publication on file with the District. Section 3 authorizes the District project, this is where this resolution will formally adopt your engineer's report. Section 4 estimates the cost of the improvements consistent with both the engineer's report and the assessment methodology. Section 5 demonstrates your ability to act as an equalization Board in the assessment process. The master assessment lien will be consistent with George's assessment methodology as a maximum lien. Section 6 is finalization of assessments, as has been pointed out when we actually go to issue debt we would bring back a supplemental assessment resolution that actually specifies what the assessments will be consistent with whatever the terms of the bonds end up being. Section 7 provides for the payment of special assessments and the application of true-up payments. Section 8 demonstrates that if there is

property within the District that would otherwise be subject to assessments but is owned by a governmental entity you cannot assess that property. Section 10 will provide for the District’s secretary to record an assessment notice in the public records so that anybody who takes title to property in the District will get notice of this assessment. Sections 11 through 13 is the typical severability, conflicts and effective date.

Because this is an assessment hearing we did open the public hearing prior to adoption of the resolution. Is there any public comment on the assessment resolution?

There being none, the following action was taken.

On MOTION by Mr. Asbury seconded by Mr. Russell with all in favor Resolution 2018-02 was approved.

On MOTION by Mr. Patterson seconded by Mr. Russell with all in favor the public hearing was closed.

**FIFTH ORDER OF BUSINESS**

**Re-approval of Notice and Evaluation Criteria for the CEI Services for Dove Pond Regional Stormwater Management System**

Ms. Kilinski stated for purposes of the scope of what we expect of the CEI has not changed. On page 2 you will see the evaluation criteria that has changed slightly from the last evaluation criteria you approved. We have 20% for awareness of the project, 35% for approach, 35% for project staffing and 10% for other considerations. We felt looking from a high level this would provide adequate evaluation criteria for you to be able to consider the CEI for the big capacity issues that we are concerned about with this project. We are generally using the FDOT guidelines for purposes of this CCNA and most of what you have in the advertisement is pretty technical in nature but we hope we will get responses.

Mr. Asbury asked what did the city change?

Ms. Kilinski stated in terms of the actual bid structure it is fairly significantly different than what you saw before but that was generated by Alan and me not so much by the city. They wanted to see a draft of the agreement, which you have before you not much changed from what you saw the last time. There were some changes in megabytes limitations on page sizes.

Mr. Wise stated this is an email submittal and we wanted to make sure that we didn't get terrible scans for someone trying to get under a one megabyte limit but at the same time we needed a limit so that things can get rejected for too much. To get more specific with that we are saying that the consultant has to be DOT prequalified in geotechnical analysis, geotechnical testing and general highway inspection as well as foundation inspection.

Mr. Asbury asked do we know folks who qualify for this?

Mr. Wise responded yes, there are a lot of firms that would qualify and one firm in particular has been interested since we advertised the construction. They got involved and attended the pre-bid meeting. I know they contacted me to make sure they would review the project area onsite so I know there is one firm in particular that is interested in pursuing this.

Mr. Asbury asked do you have any idea what we would have to pay the CEI for this kind of project?

Mr. Wise stated it would be based on the construction schedule and then the man hours they put on that. I don't expect that we are going to have an inspector like a senior inspector fulltime and that certain critical elements we are going to have more like a project manager out there looking at things. Office staff would have a certain amount of allocation per week or per month to review pay applications and testing reports and things like that. I'm expecting that we are going to have a separate geotechnical engineering firm back-checking what the contractor gives us so the contractor is going to have their geotechnical firm saying here is your testing reports and for every four tests that the contractor does the CEI firm is probably going to do one; they call it verification testing. The types of soils that are used are so critical in this project and also the compaction around the pipes and along the dam itself the compaction is a critical component. The geotechnical element is a big, important part of it. That is going to be negotiated somewhat once we select they will submit and for instance if this construction contract is approved and it is seven months long then they will say seven months senior inspector that is 40 hours a week, plus office personnel times two hours a week plus senior project manager comes two hours a week or whatever, they will give us an estimate in that regard.

Mr. Asbury asked will that be a lump sum?

Mr. Wise stated you can dictate whatever you want. Just from my knowledge of the CEI if you do a lump sum and the construction for instance gets delayed for rain or for whatever reason even if it is by cause of the contractor then the CEI is going to come back and say we

were expecting a seven month project schedule we budgeted for a seven month project schedule and now we are at nine months and we are going to need some additional money. If that case rolls around we have options and if it is an extension and the fault of the contractor then some of your liquidated damages pay for some of these extra costs. Some of the costs may be able to pass through to the contractor.

Ms. Kilinski stated this is a request for qualifications and we are looking at qualifications and that is where the evaluation is generated. You will negotiate an hourly fee you can ask them to do a lump sum but the reality is if they get past that lump sum because of all kinds of different factors you are not going to ask them to stop. Usually it comes in at an hourly rate with an estimated fee upfront.

Mr. Russell asked what happens if the contractor is not performing to the standards? Is there a way out as far as timewise where the developer can make a change?

Ms. Kilinski stated yes, this project has the most amount of safeguards I have seen in a construction context. Between the Joint Project Agreement between the District and Blueprint as well as the District's contract as well as this being jointly held by this being the CEI and by Blueprint and the District. There are a number of triggers that if there is a failure to perform and the CEI doesn't agree we have project managers that are appointed, which we will probably need to do today as well. That could get us there and it will be built into the contract.

Mr. Wise stated once the CEI comes on Board and the construction is underway the County, the District CEI firm, the contractor will determine we are going to have project status meetings weekly, bi-weekly, monthly, I expect them to be more often than monthly on this project just because things are probably going to be moving real quickly and the contractor is going to be required to give a schedule and say we want one week, two weeks, where do you anticipate to be and at every single status meeting the contractor is going to have to say I'm behind schedule this is why, I'm on schedule or I'm ahead of schedule. Typically, what we see is they will be ahead of schedule at first and they may catch back up due to weather or whatever and they will generally end ahead of schedule as well. Either we clear it bi-weekly I expect there to be that time checks and balances as well as any other project that come up in that meeting. One of the things that will be my duty to report is during the course of that construction is give you a monthly summary and it will basically be a summary of the CEI's status reports, whether it is weekly, bi-weekly, whatever they are going to give that to me and I will report not just from

that I have to go out and look at it myself so I will be giving you updates. You will have a heads up if we are on target, a little bit ahead of schedule, if we are behind and why. I want to make sure you are aware of the status if it is good, bad or ugly.

Mr. Patterson asked what is your estimated timeframe?

Mr. Wise stated they had seven months in their proposal and it is really dependent upon the weather.

Mr. Asbury stated he has a set of plans here and I want to show everybody what we are talking about doing and lay it out before we approve it. I want everyone to understand.

Mr. Patterson asked did you say there are safeguards in there because of the nature of the construction project?

Ms. Kilinski stated because of the funding mechanisms in place, whenever you have the city offering funding they require a lot of safeguards.

Mr. Russell stated the city keeps pace with the contractor.

Mr. Wise stated the County will have their own CEI representative as well as the District having their CEI representative there. There are basically two CEIs on this.

Ms. Kilinski stated there will be one CEI and two project managers. This CEI will be jointly paid for and accountable to both Blueprint and the District. The District will appoint a project manager and I will bring that resolution to the next meeting. Blueprint has already appointed a project manager and those people will meet and speak with the CEI so you have those checks and balances as well. We have dispute resolution proceedings, if the CEI says something and the project managers didn't agree with the CEI's take on whatever the contractor is doing right or wrong we also have a way those are all settled, which may actually come before the Board. We are looking for authorization to advertise and approve the advertisement and evaluation criteria. The requirement for advertisement is a minimum of 14 days from the time it goes into the paper we anticipate having it advertised by Friday so unless we need it sooner than the November meeting you can approve the RFQ packages that you get back in response to this advertisement. At the November 6<sup>th</sup> meeting you will have responses to the RFQ back.

Mr. Asbury asked are we the ones who will approve it or will Blueprint approve it too?

Ms. Kilinski stated the District will undertake the process, you as a Board will look at the responses and make a determination on award, you rank them one, two, three. When you decide who your number one ranked firm is and we get that under wraps we would go to Blueprint and



say here is who the District selected. They have the right to reject that for cause. You may want to continue that meeting in an abundance of caution in case that happens.

Mr. Asbury asked can work begin without the CEI on board?

Mr. Wise stated I'm guessing the basis of that question is because we are in a nice dry period right now and we are coming up on January, which is the beginning of our wet period.

Mr. Asbury stated normally by mid-December it starts raining and doesn't quit for months.

Mr. Wise stated we discussed that and we need to make sure we are staying in line with our agreements with Blueprint and the County needs to be okay and apprised of everything we are doing. I think there is some benefit to getting some things started like erosion control and maybe some clearing that wouldn't necessarily need a fulltime CEI. I see the benefit of it; however, we are going to have to defer and make sure we don't outrun the County's comfort level.

Mr. Asbury stated this could be done in two weeks after we publish on Friday.

Mr. Wise stated you will have responses back two weeks from Friday.

Mr. Asbury stated we can reach out to some of the qualified firms that are good and encourage them to respond. I'm wondering if we couldn't speed this process up some.

Mr. Flint stated you can probably gain a week because you are going to want a few days to evaluate the responses. If the notice runs on the 6<sup>th</sup> they are due on the 20<sup>th</sup> the following week you could probably meet mid to late the week of the 23<sup>rd</sup>. It only gets you about a week because your next meeting is November 7<sup>th</sup>.

Mr. Wise stated we are going to have to have a meeting to discuss selection then there is going to be negotiation then they will go to contract.

Ms. Kilinski stated unless this agreement substantively changes during the negotiation process we can probably award then we would approve the hourly fees.

Mr. Wise stated they can even submit the hourly fees in a separate sealed envelope so that at the meeting, award, we open the separate sealed envelope and go to award. There are options to fast track it but we are saving a week.

Ms. Kilinski stated we can continue this meeting and have the November meeting to award the final contract. There is an option if Blueprint is willing that the Board decides to

award today we could get the bonds recorded and do a limited notice to proceed if Blueprint is willing.

Mr. Wise stated construction stakeout, erosion control, clearing. It is going to take them over a week to get bonds and insurance finalized and recorded.

Mr. Asbury asked could we do the cofferdam?

Mr. Wise stated I think it is going to take a discussion with the County.

Ms. Kilinski stated we are trying to coordinate a meeting onsite to have a discussion with Blueprint.

Mr. Asbury stated that is really not part of the construction. The cofferdam is so that you can construct.

Mr. Wise stated in full disclosure I can understand you are going to hire a CEI and you are going to want to hold the CEI responsible and if there is an issue during construction and they say that cofferdam was constructed before we were even onsite then that limits your ability to hold someone accountable. I think they are going to have time to stakeout the setup the clearing, the tree removal some of those things that hold no liability. I don't see an instance where they can start this week.

Mr. Russell asked do they bring all the material in and leave it onsite without doing any of the construction portion?

Mr. Wise stated I wouldn't advise to allow that because there are going to be things like truck tickets that you will want to receive if they are bringing material in. There is only one bidder at this point so we are talking about one contractor and this one contractor is pretty well fully mobilized. They are working on other parts of the 500 acres. Bringing equipment in and bringing things in that is pretty much done as much as they can do without a contract. I understand the critical element in this is weather and we are sitting in good weather and that is why we are sitting here talking about it.

Mr. Asbury stated I would like to see us if we could move it to an earlier date.

Mr. Wise stated when we receive the responses my office will make sure they include everything they were supposed to include and you can review them for qualifications.

On MOTION by Mr. Patterson seconded by Mr. Russell with all in favor the amended notice and evaluation criteria for the CEI services for the Dove Pond Regional Stormwater Management System were approved.

## **SIXTH ORDER OF BUSINESS**

### **Review of Proposals and Award of Construction Contract for Dove Pond Regional Stormwater Facility**

Mr. Wise stated Tom has asked me to go over the project in a little more detail. I will also speak about the process that we went through. We advertised a request for construction bids for longer than 30 days, we had three contractors attend the mandatory pre-bid meeting, we had two contractors very involved with the project, attend the pre-bid meeting, picking up plans, asking questions during the period when it is appropriate to ask questions and at the last minute we only received one construction bid.

Mr. Wise reviewed his set of plans to familiarize everyone with the project and surrounding areas.

Mr. Wise stated after we received the bid my office went through and made sure all items that were required to be included were included and they were in compliance with the requirements of the bid; insurance, bonds, drug-free workplace, etc. We have confirmed that they did include everything and they are responsive.

Ms. Kilinski stated your rules of procedure provide that if there are three or less responsive bids and you only have one you have a lot of options available to you. Everything from rejecting the bids, going back out, rejecting bids and going to direct contract, accepting this bid, there is a lot of flexibility. I don't think it is worth going through the evaluation criteria, I provided those in case you wanted to do that.

Mr. Wise stated Tom had asked me if there were any opportunity for cost savings. One of the items was potentially in the advertisement there was a requirement for a \$7 million policy and the cost of construction is around the \$4 million mark. I think we can reduce that to \$5 million and ask the contractor if there is a savings there. I do know based on the questions that were asked during the "questions from contractors period" that \$5 million is a bit more of a common policy and they were going to have to get a rider to cover the extra \$2 million so we can save the cost of that rider and I think that is worth looking into. One of the other items I will look at with your approval is one of the methods of construction of the 60" pipe, the three pipes

that go from the treatment pond to Dove Pond, so it is not what goes to the dam it is what is between the two ponds. A 60" pipe is normally \$150 per linear foot and because of the method of construction it was outlined at \$600 per linear foot so I think there is an opportunity to save a considerable amount of money there. I can reach back out to the geotechnical engineer and there may be an opportunity to obtain the same outcome with a different type of construction method and get the cost down. We can ask the Board to accept what is in front of us and then moving forward we can do a deductive change order if that becomes fruitful. With the change in the construction method of the 60" pipe in order to get that approved we would need the geotechnical engineer who came up with that design to begin with to approve it and we will also have to get approval through Moore Bass, the City and Northwest Florida Water Management District.

Mr. Asbury stated it may not be worth it.

Mr. Wise stated it may not be worth it but we are talking about potential savings in the magnitude of \$100,000. I can at least chase it for a little bit. The other thing I want to point out is the entire construction contract is lump sum with the exception of Alternate No. 1, which is the pressure grouting. We will be paying for that per cubic yard in place so if they have a nine cubic yard truck pull up and it is the last truck and they only get 2 in the ground they are eating 7 we are only paying for per cubic yard in place.

Ms. Kilinski stated you have a resolution in front of you and if you are so inclined this resolution lays out the process that we undertook, it finds the Sandco bid responsive and award the bid to Sandco. The agreement was part of the RFP package there is nothing for you to approve by way of the agreement. The package becomes the form of agreement so at the next Board meeting or sometime in the foreseeable future we are able to find cost savings we will bring a deductive change order to you but it won't exceed the bid recognizing that Alternate 1 may drive it up.

<p>On MOTION by Mr. Asbury seconded by Mr. Patterson with all in favor Resolution 2018-03 awarding the contract for the Dove Pond Stormwater Facility to Sandco in the lump sum amount of \$3,845,140.00 was approved.</p>
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## SEVENTH ORDER OF BUSINESS

## Staff Reports

**A. Attorney**

Ms. Kilinski stated before the end of the meeting we will want to amend the agenda to include consideration of the RFQs. We will repost the agenda online.

**B. Engineer**

There being none, the next item followed.

**C. Manager**

**i. Balance Sheet and Income Statement**

A copy of the balance sheet and income statement were included in the agenda package.

**ii. Consideration of Funding Request No. 3**

On MOTION by Mr. Patterson seconded by Mr. Russell with all in favor funding request no. 3 in the amount of \$7,427.11 was approved.

**EIGHTH ORDER OF BUSINESS**

**Other Business**

Mr. Flint stated we would like the Board to amend the agenda to include the evaluation of the CEI RFQ responses and we will continue this meeting.

Ms. Kilinski stated also consideration of the appointment of a project manager for purposes of Dove Pond construction.

On MOTION by Mr. Asbury seconded by Mr. Russell with all in favor the agenda was amended to include Approval of the Amended Notice and Evaluation Criteria for RFQ for CEI Services for the Dove Pond Regional Stormwater Facility and Consideration Appointing Project Manager for Facility Construction.

Mr. Asbury asked who would we appoint as project manager?

Ms. Kilinski stated I would recommend your District Engineer. Under the joint project agreement the District is required to appoint a project manager.

Mr. Flint stated he would meet with the City's project manager.

**NINTH ORDER OF BUSINESS**

**Supervisors Requests**

There being none,

On MOTION by Mr. Patterson seconded by Mr. Russell with all in favor the meeting was continued to October 25, 2017 at 11:30 a.m. in the same location.

  
Secretary/Assistant Secretary

  
Chairman/Vice Chairman