

MINUTES OF MEETING
CANOPY
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Canopy Community Development District was held Tuesday, June 5, 2018 at 11:00 a.m. at Dorothy B. Oven Park, 3205 Thomasville Road, Tallahassee, Florida.

Present and constituting a quorum were:

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| Tom Asbury | Chairman |
| John "Al" Russell | Assistant Secretary |
| Colson Hosford | Assistant Secretary |

Also present were:

| | |
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| Darrin Mossing | District Manager |
| Jennifer Kilinski | District Counsel |
| Jennings Cooksey | Hopping Green & Sams |
| Alan Wise | District Engineer |

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Public Comment Period

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Organizational Matters

A. Administration of Oath of Office to Newly Appointed Board Member

Mr. Mossing stated Mr. Hosford is here and has taken the Oath of Office.

As a Board Member you are entitled to \$200 per meeting, do you accept or waive that compensation?

Mr. Hosford stated I waive compensation.

Mr. Mossing stated there is a Form 1 Statement of Financial Interests that you need to file within 30 days with the Supervisor of Elections in the County in which you reside. There is a

guide to the Sunshine Amendment. You are a public official and you are not supposed to talk to other Board Members outside of a publicly noticed meeting about any business that may come before this Board. You can talk about anything else but not District related business.

Ms. Kilinski stated the two big things are public records so if you keep agenda packages for example then keep those separate from your other matters in the event we have a subpoena for records you don't have your personal or business items mixed with your District items. Alternatively, you can give that back to Darrin and he can destroy that for you. The same with emails it may be worth setting up a separate email account for yourself that will only relate to District business. You will have correspondence from District Management or otherwise go to that email account so if there was a subpoena for records that would be separate from your business or personal account. The second thing is the sunshine law particularly as we have a growing community you want to be very careful about talking about anything that may either come before the Board or is currently pending before the Board with any of the other Board Members. Significant fines even jail time has been ordered by the Commission on Ethics so it is something we take very seriously and if you have any questions don't hesitate to contact us.

B. Consideration of Resolution 2018-06 Electing Assistant Secretary

On MOTION by Mr. Russell seconded by Mr. Asbury with all in favor Resolution 2018-06 electing Mr. Hosford as an Assistant Secretary was approved.

FOURTH ORDER OF BUSINESS

Approval of the Minutes of the May 1, 2018 Meeting

On MOTION by Mr. Russell seconded by Mr. Asbury with all in favor the minutes of the May 1, 2018 meeting were approved as presented.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2018-08 Extending the Terms of Office of all Current Supervisors

Mr. Mossing stated when this District was created it resulted in our elections held every two years that converts to a general election falling in odd numbered years. The legislature has

encouraged governmental agencies to make those changes to the even numbered years and that is what this resolution accomplishes.

On MOTION by Mr. Russell seconded by Mr. Asbury with all in favor Resolution 2018-08 was approved.

SIXTH ORDER OF BUSINESS

**Consideration of Resolution 2018-09
Approving the Fiscal Year 2019 Budget and
Setting a Public Hearing**

Mr. Mossing stated next is Resolution 2018-09 approving the Fiscal Year 2019 budget and setting the public hearing. We are asking the Board to approve this budget to start our budget process, we will continue to discuss this budget between now and our recommended public hearing date of September 4, 2018 to formally adopt it. You can make changes to the budget as deemed necessary. In our first year of using the Tax Collector to collect a portion of our assessments we will need to do a mailed notice 21 days prior to our public hearing date. It gets mailed to all property owners as listed on the records from the Property Appraiser’s office notifying them of this public hearing, that we are going to adopt the budget and levy assessments. It is a lengthy, detailed notice.

Mr. Asbury stated you have the individual owners who are living there and all lots that are not owned I have to pay based on individual rate.

Mr. Mossing stated the way we have this budget structured right now, which is subject to change, is the proposed budget for the 87 platted lots and 6 unplatted lots. Assuming this budget was adopted it would result in \$808.23 being placed on individual lot owners property tax bill for O&M November 1 and if they pay by November 30, they get a 4% discount on that amount. Assuming we issue bonds and there is a debt assessment it will be added to that. On vacant property we have taken the administrative portion of the budget that is proposed to be \$121,134 and divided that over 1,001.5 assessable units and the platted lots portion will be in the \$808.23 and the remaining property will be assessed for the difference, the \$109. We would send a bill with a payment plan, usually 50% due November 1, 25% due February 1 and 25% due May 1 for the direct assessments. The 93 platted lots follow the Tax Collector provisions and collections. The balance of the budget, whatever is not covered by those assessments will be a deficit funding agreement with the developer, which is the way we are currently operating.

We are asking for a motion to approve the resolution that approves the budget, starts the process and this budget will be transmitted to the local government authorities after this meeting.

The public hearing will be September 4, 2018 and 21 days before that budget hearing we pretty much have to have this budget finalized in form and we will set the assessments based on that budget, do a mailed notice to all property owners and have a public hearing. You can still change the budget at that public hearing, but you can't raise the assessment levels.

Mr. Russell stated this only applies to the single-family lots.

Mr. Mossing stated yes, it is all residential property and the religious facility.

Mr. Hosford stated then the commercial in the middle is not within the District.

Mr. Russell stated I didn't think it was.

Mr. Hosford asked is the .5 assessable units the church? We will have 1,001 homes plus the church.

Mr. Asbury stated the church would be exempt, wouldn't it?

Ms. Kilinski stated you can make findings, which this Board may eventually want to do to exempt the church from operation and maintenance assessments. You make annual findings when you go to levy that assessment, but it is not automatically exempt.

Mr. Asbury asked right now they pay half of a residential lot?

Ms. Kilinski stated yes.

Mr. Asbury stated they are paying under \$1,000.

Mr. Wise stated they are happy with that, they love all the amenities and being able to be next to the trails.

Mr. Mossing stated as proposed it is \$175,000 of assessments will come in, any expenditures above that amount will be funded by the developer. These are our best estimates based upon a typical project of this nature.

Ms. Kilinski stated this will be provided to the City and County and it is for informational purposes required by statute. I have never seen a City or County provide any comment or feedback on a budget and we wouldn't anticipate that here but if you change it, it is not a problem and you don't have to re-transmit it.

On MOTION by Mr. Russell seconded by Mr. Asbury with all in favor Resolution 2018-09 approving the Fiscal Year 2019 budget and setting the public hearing for September 4, 2018 at this location was approved as revised.

SEVENTH ORDER OF BUSINESS

**Consideration of Resolution 2018-10
Supplemental Assessment Resolution**

EIGHTH ORDER OF BUSINESS

**Consideration of Other Financing Related
Matters**

NINTH ORDER OF BUSINESS

**Consideration of Acquisition of Series 2018
Project Improvements**

On MOTION by Mr. Russell seconded by Mr. Hosford with all in favor items seven, eight and nine were tabled for a future meeting.

TENTH ORDER OF BUSINESS

**Consideration of Resolution 2018-11
Approving Request for Proposal Documents
for Units 4/5 Infrastructure Project and
Authorization to Bid Construction Services**

Mr. Mossing stated next is Resolution 2018-11 approving request for proposal documents for units 4/5 infrastructure project and authorization to bid construction services.

Ms. Kilinski stated I can talk about the legal structure of the bid package you have and Alan can give you specificity regarding the actual project. The resolution will approve in substantial form the RFP package in the agenda package. Specifically, what we want to call the Board's attention to is the evaluation criteria. You are approving the instructions, the draft advertisement and specifically the evaluation criteria. This evaluation criteria will be used by you as a Board to make a decision on proposals the District receives in response to its advertisement. A District, as a unit of government, has to bid out construction projects that exceed \$385,000. You have to have public advertisement, if it is anticipated to exceed \$500,000 it has to be bid for 30 days from the time the advertisement goes out until the Board considers the proposals. We would like to get that advertised sooner rather than later. Alan can talk about the specificity of the project. The evaluation criteria will drive your review of those proposals. What we have presented in your agenda package as staff recommendation, and you are free to change the point thresholds, is: 20 points for personnel and you would think about their geographic location, key players and personnel, how well they are staffed, that sort of thing, 25 points for experience and available equipment so this category includes experiences with actual CDD construction, development of that actual project, past performance on a project, 20 points for understanding the scope of work so it is the responsiveness of how they are going to approach the project, the schedule and timing,

15 points for schedule and 20 points for price, that is largely a straight mathematical calculation based on their schedule and reasonableness of the bid.

Mr. Russell stated this is one that we tweaked before.

Ms. Kilinski stated this is a little different than the last one, it is a little bit broader in scope, we put more emphasis on personnel, experience, understanding the scope than schedule and price. This isn't going to be funded by an interlocal agreement with Blueprint this is just the District's project and it has different components than Dove Pond, which was a very specific, special kind of project.

Mr. Russell stated it worked so far with the system we had set up, right.

Mr. Wise responded yes, successfully. The understanding of the scope of work is something I would like to mention. Whenever we have these received and you are beginning to look at them, things I look for when I review is not necessarily saying I have to construct a road and sewer and water but things that stick out are whatever they say, here are the pitfalls of this project. Everybody knows on the surface what the project is going to be but the understanding of the way applicants typically stand out to me is whenever they say, the general scope of the work is described I don't need to regurgitate that to you but here is a difficulty, here is a difficulty and here is how we are going to handle it. Whenever you see understanding scope of work, someone regurgitating the scope isn't necessarily as effective as someone who will actually point out there is a specific challenge and here is how we are going to approach it.

This is a much broader scope of work, there is water, sewer, stormwater, landscaping, grading, and pump station so it is a big, broad project and it justifies the scoring relative to what we did with the pond because that was a very specific project.

Mr. Asbury asked it will be the Board scoring?

Mr. Wise responded yes. We will receive multiple copies of proposal from the contractors and we will pass those out to you. I will go through and make sure that they have submitted all the required documents and then you will read the content and score and weigh and rank and consider based on the content and this evaluation criteria. Schedule and price is just math and there is no subjectivity to that.

Ms. Kilinski stated we can do that math for you. We will give you a spreadsheet that has that calculated. You can rely on staff to some extent.

Mr. Wise stated feel free to reach out to us if you have questions in your review of the bids. If the Board approves this we intend to advertise beginning this Friday, for at least 30 days and there is a good chance that we will not have the final permit necessary to go to construction before the end of that 30 days. Counsel, myself and the Chairman may make that decision if we want to push that bid opening back or we may award and then need to perform some negotiations before the notice to proceed. We haven't talked about that.

Ms. Kilinski stated unless the urgency is to award by the end of July we wouldn't be in a position to award the contract until August anyway so it may be worth extending the bid another 10 or 15 days just because we need a Board meeting to make those determinations until early August but we can handle that.

Mr. Russell asked if we award a company to do the job, what challenges come with that if someone else didn't get the bid?

Mr. Wise stated Jennifer and I would be working to make sure that all the policies and procedures and the process is performed per your purchasing policy, per state guidelines, and per common practice. There is always the possibility that if the number one bidder gets selected the number two bidder will protest. They will always have that opportunity. If that happens we will cross that bridge when we get there but you will have options. Depending on the protest and depending on the circumstances, that is something we have to handle on a case by case basis.

Ms. Kilinski stated we require a protest bond for any bidder. There could be a protest regarding the actual RFP process or it could be a protest regarding the actual award but at either juncture our rules of procedure that have been adopted by this Board allows us to require a \$10,000 bid bond be posted and the idea is that if you are going to protest it better be real because you are going to lose that \$10,000 if your protest is not warranted or it is found to be not a valid protest. There is a process prescribed in the rules of procedure about how that happens, this Board actually sits as the first arbiter of that protest with the District Engineer providing guidance for that. It is very rare that happens in particular when you have a protest bond.

Mr. Wise stated we will have a mandatory pre-bid at my office two weeks after we advertise. Any contractor who is interested has to be in attendance at that meeting. In that meeting I will go over the scope of the project, the proposal requirements, scoring criteria and answer any questions they have at that point. Contractors in my experience generally don't ask any questions in those meetings because they are sitting with their competition. They are going to show up and

listen and sign in that they were there but at that point we will know the maximum number of bidders and who is interested. They will have to submit by date and time and we will immediately open them in front of all the bidders and hit the highlights. I won't go through them in detail then, but I will open in the public hit the highlights and price because that is all anybody is interested in anyway. After that, I and someone in my office will go through the details of the bid. As soon as I receive the bids and confirm that all the components are there we will distribute them to the Board Members and you look at them and review, score and you will come to a meeting with your individual decisions made and we will discuss it at a meeting.

Mr. Asbury asked is it a public meeting?

Ms. Kilinski stated it is a public meeting and there are a lot of ways to do that, to score those. You may recall that we discussed previously you can each come with your own ranking ahead of time and call it out and we can average them alternatively you could work through them together and come up with one point scoring that you adopt as a Board together.

Mr. Asbury asked then at the public meeting we will award someone the bid?

Ms. Kilinski stated you would rank them, authorize staff to send notice of intent to award with those rankings and they have a seven-day protest period thereafter, so we will wait seven days and if there is no protest then we would go to contract.

On MOTION by Mr. Asbury seconded by Mr. Hosford with all in favor Resolution 2018-11 was approved.

Ms. Kilinski stated assuming there is no extension of that 30-day time period the bids would come in the day before we anticipate your next meeting to be, which would be very tight for staff to review them or anyone else to review them we would anticipate it will be at the August meeting.

ELEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

i. Consideration of Change Orders and Update to Dove Pond Construction Project

Mr. Wise stated I have two change orders for consideration. One is from the contractor, two meetings ago during an update I told you that there had been some design issues and some shop drawings and things that through no fault of the contractor they have been held up. The contractor has requested a 98-day time extension with no increase in price just the time extension due to some of the delays out of their control. The CEI has reviewed it and agrees, I have reviewed it and agree.

Mr. Russell moved to approve Change Order #3 with Sandco for an extension of 98 days with no dollar increase and Mr. Asbury seconded the motion.

Mr. Asbury stated there is a lot of concrete work that is taking forever.

Mr. Russell asked can you give us an update on everything since we have not been out there.

Mr. Wise stated 95% of the earthwork is done, it is grassed and stabilized, at least 60% of the riprap is done. What they are doing now is constructing the concrete spillway. Friday was the last time I was out there and they had more than half the footers in because the spillway has a retaining wall on either side and they had the footers poured and were putting up the forms for the vertical portions of the wall. They will pour the walls then they have to wait seven days or so for the concrete to cure to a particular point then they will come back and pour the spillway.

Mr. Russell asked how are we doing on the timeframe as far as where we thought we would be with all this rain we have had?

Mr. Wise stated we are delayed but it actually isn't necessarily due to weather it is due to the wall designer not liking the spillway designer's design and it has gone back and forth and the concrete type they wanted to use had some challenges where the geotechnical engineer was okay with it, but the structural engineer wasn't. The contractors have been caught on several items between two designers so that is why I said it was outside their control. Also, they wanted to use a particular type of soil for an area of the dam that was identified as random fill zone, which means you can put whatever you wanted to and for some reason it took them an excessive amount of time to get approved for the soil type they wanted to go in there.

Mr. Russell stated we wanted to get ahead of the storm season and get that built.

Mr. Wise stated the dam is high enough that we are beyond all risk that we were concerned about. All the earth part is done, there is still no water in the pond.

On voice vote with all in favor the motion passed.

Mr. Wise stated the second change order is for the CEI company, construction inspection company, RS&H that is required by Blueprint, procured by the District to oversee the construction, basically a resident inspector. I mentioned this, but you may not remember in the very beginning of the project where the negotiations with the CEI were based on the construction contract schedule. The schedule in the contract provided for weekdays not calendar days so the negotiations with RS&H from the beginning were several days short, something like 30 days short. We knew this was coming and quite honestly, we have been waiting and watching to see how things shook out. If the contractor was able to get it done in less time, then this change order wouldn't be necessary or this change order would be a different value. Where we are today, is the contractor has needed additional time. Not only is he using the time originally described but additional time and the opportunity to not have this change order didn't occur like I was hoping it was going to. I sat down with the construction inspection company and said all the earthwork is done so all that oversight where you have to confirm that this soil type is exactly what it is supposed to be in this location and then send it off to the lab, all that super close oversight isn't necessary anymore. All the concrete and structural stuff has been reviewed and approved so at this point all they are having to do is general oversight and it is not necessarily required that someone is there every minute of every day that the contractor is working. They agreed to that and the value of this change order reflects that reduction in their efforts. Also, this change order is generally based on the initial shortage of contract time excluding the 98 days that we just gave the contractor and they have agreed that they won't come back for the other 98 days. This is about a 140-day extension of the CEI, which is almost double their contract time at the cost of about 30% of the original contract. They are giving us 50% more time for 30% more money. The value is high, it is \$101,013.33 but going over the specifics I think this is fair and reasonable. It is basically an increase in the contract time to match the contractor's construction time and an increase of \$101,013.33 for a new contract value of \$385,801.23.

Mr. Asbury moved to approve Change Order #1 with RS&H for an increase in fee of \$101,013.33 and Mr. Hosford seconded the motion.

Mr. Russell asked where the two different engineering groups couldn't agree on the time period to develop some angles can't that be worked out before?

Mr. Wise stated it absolutely should have.

Mr. Russell stated the guys out there working shouldn't have to wait around for that.

Mr. Wise stated a couple things that happened, the original designer of the project, whether it was structural, geotechnical, civil, whatever, now that they are involved in the actual construction of it and it was designed and permitted back in 2009/2010 now they are saying I get a chance to do a little upgrade and protect myself a little further. They are kind of getting a second bite of the apple. In most instances we would take a much harder stance with if there is something not here it would be an omission and you should be fixing it for free on your dime and quickly but the general consensus is that this component, the dam, is so critical that if there is ever any issue and we took a hardline approach with one of the designers then they could say if I had a chance to do what I wanted to do in March 2018 then this issue wouldn't have happened. We are proceeding with extreme caution making sure there are no abilities for anyone to shed themselves of responsibility should something happen in the future. You are right and Tom and I have discussed that specifically but the overriding concern is that we don't want to provide the instance where we are preventing one of the design entities from implementing their full design so that we don't own that liability the designer does.

Where we are on funding this project is unfortunately, Blueprint reimbursement has been completely exhausted and any additional has come out of the developer's pocket.

Mr. Asbury stated this was stuff that was done a long time ago and we have given them another bite of the apple and because they have had that bite of the apple then they have to stand behind what they are doing. It gives us another level of protection.

On voice vote with all in favor the motion passed.

ii. Ratification of Capital Funding Requests #4 and #5

Mr. Wise stated we had two capital funding requests, which are for the District’s portion of construction costs for Dove Pond dam and those are capital funding requests #4 and #5. Number 4 is in the amount of \$236,737.65 and that number is net of the reimbursement from Blueprint. Funding request number 5 the District portion is \$229,118.94 and that is net of the Blueprint portion, which as of funding request number 5 we have exhausted all their obligated funds.

This morning I received pay application number 6 and I will look at that and get that out.

Mr. Asbury asked why is the District paying more on number 4 than Blueprint?

Mr. Wise stated of the construction we are paying one-third two-thirds split and of the CEI services it is 50/50. On number 5 we sought all that we could from Blueprint and that is whatever was left in that pot. From this point forward it will be all District funds.

On MOTION by Mr. Russell seconded by Mr. Asbury with all in favor capital funding requests #4 in the amount of \$236,737.65 & #5 in the amount of \$229,118.94 were ratified.

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 #8

On MOTION by Mr. Asbury seconded by Mr. Hosford with all in favor funding request #8 in the amount of \$16,455.92 was approved.

TWELFTH ORDER OF BUSINESS

Other Business

On MOTION by Mr. Asbury seconded by Mr. Hosford with all in favor the July 3, 2018 meeting was rescheduled for July 10, 2018 at 11:00 a.m. in the same location.

THIRTEENTH ORDER OF BUSINESS

Supervisors Requests

There being none,

On MOTION by Mr. Russell seconded by Mr. Asbury with all in favor the meeting adjourned at 12:07 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman