

MINUTES OF MEETING
CANOPY
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Canopy Community Development District was held Tuesday, March 5, 2019 at 11:10 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:

Darrin Mossing	District Manager
Jennifer Kilinski	District Counsel
Abraham Prado	District Engineer
Lauren Gentry	Hopping Green & Sams
Darrin Mossing, Jr.	GMS

FIRST ORDER OF BUSINESS

Roll Call

Mr. Mossing called the meeting to order at 11:10 a.m. and called the roll.

SECOND ORDER OF BUSINESS

Public Comment Period

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the February 5, 2019 Meeting

On MOTION by Mr. Russell seconded by Mr. Asbury with all in favor the minutes of the February 5, 2019 meeting were approved as presented.

FOURTH ORDER OF BUSINESS

Acceptance of Audit Committee Recommendation and Selection of No. 1 Ranked Firm to Provide Auditing Services for Fiscal year 2018

Mr. Mossing stated next is acceptance of the Audit Committee recommendation and selection of the number one ranked firm to provide audit services for Fiscal Year 2018.

On MOTION by Mr. Patterson seconded by Mr. Russell with all in favor the recommendation of the Audit Committee of Carr, Riggs & Ingram being ranked no. 1 subject to negotiating the fee and if unable to do so then go to the second ranked firm, Grau & Associates and try to negotiate a lower fee was approved.

FIFTH ORDER OF BUSINESS

Consideration of Proposal for Monitoring for Wetland Creation

A. Proposal from Cardno for Monthly Service \$94,615

B. Proposal from Florida Environmental and Land Services for a Quarterly Service \$26,350

Mr. Mossing stated the District did receive two proposals one from Cardno for a five-year annual fee of \$94,615 and a proposal from Environmental and Land Services for a quarterly service, for a five-year total of \$46,350.

Mr. Prado stated Dove Pond is approaching completion as part of the Dove Pond permit, there is some wetland mitigation that was required to be done. As part of that wetland mitigation, the regulatory agencies require you to have a monitoring plan, as part of the monitoring plan you need to be able to control native species. The proposals are to perform that work for the District for the next five years. It is an annual monitoring requirement to check whether the wetland creation is trending towards success and success is identified in the permit as the number of plants that you planted that are producing and growing and also a threshold of how much invasives you can have. You have to do that every year and you have to control the invasives. Both proposals are for mitigation monitoring and provide treatment for any invasive species that are out there. Cardno is proposing a monthly herbicide service, Florida Environmental is proposing to do a quarterly service. The difference is the herbicide service that Cardno is proposing is 35 services, so monthly for the few years whereas Florida Environmental is proposing quarterly. They both have experience and I would trust Florida Environmental that they could perform this adequately.

Mr. Russell asked who monitors that?

Mr. Prado stated they need to as a function of their permit and monitoring report. As far as their monitoring report they each report to DEP all the activities and we will receive copies of those reports. The report is due annually and what they include, that is not included in Cardo's

proposal, is they include a baseline monitoring, which is \$2,900 so in a way you are having a little extra expense with Florida Environmental and what they want to do upon completion of the project by the contractor they want to go out there and make sure that baseline meets the criteria by DEP. In a way it is a double check to make sure you are getting what you are paying for through Dove Pond.

On MOTION by Mr. Asbury seconded by Mr. Russell with all in favor the proposal from Environmental and Land Services for a five-year total cost of \$46,350 was approved.

SIXTH ORDER OF BUSINESS

Consideration of Real Property Conveyance

Ms. Kilinski stated there are two forms of deeds in your agenda package. This is a result of certain of Unit 3 Phases 1 and 7 improvements and underlying real property being conveyed to the City of Tallahassee. The District already owns the improvements, the actual roadways, the District acquired that when we went through the acquisition process but we didn't acquire the real property largely because there wasn't a plat, we would have had to have a metes and bounds description but the city is requiring the real property also be conveyed because the District owns the improvements. We now have before you a deed with a legal description for that acquisition by the District. You will see a reciprocal deed from the District to the City of Tallahassee. These have already been reviewed by Developer's Counsel so we are just looking for a motion to approve those.

On MOTION by Mr. Patterson seconded by Mr. Russell with all in favor the grants of Special Warranty Deed for the 1.18 acre tract and 0.18 acre tract from Ox Bottom Mortgage Holdings to the Canopy Community Development District was accepted and the grant a Special Warranty Deed for the 1.18 acre tract and 0.18 acre tract to the City of Tallahassee was approved.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

i. Consideration of Change Order No. 1 for Sandco Dove Pond Stormwater Facility to reduce the required limits of general liability insurance from \$7 million to \$5 million

Mr. Prado stated this is something that had been missed from a while back and never brought to the Board for consideration. Change Order no. 1 proposes to adjust the insurance limits from \$7 million to \$5 million. I believe it is to bring it more in line with the market insurance limits that are available for the local contractors.

Ms. Kilinski stated my recollection is that we sent this over to Blueprint since they were funding and they were fine with it as long as it meets the project threshold.

On MOTION by Mr. Asbury seconded by Mr. Patterson with all in favor Change Order no. 1 for Sandco Dove Pond stormwater facility to reduce the required limits of general liability insurance from \$7 million to \$5 million was approved.

ii. Consideration of Change Order No. 2 for Sandco Dove Pond Stormwater Facility for Alternate No. 1 Karst Remediation for a Net Increase of \$416,070

Mr. Prado stated this change order is for additional time and additional money. It is associated with the Karst remediation and the additional time associated with that.

Ms. Kilinski stated this was a bid alternate when we bid the contract because we weren't sure how much Karst remediation would be needed so they priced a cubic yard price and then it was just however much they needed to use.

Mr. Patterson asked does Blueprint have to approve this?

Ms. Kilinski responded no, they have been engaged as partners in the CEI firm, which we will talk about a little bit later. As you will recall the District and Blueprint jointly retained the CEI firm who has reviewed and approved this.

On MOTION by Mr. Russell seconded by Mr. Patterson with all in favor Change Order no. 2 with Sandco for Dove Pond stormwater facility alternate no. 1 for a net increase of \$416,070 was approved.

iii. Consideration of Change Order No. 4 for Sandco Dove Pond Stormwater Facility for a net increase of \$307,276.40

Mr. Prado stated at this point we are still reviewing some of the backup information and we want to table this item.

Ms. Kilinski stated this dovetails into item four, which we will talk about with a little more specificity. Essentially, it is not just the change order amount, which I think this Friday, RS&H who is your CEI firm approved the amount so we need to look at the backup because it is also tangentially related to RS&H's change order required for additional days and we have not had a chance to dig in to the paperwork and backup for the additional days.

The RS&H change order is closely related. What they are asking for in change order amount is \$404,053.32, which is a significant change order. We have asked for backup documentation, which I received in my office yesterday to true up these numbers. We met with them last Tuesday, Abe, Tom and I with two of their project team members trying to determine where they arrived at this \$404,000 because the amount of days and the backup for manhours worked and not at the contract pullover that they brought for a nine-month time period just didn't line up. We have had a lot of discussion, they have reduced that amount to \$286,000, which we believe is still way too high based on the work that was actually performed in the field so what we are recommending for both of these change order requests is to authorize your chair to continue to review and negotiate a change order request from RS&H at a not to exceed \$100,000 amount. We may or may not get there and we can bring it back to you at your next Board meeting if it exceeds that amount but based on our preliminary review of the documentation they provided and the number of days that Sandco actually worked between weekends and weather days and work that was actually done on the dam rather than wetland mitigation or non-associated dam work we are looking at closer to 75 to 100 days of work rather than nine months of work. We have already discussed with them what our position is on the number of contractual breaches. You may recall that when we did the RS&H agreement they were required to invoice the District monthly for work performed and they were also required before they incurred any additional costs over the contract amount to come to us with a change order in advance so that we could negotiate what their staffing levels were going to be. We saw no invoices and no requests for work for nine months. We got hit with a \$400,000 change order and that is only through the middle of February.

Mr. Asbury stated my position is they were originally hired to make sure the dam got built correctly and that is what we were most worried about and the dam was finished in June other than the spillway, which is a concrete spillway that runs around the dam. We had a lot of issues with

permitting that and they went back and wanted to change some things and it sat and the rain came and they couldn't put it in so nothing happened. We would have adjusted that contract in June had they come to us. I would like to have the right to negotiate this up to a maximum of \$100,000. Are we doing both of these or just this one right now?

Ms. Kilinski stated from the Sandco perspective I would say not to exceed their change order amount. I don't think that there is any dispute about the cost, the additional work, although we haven't had a chance to review it with any level of detail, but we likely will be disputing the number of calendar days.

RS&H has approved that and with the number of calendar days they are trying to get on theirs.

Ms. Kilinski stated they are required to get permission for overtime work prior to expending those amounts too. There are a lot of things wrong with the billing. If you look at the calendar days submittal, we asked for preliminary backup. The number of days that were not worked are significant. The other challenge is that they are claiming they get payment for almost all weekends, which under our contract with Sandco, Sandco is not permitted to work weekends without clear direction by the District, or written direction by the District, which was never provided either. Even all of these non-pursuit days are either weekends or they are going to be getting paid for Christmas Day, New Year's Day. Certainly, there is negotiation room. We just got the backup yesterday.

We have prompt payment responsibilities on our construction contract so we can dispute the amounts we are disputing but I recommend we authorize staff and the Chair, GPI and myself up to the contract amount because we are not ready to dispute any amount yet since we just got the backup for it but I don't want to hold payment for them for 30 days if we find tomorrow that this is actually a payment that should be made.

<p>On MOTION by Mr. Asbury seconded by Mr. Russell with all in favor Mr. Asbury was authorized to negotiate Change Order no. 4 with Sandco for Dove Pond stormwater facility for a net increase not to exceed \$307,276.40.</p>

iv. Consideration of Change Order no. 2 for RS&H for CEI Services for a net increase of \$404,053.32

This item was discussed under item iii.

On MOTION by Mr. Patterson seconded by Mr. Russell with all in favor Mr. Asbury was authorized to negotiate a change order with RS&H in an amount not to exceed \$100,000.

- v. **Consideration of Warranty and Release of Restrictions on District’s Right to Use Plans for Construction Improvements – Unit 3**
- vi. **Consideration of Acquisition of Work Product**
- vii. **Consideration of Revised Requisition no. 1 for Unit 3 from the Series 2018A-1/2 Bonds Capital Fund Project**

Ms. Kilinski stated these items are all related. The District had accepted the assignment of the Unit 3 contract but we don’t own the plans so we can’t yet authorize payment for Requisition no. 1 under that contract until we actually own the plans on which the project is being built. We are asking for authorization to execute this warranty and release, authorization to execute the acquisition of work product and ultimately authority to authorize Requisition no. 1, which will be approved by GPI assuming the numbers are fine once we actually have these documents executed. Again, since the District doesn’t own the plans we can’t rely on the warranty or use the plans until we actually own them. That is why these items are closely related. It is part of the District’s capital improvement plan, it is part of the Unit 3 plan, it is for professional fees, soft costs as well as construction related to that project.

Mr. Asbury stated basically it is saying the plans that GPI has created now the District owns those instead of the developer.

Ms. Kilinski stated yes, the District needs to buy them or otherwise have them released to the District because it is going to be part of our project.

Mr. Asbury asked would you then get a disk?

Ms. Kilinski stated, no GPI is the District’s Engineer, it is not necessarily that we have to get them in our possession because GPI is under contract to the District too, but it is a release, GPI executing this release to say we recognize we have been paid in full and we are willing to release and provide you a warranty of those plans. Hypothetically speaking the District has Unit 3 under contract by way of an assignment. Let’s say there was a design defect or a construction defect and the District needed the right to enforce the plans, whether it is because Sandco did not adhere to the plans or because the plans weren’t made right. We wouldn’t have the contractual authority or ownership around those plans to be able to make those claims. It is important that the District own

the plans. My understanding is that Unit 3 is part of a bigger contract of the landowner so they need some time to be able to figure out exactly how much those plans cost.

On MOTION by Mr. Asbury seconded by Mr. Patterson with all in favor items v, vi, and vii were approved.

viii. Ratification of Capital Funding Request No. 10 Dove Pond Regional Stormwater Construction Project in the amount of \$85,457.75

This item was tabled.

ix. Ratification of Capital Funding Request No. 11 Dove Pond Regional Stormwater Construction Project in the amount of \$291,912.58

This item was tabled.

x. Consideration of Work Authorization to Provide Architectural Services for Amenity Center

Ms. Kilinski stated the idea originally was to have GPI sub-consult architectural services but because of the timeline we have plenty of time to go out with an RFQ for architects. It will be helpful when the District goes to bid the amenity center to have an architect on retainer directly with the District to provide some help in that bidding process as well as construction administration services that they will ultimately be signing off on those requisitions when we start building the amenity center, it is an architectural project rather than an engineering project. This RFQ for architectural services is not like the RFP you have done in the past where you have evaluation criteria and come back and rank them. It is all based on qualification and those categories are already set forth within your District's rules of procedure and the statute. You ask things like project location, manpower, they have to submit their standing in Florida and that sort of thing. It is all statutorily driven. It is a 14-day notice period so it is a matter of getting it in the newspaper and you have to give them 14 days to submit qualification. We can do that and by the April meeting you could look at qualifications. The next step after that is you authorize negotiating a contract with whoever you rank as no. 1 and that is when you get hourly prices associated with that contract.

On MOTION by Mr. Asbury seconded by Mr. Patterson with all in favor staff was authorized to issue a request for architectural qualifications.

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 Capital Funding Request No. 5

On MOTION by Mr. Asbury seconded by Mr. Russell with all in favor capital Funding Request no. 5 in the amount of \$3,795.76 was approved.

EIGHTH ORDER OF BUSINESS

Other Business

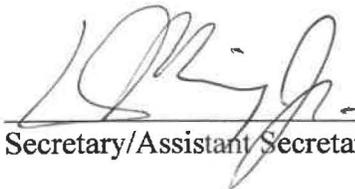
There being none, the next item followed.

NINTH ORDER OF BUSINESS

Supervisors Requests

There being none,

On MOTION by Mr. Patterson seconded by Mr. Russell with all in favor the meeting adjourned at 11:45 a.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman