

TURNBULL CREEK
COMMUNITY DEVELOPMENT DISTRICT

A special meeting of the Board of Supervisors of the Turnbull Creek Community Development District was held Monday, February 2, 2015 at 6:00 p.m. at the Murabella Amenity Center, 101 Positano Avenue, St. Augustine, Florida.

Present and constituting a quorum were:

Aage G. Schroder, III	Chairman
Kathleen Venezia	Vice Chairman
Joseph Quinto	Supervisor
Brian J. Wing	Supervisor
Chuck Labanowski	Supervisor

Also Present were:

Dave deNagy	District Manager
Mike Eckert	District Counsel
Preston Doub	District Engineer
Several Residents	

The following is a summary of the minutes and actions taken at the February 2, 2015 meeting and a copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

Mr. deNagy called the meeting to order at 6:00 p.m.

SECOND ORDER OF BUSINESS

Audience Comments

A resident asked will we have an opportunity tonight to find out what is going to be done on the bank improvements?

Mr. deNagy responded I believe the engineer will be going through the engineer's report and he will give you an overview of what we are doing.

THIRD ORDER OF BUSINESS

Pond Bank Reconstruction Project

A. Recommendation of Ranking of RFP Committee

Mr. deNagy stated earlier today the pond bank reconstruction RFP committee met and discussed the one proposal we received and that was from Besch and Smith. Eight contractors attended the pre-bid meeting and we received one proposal in the amount of approximately \$676,000 and that is the number we are working with to come up with how much we need to do the pond bank work.

Mr. Eckert stated ordinarily if we had money in the bank we would be asking the board today to authorize staff to enter into a contract with the proposed firm. We are not expected to get bond money under the current timeline until the second week of March. What we want to do today is present the findings of the committee to the board and ask the board whether or not they want to reject the proposal and go out again for new proposals, which is a lengthy process and hopefully you get more or to take no action understanding that we will bring this issue back to you at the February 24th meeting when we are much closer to having the funds available. I would rather have you approve the contract with them at such time as when the funds are secured. The contractor understands we have that timing issue, which is why we asked that the bids be held open for 120 days. You have all seen the bid and the RFP committee's recommendation is that the bidder was responsive and responsible. There were two very minor irregularities in terms of them not presenting a couple résumés and also their staffing proposal, those are waivable by the board when you actually make your determination to contract with them.

I'm suggesting based on timing considerations you have heard the recommendation, you can continue the issue until your February 24th meeting unless the consensus of the board was to reject the bid and go out to bid again, which is about another 45 day process and you may not get more and you may get less than you got this time. If there is not a motion to go out to bid again then staff will put this item on your February 24th agenda.

Mr. deNagy stated I would like to move item four, the Perret Survey Control proposal to discuss with the next item.

B. Consideration of Engineer's Report

Mr. Doub stated we looked at all the ponds several months ago and had some geotechnical work done on certain areas that we had various failures and the board decided to move forward with three of the ponds that had the most amount of failures on them. We put

together the engineer's report and used that to look at financing and those kinds of things and we also put the project out to bid and received those bids today. The project will reconstruct the banks in those various locations where we have failures from underlying soils or from surface erosion problems. The earlier numbers we had were the highest outside number and based on the bid we have updated the cost to a total of \$1.1 million and that consists of \$800,000 for the pond bank slope reconstruction, taking into consideration some contingencies for unforeseen items, extensions of work and potential additional unsuitable material. We added a 12 ½% contingency, which is \$100,000 and \$200,000 for soft costs for legal, surveying, engineering, construction administration, geotechnical support and that brings it to \$1.1 million.

On MOTION by Mr. Wing seconded by Mr. Quinto with all in favor the revised engineer's report dated January 30, 2015 was approved.

Consideration of Perret Survey Control Proposal

Mr. Doub stated one of the things we will have to do before we move forward with the project is provide some survey control work for the contractor. This is routinely done because a contractor doesn't want to identify the base control. I have used Perret quite a bit and their prices are always competitive. They did the survey work on our other projects. Their proposal is \$800 for the benchmarks and \$2,500 for the lot corners. They will need about two weeks notice to get this done and they want to get it done just before the contractor starts.

The board requested the engineer to obtain two or three proposals and to bring them to the February 24, 2015 meeting.

C. Consideration of Trustee Proposal for Refunding Bonds 2015A-1

Mr. deNagy stated as you will recall we had approved a proposal from the trustee for the pond bank reconstruction and we requested a proposal for the refunding bonds, which is in front of you. The fee is very typical of a trustee.

On MOTION by Mr. Wing seconded by Mr. Labanowski with all in favor the proposal from U.S. Bank for trustee services for the 2015A-1 refunding bonds was approved.

D. Approval of Preliminary 2015A-1 Assessment Methodology

Mr. deNagy stated this is the refunding of the Series 2005 Bonds. The methodology for refunding the bonds was handed out at the last meeting and we are refunding \$13,455,000 worth of bonds, we originally issued \$15,115,000 of bonds and we are accruing an annual debt assessment savings of about \$119.06 and there will be an annual debt reduction to 740 homes in Murabella and next year we will look at refunding the Pescara/San Marino areas, which is the Series 2006 bonds. This reduction will offset the increase for the pond bank reconstruction and then some. The methodology is in front of you along with a copy of the tax roll.

Mr. Eckert stated this is based on preliminary interest rate projections by the underwriter and you hope to come in better than that and that is typically what we see. For purposes of us providing notices and going through the process now we are hoping we are on the high side and we can bring it down a little bit more.

On MOTION by Mr. Wing seconded by Ms. Venezia with all in favor the preliminary assessment methodology for the 2015A-1 assessments was approved.

E. Consideration of Resolution 2015-05, Declaring 2015A-1 Assessments

Mr. deNagy stated next is Resolution 2015-05 declaring the assessments with regard to the refunding bonds. This resolution makes a declaration that will be included as part of the published notice for residents when we have our public hearing.

Mr. Eckert stated essentially this kicks off the assessment process. You are not making any decisions locking anybody in to any assessment today but this is a step you have to do before you can have a public hearing to get everybody's comments at which time you will actually finalize the assessments. We will attach the assessment methodology to this.

On MOTION by Mr. Wing seconded by Mr. Labanowski with all in favor Resolution 2015-05 declaring 2015A-1 special assessments was approved.

F. Consideration of Resolution 2015-06, Setting a Public Hearing Date

Mr. deNagy stated Resolution 2015-06 sets a public hearing date with regard to the resolution that you just passed.

Mr. Eckert stated staff is suggesting March 10, 2015 for the hearing on assessments and in consultation with the financing team the plan would be to have a board meeting, have the assessment hearing then pre-close on the bonds on that day. The actual closing and funding wouldn't occur until the 12th.

On MOTION by Mr. Wing seconded by Mr. Quinto with all in favor Resolution 2015-06 setting the public hearing for March 10, 2015 at 6:00 p.m. at the same location was approved.

G. Approval of Forms of Mailed and Published Notice for Refunding

Mr. deNagy stated the next item is approval of the forms of mailed and published notice for the refunding. We would fill in the March 10th date on the mailed and published notices. The mailed notice is required to go out at least 30 days prior to the public hearing.

On MOTION by Mr. Labanowski seconded by Mr. Wing with all in favor the forms of mailed and published notice for the refunding were approved.

H. Approval of Preliminary 2015A-2 Assessment Methodology

Mr. deNagy stated the next item is approval of the 2015A-2 preliminary assessment methodology dated February 2, 2015. This is the pond bank reconstruction methodology. You can see in Table 1 the construction funding is now \$1,100,000. What had been provided earlier was \$1,800,000. We validated \$2 million worth of bonds for the project and the cost came in a lot less than what we validated. This methodology has been revised to account for the engineer's report that was presented and approved earlier in the meeting.

On MOTION by Mr. Quinto seconded by Mr. Wing with all in favor the preliminary assessment methodology for the 2015A-2 bonds was approved.

I. Consideration of Resolution 2015-07 Declaring 2015A-2 Assessments

Mr. deNagy stated next is Resolution 2015-07 declaring assessments for the pond bank reconstruction work. We are not assessing anyone at this juncture; this is just a declaration of those assessments.

On MOTION by Mr. Labanowski seconded by Mr. Schroder with all in favor Resolution 2015-07 declaring 2015A-2 special assessments was approved.

J. Consideration of Resolution 2015-08 Setting a Public Hearing Date

Mr. deNagy stated next is Resolution 2015-08 setting a public hearing date for March 10, 2015 at 6:00 p.m.

On MOTION by Mr. Wing seconded by Mr. Quinto with all in favor Resolution 2015-08 setting a public hearing for March 10, 2015 at 6:00 p.m. in the same location was approved.

K. Approval of Forms of Mailed and Published Notices for Pond Reconstruction

Mr. deNagy stated next is the mailed and published notices for the pond bank reconstruction. You can see on the front page we show the \$89.06 proposed assessment for the pond bank reconstruction and the published notice is included as well has the same information.

On MOTION by Mr. Labanowski seconded by Ms. Venezia with all in favor the forms of mailed and published notices for pond bank reconstruction were approved.

FOURTH ORDER OF BUSINESS

Consideration of Perret Survey Control Proposal

This item discussed earlier in the meeting and deferred to the next meeting.

SIXTH ORDER OF BUSINESS

Other Business

SEVENTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

Mr. Wing stated I would like to propose that we change the February meeting to 6:00 p.m from 2:00 p.m.

On MOTION by Mr. Wing seconded by Mr. Schroder with all in favor the February 24, 2015 meeting will be held at 6:00 p.m.

HOA

Ms. Venezia stated I think a recommendation should be made to the Homeowners Association to amend their covenants in regards to the pond banks stating it is CDD property and the responsibility of the homeowners is to irrigate. I think we need to put that to bed and let it be known that this is stormwater management CDD property. Can we do that?

Mr. Eckert stated you can certainly make a suggestion as a CDD board the HOA can say yes or no. It says if the CDD takes ownership of the ponds then the HOA's responsibilities in relation to the ponds transfer over to the CDD. That is a separate issue than what it says about the homeowners on the pond banks. I don't think they are necessarily related.

Mr. Labanowski stated the HOA is in the process of going through all the covenants and since I'm on the board I will bring it up to them.

Mr. Eckert stated if you are talking about the board communicating with the HOA you have to reach a consensus on what that communication actually is then you appoint one member and that member can talk to them about relaying those concerns. I think you are a ways away from being able to crystallize any kind of consensus on the board on what changes should be made. I don't think it is productive for five board members to send their individual comments to the HOA. You can do that as a resident. Let me know if you want my recommendations to help us run as efficiently as we can. We are going to do our own thing anyway but it would be nice if the covenants were consistent with what we want to do.

Inspections

Mr. Labanowski stated one item that hasn't been discussed on the pond bank reconstruction is the inspections as we go along. We need proposals for someone to do the inspections from the engineer or whomever.

Mr. Eckert stated the cost of the inspections is included in the \$1.1 million but the matter of finding the right staffing level is an important issue.

Mr. Doub stated we can bring a proposal from our firm and I will get one from Meskel for the geotechnical side of it.

Ms. Venezia stated we are going to need someone to be a buffer with residents when we are working on or by their lot. Mr. DeFranzo has been very involved and we could get a proposal from him.

Mr. Schroder stated that is why we hire England Thims & Miller to perform those services. They developed the plans, they review this and we need someone who can speak when there is a question raised about what are you doing. This project is going to require a lot of communication so people understand what is going to happen and when it is going to happen.

Mr. Doub stated there are two components in my mind, one is the compliance with the plans and approval of pay requests and making sure that density tests are done and those kinds of things from purely a construction administration standpoint. I think spending public funds on the project we need a professional doing that, which is represented by an engineering firm. There is another side of it from a project liaison standpoint that could be Ralph or someone like that who works sort of between the contractor, the engineer and the homeowners and even the board.

Mr. Schroder stated I think it would be more appropriate for that person to be hired by England Thims & Miller opposed to a direct contract with the CDD. That model is used by some organizations I'm familiar with DOT and they hire a third party inspector, they call it construction engineering inspection and they are out there working for the owner doing a lot of those communications and a lot of those inspections for the DOT or whatever agency uses that model.

Mr. Doub stated the only thing I will caution you about that is it is going to run the cost of that service up.

Mr. Schroder stated it will but if we went independent the cost would be even greater.

Mr. DeFranzo stated whoever performs the inspection whether it s a direct employee of ETM or not they are going to have to coordinate with his office for payment, for administration, etc.

Mr. Schroder stated the most important aspect is to get the right person out there on the job most of the time and I'm not sure we should have someone there 100% of the time but there will be time periods where the inspector's presence is very important and other times not.

Mr. Doub stated I will bring back a proposal at the next meeting with estimated hours and fees.

Mr. Eckert stated just to make sure everybody understands Preston is bringing back a proposal for his firm to do what I will call the construction inspection engineering role for this project. Then there is the second role that the board is going to talk about more at the next meeting. I'm not clear on what we are supposed to do in terms of that second issue.

Mr. Wing asked in our contract with Preston now is there not oversight and inspection of the work that is done?

Mr. Eckert stated we have a master contract and when we need engineering services that are more than the routine, attending meetings and providing advice they present a work authorization, which usually is a lump sum or not to exceed fee and the board votes on that. That is how the contract is set up. You don't do a new contract each time, we have one contract then we have work authorizations.

Mr. Schroder stated that work authorization needs to have a scope of work so we know exactly what that represents.

Mr. Wing stated now that I understand the role of the engineering firm I feel more comfortable if we are going to spend additional money for inspection.

Mr. Schroder stated one of my concerns is going out to an independent engineer to do that work is there will be costs associated with just getting up to speed on the work that has been done and the process. I don't know how we could do that, I'm not necessarily opposed. I think we all want to try to get the best product we can without spending unnecessary dollars on engineering and geotechnical, surveying and even legal costs.

Mr. Doub stated I can bring back a scope and fee proposal from our firm but I can't bring other proposals.

Mr. Eckert stated you would have to direct the district manager to do that and because of the cost of the project you are probably going to fall within the CCNA and you may have to go through that competitive process to select somebody to do that work because it is based on the value of the project not what you pay someone. You have already gone through that when you selected this engineering firm. I can report back to the board later this week on what process is. The process isn't costly it is a pretty simple ad you have to run; it is a question of timing. It is not going to be more than a 30 day process but you have other issues you need to think about in terms of getting up to speed.

Mr. Venezia asked can we get a proposal from Ralph to do it? He has background so would be able to identify as he did in San Marino that they were not putting the right stuff down or why are you changing the process when it is supposed to be this. Can't we do that?

Mr. Schroder stated we have people on the board who can do that.

Ms. Venezia stated another set of eyes is good to have.

Mr. Schroder asked but how do we pay him?

Ms. Venezia stated I don't know but if we were going to pay someone else why can't we pay him.

Mr. Eckert stated no disrespect to Ralph but if you are going to hire an engineer or surveyor or inspector or someone like that there is a specific process you have to go through and specific qualifications that you are going to have to have. If you are hiring somebody to be a liaison between the district, the contractor and the residents I would not say that would have to go through that process because it is different than somebody making an engineering judgment. From what I heard you have two different roles you are trying to fill and you need to tell staff how you want us to go about either filling those roles or looking for people to fill those roles and we will be glad to do it any way you want to do it.

Mr. Schroder asked Preston can you identify the staffing level where we need a professional engineer and where we don't need a professional engineer? Certainly, the testing and geotechnical would require a professional engineer.

Mr. Doub stated let me get with my CEI guys and see if we can come up with that.

Mr. Wing stated I prefer if we are going to hire or contract for additional work whether it be oversight I'm not sure liaison is necessary I'm more concerned about it sounds like there is a reasonable expectation that you want to have someone if not day to day, often overseeing the work that is being done. I have a little problem with that being the firm that originally built the banks, did the original engineering, did the original engineering in regard to now fixing it I would prefer to see it be someone outside who has not been connected to it since day one.

Mr. Venezia asked would that be a 30 day process?

Mr. Eckert stated I think it is less than 30 days in terms of the ad being on the street but in terms of us actually selecting someone and going through the process you wouldn't do it by February 24th. Unless you had a special meeting you would not do it before March 10th. In order to even start that process we would need to have a scope of services to be able to provide to

people who were interested in providing those services so they can look at them. I don't have any of those prepared, we would have to do that and the board would have to approve them then authorize the CCNA process.

One of the things we need to talk about is a date for the open house. We anticipate within the next week we will have a proposed route from the contractor that submitted a bid and once we identify the lots we would be able to then have everybody in for an open house that are affected so that we could let them know whether they have to move a fence or potentially move a fence. Again, the contractor said they wanted to stay on the lake banks as much as they possibly could so hopefully, that will reduce the amount of fences that need to come down. We will have to wait and see. I'm not confident they are going to stay entirely within that bank when the fences are on the edge of the easement. If we are going to start the middle of March you want people to move their stuff no later than the 1st of March so you are probably looking to have an open house no later than the third week of February, have everybody move their stuff by March 3rd or 4th. For the open house you would have one board member and Preston.

On the CCNA process it is a 14 day notice so if we came up with a scope on the 24th and ran an ad on the 25th you are looking at the end of the second week of March after your March 10th meeting so you would have to have a special meeting to deal with it March 10 to the 14th to evaluate and select somebody.

Mr. Schroder stated to do that we need a scope, we need to have a task order with ETM to develop that. The DOT has a scope but if we did that we would pay more for the inspection than we would for the work and that is not the intent.

Mr. Eckert stated there are a myriad of issues I have been thinking about as we have been having this discussion. What might be best is to come back to the board on the 14th with your options and if one of the options is to be able to get a scope then Dave and I can talk about what we can do. We have a project manual that we can provide to people and say we want construction inspection services related to this but there are a lot of other issues you have raised that I need to look into. We can't do anything before the 24th unless you want to have another special meeting between now and the 24th, which I don't think anyone has the appetite for.

I think you have a complex project and I think we have to look at what the requirements are for who can be doing that inspection in terms of the hardcore engineering inspection. Then

we have the other role, which is an extra set of eyes and a liaison between everybody out there. I just think they are two different roles. You are kind of mixing them up again.

Mr. Labanowski stated my concern is we have a fixed price from ETM and what are we getting for that fixed price. That is the proposal I would love to see, what we are getting for that dollar amount.

Mr. Eckert stated the costs are in the engineer's report for that.

Mr. Doub stated what I budgeted in here for construction administration for our firm was \$75,000. What I based that on was the contractor's schedule is 6 months, that is 26 weeks, two days a week that is 52 days at 8 hours a day is 416 hours total at \$135 per hour inspector rate that is \$56,000. Then you have some oversight by an engineer at \$7,000 and project management at \$4,000 and that is \$67,000 and I put in \$5,000 for expenses and that is \$72,000. That is what I based the \$75,000 on. It is an average time of two days a week and at start up you are going to have quite a bit more time for all these people and then as the project kind of goes through the middle phase I assumed everything goes smoothly the time may be that or a little less then there is time at the closeout that is higher. It is just an average of time over the job. If we are going to increase the level of effort a lot then we have to look at the cost of that and what we are budgeted.

Mr. Eckert stated I really can't recommend that you have Preston prepare a scope of work for the inspector if his company is going to be submitting a proposal for it. He is not going to want to do that; we are not going to want to do that. I can take a stab at it but I'm not an engineer.

Mr. Schroder stated I can inquire with some of the engineering firms who deal with the FDOT what it takes to do something like this.

Mr. deNagy stated if you bring a scope back to the February 24th the board could approve it.

Mr. Eckert stated I could tell you what process we would have to use at that point based on the scope but I need to see the scope first.

Mr. Doub stated one thing I would like to offer to you is go that process and bring that back to look at on the 24th but let me get our CEI guys to put together a presentation for you and give that to you at the next meeting then you can look at both options.

Mr. Schroder stated to be sure that I'm clear, this would be a scope for the entire inspection process, which includes testing, daily inspections and communication liaison, everything but the administration of costs or do you want to include that as well.

Mr. Eckert stated the geotech will be doing the testing but they would be coordinating with them.

Mr. Schroder stated that scope needs to say when and how frequently they do those inspections.

Mr. Eckert stated if you want to get apples to apples then, yes.

Mr. deNagy stated we are looking for a date for the open house, perhaps the 25 or 26 of February and that would be up to Chuck and Preston.

February 25, 2015 at the 7:00 p.m. was chosen for the open house for residents at which time Mr. Labanowski and Mr. Doub will be present.

Mr. Eckert stated we will notice a meeting at which two or more board members may be here and providing comment that way all board members can come if you want to, you can't vote on anything but you can still have more than two people in the same room as long as you provide public notice of that.

EIGHTH ORDER OF BUSINESS

**Next Scheduled Meeting – February 24, 2015
at 6:00 p.m. at the Murabella Amenity
Center**

Mr. deNagy stated our next meeting is February 24, 2015 at 6:00 p.m.

On MOTION by Mr. Quinto seconded by Ms. Venezia with all in favor the meeting adjourned at 7:47 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman