

MINUTES OF MEETING ENTERPRISE COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Enterprise Community Development District was held Wednesday, December 16, 2009, at 4:00 p.m. at 851 Celebration Avenue, Celebration, FL 34747.

Present and constituting a quorum were:

Matt Kelly	Chairman
Russell Stokes	Vice Chairman
Don Hempel	Supervisor
Pat Wasson	Supervisor

Also present were:

Gary L. Moyer	Manager: Moyer Management Group
Jason Walters (<i>by phone</i>)	Attorney: Hopping Green & Sams
Chuck Bell	Engineer: PBS&J
Brenda Burgess	Moyer Management Group
Roger Mitchell	Severn Trent Services, Operations Division
Jim Parker	Walt Disney Imagineering
Brian Smith	Severn Trent Services, Management Division
Residents and Members of the Public	

FIRST ORDER OF BUSINESS

Roll Call

Mr. Kelly called the meeting to order at 4:05 p.m.

Mr. Moyer called the roll and stated a quorum was present for the meeting.

SECOND ORDER OF BUSINESS

Public Comment Period

There being none, the next order of business followed.

THIRD ORDER OF BUSINESS

Consent Agenda

A. Approval of the minutes of the October 21, 2009, meeting minutes

B. Approval of check register and invoices

Mr. Kelly reviewed the items on the Consent Agenda and requested any additions, deletions or corrections to the minutes.

On MOTION by Ms. Wasson, seconded by Mr. Stokes, with all in favor, approval was given to the Consent Agenda.

FOURTH ORDER OF BUSINESS

Reuse Study Presentation by Camp, Dresser & McKee

Ms. Lisa Prieto reviewed the reuse study that was provided with the agenda package and is available for public review in the District Office during normal business hours.

Ms. Prieto stated the reuse study was designed to look at the reclaimed water system and then guide the District through any future improvements. The objectives were to evaluate the existing system, review the 1996 master plan, assess future reclaimed water demands, and determine if any capital improvements are needed to meet future demands. Possible alternatives include installation of reclaimed water storage tank, installation of a booster pump station, completing the loop, upgrading the current master plan, and pond storage/supplemental water. It is not recommended to install a storage tank. Although it would be 100% reliable, it is not cost effective since reuse water is a non-critical system. Operational costs will increase, and chemicals may need to be added. Strategies for reclaimed water management include a tiered-rate schedule, a public education program, assigned watering days, rain sensors and water audits, all of which are currently implemented by the District. Overall, the reclaimed system is adequate, and it was built appropriately for this size community. The District should maintain the current reclaimed water management strategies, continue to work with other water utilities, and update the current master plan, which plan should include (1) updating the hydraulic model, (2) including a macro water balance model, (3) identifying future development and population and then calculating future reclaimed water demands, and (4) creating a list of reclaimed water capital projects that identifies short-term and long-term needs.

Mr. Parker stated this evaluation was predicated because of complaints we received in various villages at certain times of the year. We hit peak demand periods during the year, and when irrigation water is not available, that generates complaints. As a result of those complaints, we commissioned CDM to perform the study. They found the system is 95% effective. Reuse is not setup like a potable system where you do not expect 100% efficiency without spending a large amount of capital. We acknowledge that our system is a radio or serial system and the loop is not in place. Island Village has been identified in some preliminary designs, and we will need a booster station for that village, which was one of their recommendations. Without that loop, it will not help Artisan Park but it means putting a line between Celebration Boulevard and Celebration Avenue somehow. They provided a good evaluation of the system and perhaps the CDD engineer can further review their report and identify when that loop should be installed.

Ms. Prieto stated the loop is the best thing to install before the booster station.

Mr. Parker stated there are other alternatives, and the WMDs desire developments to use stormwater ponds for this purpose. There are ponds in the community that could be used

Mr. Moyer stated when we talked about the loop, I thought it was Toho Water Authority coming from Reunion.

Mr. Parker stated CDM looked at all the other water sources, and that is one of the five sources available. In order to get it to Celebration, there will be a cost associated with it. We can discuss getting water from another source, but once it gets to Celebration, it still has to be distributed. The sources will not have any impact other than being able to provide additional water.

Mr. Smith stated we went through that last year when Toho Water Authority noticed they had closed valves. They opened those valves, and our source of water is better than it has been in the past. We have a 12-inch line along Celebration Boulevard and there is plenty of water. We have a 4-inch pipe going to Artisan Park. It is only 5% of the year that we have a problem with 5% of the community, which is essentially Artisan Park. There is a pond we can utilize, and if we were to boost that area, that will reduce problems in that area. It is not a continual problem that we used to have in the past.

Mr. Kelly asked even if we were to use the pond to the north, would we still be constrained by the 4-inch pipe?

Mr. Smith stated we can get more water and more pressure into that pipe, but it can carry only so much water because we will get a higher volume of water than people can use. If that is not feasible, we can put in a booster and pull out of the pond if we need extra water.

Mr. Moyer stated the line goes through a conservation area, and we had a similar situation in Harmony. They did a directional bore. It looks like a feasible alternative financially.

Mr. Smith stated the boardwalk structurally can probably hold a 4-inch line and the permits are in place to do that.

Mr. Kelly stated Progress Energy is looking to bring an electrical feed into Artisan Park. There may be some synergy in working with them on that project.

Mr. Smith stated I already have a 1-inch line on there so we can pressure wash the boardwalk. The engineers will tell us if we need to reinforce the boardwalk or if it is more cost effective to do a directional bore.

Mr. Kelly stated we will ask staff to review the report and provide any recommendations to us.

Mr. Smith stated I think they did a very nice job on the report, and updating the master plan is one step that we need to do in the future.

Mr. Kelly stated we will look at doing that when the next phase of development occurs.

FIFTH ORDER OF BUSINESS

District Manager's Report

A. Financial Statements

Mr. Moyer reviewed the financial statements, included in the agenda package, which are available for public review in the District Office during normal business hours.

B. Field Operations

i. Monthly Highlight Report

Mr. Smith reviewed the monthly highlight report, included in the agenda package, which is available for public review in the District Office during normal business hours.

ii. Utility Report

Mr. Smith reviewed the monthly utility report, included in the agenda package, which is available for public review in the District Office during normal business hours.

Mr. Mitchell stated I have been in conversations with Raj Singh at PBS&J, and there is a discrepancy with the motors we currently have because they will not work with the VFDs. The motors can be rewired to be compatible with the VFDs. Mr. Singh is talking with manufacturer and I understand he is continuing with the development of the schematics to rewire them.

Mr. Smith stated these are to control the big swings in the pressure on the potable system.

Mr. Smith stated we are working on the master manhole in dealing with problems of decay. We expect work to begin in January and it will take two to four weeks to complete.

iii. Status of Landscape Proposals

Mr. Moyer stated staff distributed a spreadsheet of the proposals we received for landscape maintenance. Because of the magnitude of this contract for Enterprise CDD,

we did not have to go through formal notice and bidding process. It was not done as we did in Celebration CDD, where it is very structured and very formal. The bidding threshold used to be \$150,000, but it is indexed annually, and is probably around \$200,000.

Mr. Smith stated our existing contract is \$230,000, which included the north side of State Road 417. This is my fifth landscape bid in the last four or five months, some of them being fairly large, and in every one of them, we have seen a minimum 30% decrease in bids from the original contract amounts. We did an informal proposal process rather than a formal RFP process. I went to the same contractors that bid the Celebration CDD contract for price proposals. Our current contractor is the lowest proposer. We contacted references for each contractor. The reason Budd Group scored low on references is we were only able to reach one of their references.

Mr. Kelly stated Davey is our current contractor. Are you pleased with their work?

Mr. Smith stated yes. Girard came in with an extremely low bid for Celebration CDD, at about 53% lower than the existing contract with Davey Tree. For Enterprise CDD, they are the high bid. It is staff's recommendation to approve the Davey Tree proposal for a two-year contract with a two-year renewal.

Mr. Stokes asked when does the current contract expire?

Mr. Smith stated it expired almost a year ago, and we have been going month to month. The reason we did that was because we were going to bid a landscape maintenance contract with CROA, and their contract expired in December. We were going to do a joint bid with the Celebration CDD, and we extended that contract to go month to month to get them to expire at the same time. We later decided to do each one separately to hopefully see a reduction in costs. Since it is the same contractor, we will continue with Davey but at the lower amount as of January 1, 2010.

Mr. Hempel asked do you anticipate the Celebration CDD changing contractors?

Mr. Smith stated they did; they changed to Girard with a proposal of about \$860,000 compared to Davey's proposal of \$1.5 million.

Mr. Kelly asked who does the pressure washing of entrance features, CDD or CNOA?

Ms. Wasson stated CNOA is supposed to but Enterprise CDD does it for them.

Mr. Kelly stated the frequency needs to be increased, especially this time of year.

Mr. Smith stated I agree and I will meet with them. René Andreatta when he was here was really good about getting that work complete and getting the lights repaired, but the CDD has been maintaining those.

Mr. Hempel asked will Davey have to mobilize offsite?

Mr. Smith stated no, they are currently leasing a space from TCC that they can continue to use. That will be part of the conversation for the development of the civic corridor as it advances.

On MOTION by Mr. Stokes, seconded by Mr. Hempel, with all in favor, approval was given to award the landscape contract to Davey Tree for a two-year contract, with an optional two-year extension, as discussed.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney – Consideration of Draft Easement Agreement

Mr. Walters stated we distributed a revised form of easement related to the future Osceola County library site. The changes generally relate to providing a reciprocal indemnity provision so that we receive indemnity from the County. There are specific references to access so we can maintain the facilities, as well as language related to insurance and providing for a three-year review period. There is also limited language for providing worker's compensation insurance, since the District does not have any employees and we do not carry worker's compensation insurance. The County is reviewing this revised version, but we do not expect any changes. If there are any, they will be minor. We are requesting approval of this agreement in substantial form and authorizing the Chairman to execute it once it is finalized.

Mr. Moyer stated it sounded like the access part of the easement is for operation and maintenance of utility lines. That access will have to be used as access to the properties lying east, and it is not necessarily for maintenance of the utility lines. Will that change the language of that section?

Mr. Walters stated I do not believe so. There is a portion that is for general access as well as for our utility lines. I do not think that will change it but I will review the language again to be sure we are comfortable with it.

Mr. Kelly stated when the land is conveyed to library, it is conveyed with an access easement over the top of it in the land sale.

On MOTION by Mr. Hempel, seconded by Ms. Wasson, with all in favor, approval was given to the easement agreement for the library parcel, in substantial form subject to final review by counsel, and to authorize the Chairman to execute the final agreement.

Mr. Walters stated we prepared a waiver of rights document related to the library parcel. There was some concern by the County that they did not want to be assessed. Generally governmental property is not assessable and we would not assess it anyway. That land is in the jurisdiction of the Celebration CDD, not the Enterprise CDD, but they wanted us to waive rights to assess that property. I will bring this item to a future meeting.

Mr. Moyer stated TCC is moving forward on the closing of that property, and we need to approve that waiver. Enterprise CDD does not assess that property, and the waiver says it is exempt from assessments as long as the County owns that property. That is what Chapter 190, Florida Statutes, provides that we cannot assess governmental property, so it is consistent with State law.

Mr. Kelly asked this relates to special assessments, not to anything related to water or wastewater?

Mr. Moyer stated that is correct. In the waiver that Enterprise CDD will provide to the County, there is a provision that the County acknowledges we are not waiving rights to utility bills and things of that nature. We will bill them for utilities and they are aware of that.

MOTION by Mr. Stokes, seconded by Mr. Hempel, approval was given to waiver of rights for the library parcel, and to authorize the Chairman to execute the waiver, as discussed.

Mr. Walters stated Mona Lisa received some funds pursuant to a settlement agreement, and there was a hearing held to authorize use of funds for utilities. That money has been released to the debtor and the debtor has brought current all post-petition utility payments. We are working with them to be sure that they stay current and that there are no further issues. With respect to the bankruptcy itself, I would call the current status of the debtor tenuous. They have run into some issues with their bank who has said they will not support their plan and will not pay for them to get there. No motions have

been filed yet, but the practical effect is that either the debtor or the bank will move forward with a 363 sale, which is a sale of all assets of the debtor. It will not affect the CDD much, depending on the stance we eventually take. There could be a procedure whereby the entire par amount of debt is paid at that sale. Everyone is aware the District is first in line for that sale in terms of proceeds. The reality is, if that happens, the Board may need to make a decision whether to move to collect all of the par debt at that sale, or to collect delinquent assessments and allow the lien to remain on the land. A 363 sale never binds the lien of a local government, so if that comes to fruition for the debtor, that is bad news. The CDD has taken all necessary efforts to protect that lien, especially in light of a potential sale of the assets. If they go that route, we will come to the Board with an analysis of where we stand, what our options are, and what is the best course to take.

Mr. Kelly stated Mr. Walters and Ms. Stuart have been staying on top of this and they have been keeping me informed of the progress in between meetings. Do we need any authorization prior to the next meeting?

Mr. Walters stated things will not happen that quickly, but we may need to do that at the next meeting. Given the timeline of what needs to happen, a liquidation sale will not happen before March. At the meeting in February, we may suggest granting authority to the Chairman or to staff to take certain actions.

Mr. Kelly stated we have been close to making a decision about terminating utility service. Could we be in that situation again or will they stay current on their bills?

Mr. Walters stated all indications are that they will stay current. They received about \$160,000 in cash and the court authorized them to use that to pay utilities, so they have some cash to operate. The other short-term good news for them is that November and December are their busiest months. When we were approaching the decision whether or not to terminate utilities, I requested a breakdown of their reservations for the next 90 days. It does look like November and December will be better months for them, however they could face some unanticipated expenses. With respect to termination of service, generally we will follow our policies and procedures but we also will look at this as a special case.

B. Engineer

There being nothing to report, the next item followed.

C. District Representative

There being nothing to report, the next item followed.

SEVENTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

EIGHTH ORDER OF BUSINESS

Supervisor Requests

There being none, the next order of business followed.

NINTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Hempel, seconded by Ms. Wasson, with all in favor, the meeting adjourned at 4:55 p.m.

Gary L. Moyer, Secretary

Matt Kelly, Chairman