

MINUTES OF MEETING ENTERPRISE COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Enterprise Community Development District was held Monday, April 27, 2009, at 6:00 p.m. at 851 Celebration Avenue, Celebration, FL 34747.

Present and constituting a quorum were:

Matt Kelly	Chairman
Russell Stokes	Vice Chairman
Lance Montague	Supervisor

Also present were:

Gary L. Moyer	Manager: Moyer Management Group
Cheryl Stuart	Attorney: Hopping Green & Sams
Chuck Bell	Engineer: PBS&J
Brenda Burgess	Moyer Management Group
Gene Garrote	Celebration Golf
Tony Hairston	Public Resources Management Group
Roger Mitchell	Severn Trent Services, Operations Division
Jim Parker	Walt Disney Imagineering
Brian Smith	Severn Trent Services

FIRST ORDER OF BUSINESS

Roll Call

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

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

SECOND ORDER OF BUSINESS

Pledge of Allegiance

Mr. Kelly led the *Pledge of Allegiance*.

THIRD ORDER OF BUSINESS

Public Comment Period

There being none, the next order of business followed.

FOURTH ORDER OF BUSINESS

Consent Agenda

A. Approval of the Minutes of the February 26, 2009, and March 6, 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 Mr. Stokes, seconded by Mr. Montague, with all in favor, approval was given to the Consent Agenda.

FIFTH ORDER OF BUSINESS

**Public Hearing to Consider the Adoption of
Utility Rates, Fees, and Charges – Resolution
2009-03 to Adopt Said Rates**

Mr. Kelly stated I will open the public hearing for the adoption of utility rates, fees and charges.

Ms. Stuart stated in preparation for this hearing, we had a meeting and workshop about the development of these proposed utility rates. Our Rate Consultant spent a significant amount of time going through coverage ratios required by the documents, going through our actual expenditures, and looking at our overall rate structure. One of the driving forces of this utility rate increase was the dramatic increase in the rates that we are charged by Toho Water Authority for reuse, which made this important for us to do. The Board has had several presentations on this information. We will include the rate study as part of the public record of this public hearing on which you will base your ultimate decision. The rate structures were put into the form of a rate schedule and include all of our District rates, including the returned check fee where we are proposing an increase. This is the effective rate schedule. The schedule is consistent with what we have proposed. There are some changes with the charges identified as the 2009 rates. The proposed effective date is for when bills are rendered. The pass-through adjustment proposed is consistent with the conversation we had at the last meeting about simplifying it and making it easier. We looked at the proposed impact of these rate increases on various usage patterns and you have looked at that and taken that into account. What is new to us is the large user reuse rate, which is the first time we are implementing this in recognition that we have a user with a significant amount of reuse consumption, to take into account the impact on a large user. The increase from Toho Water Authority is really what drove this proposed rate structure. At the end of this public hearing, if you are in agreement, we will ask you to approve a Resolution that will adopt the rate schedule as an administrative rule. This is an administrative rulemaking hearing and we will adopt this rate structure by rule.

Mr. Kelly stated there are two things impacting what we are doing. First, we received a significant rate increase from Toho Water Authority who supplies our water and we purchase it in bulk. The second issue is we have bonds that have debt service coverage requirements that we have to meet by law. Those are the two driving factors.

Mr. Hairston stated that is correct.

Ms. Stuart stated we have published notice of this proceeding in the newspaper as required by law.

Mr. Kelly stated we will entertain comments from the public.

Mr. Gene Garrote stated I am here representing the Celebration Golf Club. Our rates are going up substantially, 300%, and we were just notified of this on Friday. Are everyone else's rates increasing by this percentage?

Mr. Hairston stated yes, all reuse customers are receiving an increase in the base facility charge and the usage charge. It is due directly to the costs received from Toho Water Authority. That cost has increased substantially in the past two years.

Mr. Moyer stated other user rates actually increase more than the golf course rates.

Mr. Hairston stated that is correct. Residential rates are higher than commercial rates currently, but all are increasing at a higher level than what is proposed for the golf course. There is the large user rate that we carved out to recognize the large use by the golf course. We fine tuned the cost allocations to the golf course, so that rate increase is not as high as other categories. Other commercial user rates increased over 400%. They average between 300% and 400% with the golf course at the lowest percentage.

Mr. Kelly stated most people's utility bill includes water, sewer and reuse. It is the most minor part of their bill. There are not a lot of residents here because the dollars are not that significant to them. The golf course is in a different category.

Mr. Garrote stated it is a \$100,000 added expense and we were given less than 35 days to figure out how to absorb that expense. Can we get an extension to figure out some other possibilities, whether it is digging a well, using spring-fed ponds to somehow absorb this expense? I feel that is a reasonable request. It is unreasonable to try to figure out how to absorb an additional \$100,000 within 35 days. The BFG is set by the engineer who developed the golf course. Is there anyway we can adjust that 250,000 gallons? Based on our readings over the last few years, we average 204,000 gallons per day. Can we have that adjusted?

Mr. Kelly asked how is that number determined for the golf course?

Mr. Moyer stated it is set based upon the number they provide us when they came in to obtain capacity. We do not go back and true that up based on their actual usage or average use. That is the number they gave to us. The risk you run if you want to revise that and reduce it—which is a business decision you have to make and we will work with

you on it—is if you go over that BFG, the rates go up exponentially. It is a tradeoff of staying within the gallonage.

Mr. Garrote stated we are in a position where we have to look at other means of reducing our usage. We want to be a responsible neighbor and our average is dropping each year. If we can get an adjustment on that, it will lower our base facility charge.

Ms. Stuart stated that formula is adopted in the operating policies of how you calculate the BFG and when it is due. If you want to deal with adjustments to BFG, we would have to go through a process of doing that, for whom, when, and to what number. You have some historical data. The reason the customer provides the number to the District is because you have to design a system for that capacity so that you can be sure you have enough. Maybe there is a way to do that but we need to think carefully about that. Other commercial customers may want to do that, and it is a policy decision for you. Staff can look into doing that, but it is a bigger issue because of the nature of utility planning.

Mr. Kelly stated the use is \$.96 up to the BFG amount and then \$1.20 and \$1.43.

Mr. Garrote stated we are requesting a little more time to figure out alternatives, which will be costly to us if we are going to dig a well or figure out some other means. Our goal is not to change the makeup of the golf course in its appearance. We know it is a big part of the community, so we would appreciate any consideration you can make to give us a little more time to figure this out.

Ms. Stuart stated staff looked at that at one point, but the issue is coverage ratio and being able to adopt rates to meet that.

Mr. Hairston stated we set rates for June to meet the minimum coverage this year. We have a small cushion of maybe \$30,000 in total, so there is not a lot of margin of error to phase in rates anymore than we have. Being a new rate for a large user, I do not know if there is a way to phase that separately from anyone else. It will eat into that margin which is a risk that you will have to bear. We set rates with what would be adequate to meet coverage this year. If you delay it any longer, it will eat into that narrow margin.

Mr. Kelly asked what is your process to figure out what BFG you would want? You talked about doing some other things that might take you to 205,000 gallons instead of 250,000 gallons.

Mr. Garrote stated we do not know. We had a good meeting with Mr. Smith and others this morning and we discussed some good ideas. This came across my desk Friday afternoon and we have not had the opportunity to research it. With a \$100,000 increase, it makes it very difficult to operate a business under these difficult circumstances for not getting anything different.

Mr. Kelly stated we are being charged that increase, too, and the District is bearing that cost since Toho Water Authority raised their rates. We are simply passing it through.

Mr. Hairston stated for every gallon the District sends to you, they are operating at a loss, and they cannot continue to do that in the future.

Mr. Moyer stated part of the discussion was to look at wells. Is there a prohibition against wells in the Development Order?

Mr. Kelly stated I am not sure if it is in the Development Order, but I do not think you will get a Consumptive Use Permit. I do not think that is an option.

Mr. Moyer stated that is my concern.

Ms. Stuart stated there are others in this area that have wells.

Mr. Kelly asked were they done recently?

Mr. Smith stated not within last five years. Falcon's Fire has one and there are others in Osceola County.

Mr. Kelly stated not where there is a water and sewer system. I am not aware of one that has been done in the last 15 years where there is water and sewer available.

Mr. Garrote stated this is now a priority of ours. Mr. Larry Snyder is in contact with other companies to figure out how to help us reduce the amount of water we use. Delaying this a month would help us figure out how to absorb this expense.

Mr. Kelly stated we created a new rate for you because we saw that right away and realized the significant impact it would have on your business in particular. We moved to do things differently knowing that we were going to have this conversation.

Mr. Garrote stated we appreciate that.

Mr. Montague stated we have a \$30,000 cushion for the coverage ratio. If we converted that into how much time it would cover, what would that be?

Mr. Hairston stated based on historical usage, the bill impact went up by \$8,000 per month effective in June, and you have four months left in the fiscal year.

Mr. Moyer stated I have sympathy for the fact that they received notice fairly late in the process. They probably should have gotten notice a month ago. If we can structure it in a fashion that we add that month back to delay the implementation of their fee to July 1, we will lose \$8,000 but there is an equity argument that we need to take into consideration.

Mr. Kelly stated if you can reduce your usage, we buy less and that is a win-win for all of us.

Ms. Stuart asked what would they pay in the meantime?

Mr. Moyer stated they would pay under the existing rate, which is \$4,000 a month instead of \$12,000.

Ms. Stuart reviewed Resolution 2009-03 adopting utility rates, fees and charges.

<p>On MOTION by Mr. Stokes, seconded by Mr. Montague, with all in favor, approval was given to Resolution 2009-03 adopting the utility rates, fees and charges as discussed, with the proposed change to Exhibit A to delay implementation of the large user reuse rate to July 1, 2009.</p>

Mr. Kelly stated we will work with you on the other issues you raised.

Mr. Garrote stated I appreciate that.

Mr. Moyer stated in this regard, I want the Board to be aware that I am not surprised that there is not a large turnout of residents because they will not realize or understand what the notices meant until they get their bill and find out their rates went up. In our next billing cycle, we will send a letter stating that beginning June 1 they will notice a change in rates and provide an explanation of the Toho Water Authority water increases and the effect it has on us. The problem we had after our last meeting, because of the lead time required by the Celebration News, we did not get anything in the newsletter. We put it on our website but I do not think people visit that site routinely. We will do some public relations in the next billing cycle.

Mr. Kelly stated I think we need to talk about the average annual increase of 2.8% over the past five years. Did we also adopt in the Resolution that we will automatically adjust our rates as they are changed from Toho Water Authority to the CDD?

Ms. Stuart stated we included pass-through language on Page 4 of the exhibit. As Toho Water Authority changes their rates to us, we will pass through that to our users.

Mr. Kelly closed public hearing.

SIXTH ORDER OF BUSINESS

Presentation of Fiscal Year 2010 Budget

A. Fiscal Year 2010 Budget

Mr. Moyer stated we have two sets of budgets. The first is the General Fund and Debt Service Budget. This is what we certify to the Property Appraiser to be extended on the tax roll. They deal with landscape maintenance and water management within the District. As you are aware, this is a process that we start in April or May of each year, and we will have a public hearing on this before the end of August. The budget is put together with certain revenues that are historical for the most part. Right-of-way fees last year were budgeted at \$60,000 and this year we are budgeting \$69,000. That is affected by two things; one will be the growth of the user base within Enterprise, which is a percent charge to utilities that are using our rights-of-way. We also increased it to reflect the rate increase that the energy companies will charge and have been approved by the Public Service Commission that will drive up their rates and by the same token increase our right-of-way utilization fees. We increased that figure by 15%, which we believe to be a good estimate since it has been indicated it could be as high as 25%. Most of it is electric utility related more than anything else. For administrative fees, the numbers are historical numbers that we have budgeted for a number of years. Physical environment is based on contracts we have. Field services are based on historical charges or contracts. My intent, because of the economy, is to have the on-roll special assessment the same amount as last year. My intent is to have the Board adopt an assessment that will not increase this fiscal year. We will come to the Board at a future meeting and these numbers may change and move around, but I am hoping to keep the assessments the same as last year. We may have to cut some of the work program or adjust it slightly, but that is my desire.

Mr. Kelly asked what do we do about the potential of uncollectibles?

Mr. Moyer stated if we are not collected, we will have to draw on fund balance or go back in and cut the budget. Once we put that on the tax roll, we go through the tax collection process. If the assessments are not paid, they become delinquent, and they go to certificate sale in June. There is no guarantee those certificates will sell, especially on large parcels that have high assessments. Last year Osceola County had two rounds of certificate sales. We know there are two delinquencies, Mona Lisa and Overture that have not paid at the end of March.

Ms. Stuart stated there is a bigger problem with Mona Lisa. There are some questions on the billing with the Property Appraiser and that may delay the County's ability to sell tax certificates in a timely fashion. Even if they sell, I believe there would be a delay in that process, through no fault of ours. I do not know anything about the other parcel. I only know about Mona Lisa because they declared bankruptcy.

Mr. Kelly stated one of our large tracts is Water Tower Place, which is current.

Mr. Moyer stated that is correct.

Mr. Montague asked what percent of revenues do those two represent?

Mr. Moyer stated 13%.

Ms. Stuart stated I think Mona Lisa is the larger of the two. This is a process. I saw a draft of this budget at noon today. In the last five hours, there have been a lot of changes. This is not a budget that I have a great deal of confidence in, vis-à-vis the expenses. The first budget did not show assessments being level. That is where you need to start. Some people budget a percentage for uncollectibles, which forces you to deal with the expense side of this. We may be able to use fund balance as a carry forward surplus so the assessments stay level.

Mr. Kelly stated we have not raised these rates in a long time.

Mr. Moyer stated that is correct.

Ms. Stuart stated I do not know the difference of the condo piece for Mona Lisa that is now billed separately as units and what the allocation of O&M is and whether it appropriate to do it on a square-foot basis or go to a unit basis. We have not looked at that impact on our assessments or revenue. This number might change significantly, depending on how that issue is resolved.

Mr. Moyer stated we are very early in the process.

Ms. Stuart stated we have a long way to go and the goal is to hold the assessment revenue constant. The question is do we think we will receive that amount? If we do not, then we cut budget or raise the assessments. That is a decision you have to make early because we need to provide notice that we are going to increase assessments. You will have issues including where are all contracts are at. There are decisions about bidding Davey Tree, where we are with that and what Celebration CDD and CROA are doing. This Board has to make its own decisions, whether we want our own contract or we want to stay with the existing contract. I have not looked at that contract but that drives the

majority of these numbers. Some would say bidding in this environment would get better numbers. There are decisions to be made on Clarke for mosquito control. What does Enterprise CDD do, and does that fit into what Celebration CDD is doing, and do we care? Those decisions will drive these numbers. The other issue is to go through what we actually expect to spend this fiscal year because that will affect how much carry forward we have available that will help offset any uncollectibles. For legal fees, due to the bankruptcy issue, if we have any other landowners go into bankruptcy, you will have higher legal fees.

Mr. Moyer stated we might want take that out of debt service. They are protecting the interest of the bondholders.

Ms. Stuart stated we asked that of Bond Counsel in other Districts. We have a claim for utility fees as an unsecured claim. If Bond Counsel says “Yes, you are protecting your debt service lien and the par amount of bonds on that property, as well as the O&M assessment and water sewer” and this budget shows a decrease in insurance and someone is talking about using a new company, which has not been brought to the Board; there is a process to go along with that. I am not sure where that comes from, but that needs to come to this Board quickly. Some numbers are based on existing contracts and they include monies for unscheduled maintenance, and that will be something we need to look at. We pulled out dollars for maintenance for U.S. 192 because the County is taking that over. The street lighting number is confusing why we spent \$16,000, but we are budgeting only \$8,000. There are a lot of issues to resolve here.

Mr. Moyer stated the process is to present it to you in order to move forward and fine tune these numbers as we get more information. It has never been intended to be a final budget.

Mr. Kelly asked do we maintain both sides of the southern connector or just one side?

Mr. Smith stated the north side.

Mr. Kelly asked how does that compare to Celebration CDD?

Mr. Smith stated it is the same number. It is a small part of their budget.

Mr. Kelly stated it is the biggest item in our budget.

Ms. Stuart asked is that one contract?

Mr. Smith stated yes. We have a joint contract with Celebration CDD where we did the scope of services together. They bid areas in the community and we allocated them based on who owned them.

Ms. Stuart stated we originally bid that together and we took the bids to both Boards.

Mr. Smith stated we still do.

Ms. Stuart stated we have not heard yet.

Mr. Smith stated we have not rebid it.

Ms. Stuart stated the question this Board should be asking is, given the percentages, if should do something else. The fair question from a financial vantage point is if we should be doing something different. We can terminate and rebid. Those are the issues the attorney for Celebration CDD is also looking at.

Mr. Smith stated we are going through the scope and working on the bid package. We intend to go out to bid and have a new contract begin January 1, 2010, to correspond with the CROA budget year. We would like to have one contractor for both. When you have one contractor, there is more of a savings. We hope to receive a savings by going out to bid. Davey has also come to us and is willing to reduce their contract if we can extend it. For Enterprise, we can do that for a period of time because we do not go over the bidding threshold, whereas Celebration CDD cannot do that. We are putting together a scope and reducing the scope. On the southern connector, there is not a lot of work that has to be done there.

Mr. Kelly stated I do not know if the landscaping palette is the same on both sides, but one side is commercial and the other is residential. I am not sure we need the same level of maintenance on the commercial side.

Ms. Stuart stated if it is a tri-party contract, they cannot extend it without our agreement.

Mr. Stokes asked when does it expire?

Mr. Smith stated it expired October 1, 2008, and we are on a month-to-month basis until we rebid it in January.

Mr. Stokes stated our options are to renegotiate, or terminate and rebid.

Mr. Kelly stated the coordination issue is a bigger issue between Celebration CDD and CROA. We are pretty isolated.

Mr. Smith stated yes, we could have a separate contractor for Enterprise CDD and perhaps find some savings. The coordination is more difficult. It is not as big as CROA and Celebration CDD. The reason is we will have one maintenance facility, so it is nice to have one contractor doing everything. If Enterprise CDD decided not to go that route, we have nowhere to store anything, so they would have to come from offsite to do their maintenance. Whether they need much to lay down and can come from offsite are things we need to look at.

Ms. Stuart asked how was that maintenance site paid for?

Mr. Moyer stated we did not pay for it.

Mr. Kelly stated The Celebration Company owns the site and they pay rent on it, but it is minimal.

Ms. Stuart stated I do not know why Enterprise would not be able to use it.

Mr. Moyer stated Severn Trent rents the space and Davey pays for their piece.

Mr. Kelly stated we are in the process of putting a deal together to sell that facility.

Ms. Stuart stated we need to think about what Enterprise wants and needs.

Mr. Kelly stated we are swapping land with the Celebration CDD.

Mr. Montague asked how much of this budget goes to Davey Tree now?

Mr. Kelly stated on Page 2, most items are contracts with Davey Tree. It is a big contract.

Ms. Stuart stated it is big enough that it is worth something on its own. It is not so little that you get no economy of scale.

B. Consideration of Resolution 2009-04 Approving the General Fund Budget and Debt Service Budget and Setting a Public Hearing Date

Mr. Moyer reviewed Resolution 2009-04 approving the General Fund Budget and Debt Service Budget and setting a public hearing for August 24, 2009, at 9:00 a.m.

On MOTION by Mr. Stokes, seconded by Mr. Montague, with all in favor, approval was given to Resolution 2009-04 approving the budgets and setting a public hearing for August 24, 2009, at 9:00 a.m.

SEVENTH ORDER OF BUSINESS

District Manager Report

A. Financial Statements

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

B. Consideration of Proposal from Public Resources Management Group for Utility Consulting Services

Mr. Moyer reviewed the amendment to PRMG for utility consulting services for the final activities requested by the Board related to the rate study, in the amount of \$3,500.

On MOTION by Mr. Stokes, seconded by Mr. Montague, with all in favor, approval was given to the amendment to PRMG for utility consulting services, in the amount of \$3,500.

C. Report on the Number of Registered Voters – 51

Mr. Moyer stated we received a letter from the Supervisor of Elections indicating to everyone's surprise that there are 51 registered voters in Enterprise CDD. We will need them to list those 51 voters. There should not be any registered voters. Mona Lisa is an interesting case because it is a condo/hotel, and someone could be living there.

Mr. Kelly stated there are covenants preventing that. The County zoning also does not permit that.

Mr. Moyer stated clearly it should be zero and there is a mistake on this letter.

Ms. Stuart stated we will not accept this letter or make it part of the record.

Mr. Kelly asked will staff ask for clarification?

Mr. Moyer stated yes.

Mr. Kelly stated the PUD does not allow permanent residents; it is hotel only. In the zoning document, no one is allowed to stay in the facility more than 179 days in any given year.

Mr. Moyer stated we will request a list of those voters and addresses.

D. Field Operations

1. Field Operations

Mr. Smith reviewed the authorization for Severn Trent Operations Services to perform the ten-year potable meter change out within Lake Evalyn, West Village, North Village and the remainder of Celebration Village in the amount of \$121,582.50. They did complete the first 300 meters. There is no increase in labor cost from the District's previous proposal for Celebration Village.

Mr. Moyer stated Mr. Hairston said under our current spending, we will be very close to not making coverage this year. I wonder if this is one item we should consider for next fiscal year instead of this fiscal year. These are discretionary in terms of meter changes.

Mr. Smith stated we can wait until next year.

Ms. Stuart asked since this is from the Capital Improvement Fund, will that count towards the debt service coverage ratio? I do not know if not spending it will help the coverage ratio question. If not spending it will help our debt service coverage, then delaying it would be a good idea. If it does not affect the coverage ratio, then the Board can go ahead and consider this item.

Mr. Kelly asked what is this for?

Mr. Smith stated the basic standard is that meters have a 10-year lifespan. After 10 years, the meter may not be reading correctly and we could be losing some revenue.

Mr. Kelly asked is it time to change the meters?

Mr. Smith stated yes, it is a scheduled maintenance item.

Mr. Kelly stated we also discussed the potential of the remote meter reading system.

Mr. Smith stated that is part of our Capital Improvement Budget that was included in the rate study, and there are additional funds for that work, which entails putting a transmitter in each box and having a radio tower in the office.

Mr. Kelly asked will these meters work with that system if we decide to do it some day?

Mr. Smith stated yes, we have meters with the capability of doing that, but for now it is a touch read meter. If we do a remote read, you can read it from the office. We can put off this request. There is no great need to do these right now, and we can wait to see what impact it does have on the budget.

Mr. Moyer stated let me clarify that it is important to change out the meters. The City or County Manager in Naples in Collier County was fired because they were losing such a large amount of revenue because they never changed out their meters. It is part of the business we are in.

Mr. Stokes stated this relates to the discussion we had earlier about times changing and rates decreasing. Was this bid in February 2008?

Mr. Smith stated that is correct, there is no increase from that price to this current proposal price.

Mr. Kelly asked should it be rebid?

Mr. Moyer stated we are not bidding.

Ms. Stuart stated we can get additional price quotes.

Mr. Smith stated we did the original bid with National Metering, and their price was the same if not more than this. They were a nightmare to deal with. There was not a large difference in the two proposals between National Metering and Severn Trent.

Mr. Moyer stated the labor is \$48,000, which is Severn Trent Operations, and the rest is parts and materials with our meter supply company.

Mr. Smith stated we found it more effective to do this in-house with staff already on-site with the utility operations contract that we just awarded to Severn Trent. Last time we had outside contractors do the work. With the relationship with the homeowners and the work they had to do in the front yards, it was very hard to control them. They used temporary staff, and it did not go well. I can put specifications together and go out to bid. We recently did these 300 and there were no problems with the residents. We had complete control of the process and it went very well. We did everything in house and had a lot of communication with the homeowners.

Mr. Stokes stated this is a lot of money in this economic time. We need to do our due diligence.

Mr. Smith stated we can bid it out.

Mr. Mitchell stated we can negotiate the prices.

Mr. Moyer stated that is not the point.

Mr. Mitchell stated the pricing is based on what we did last year.

Mr. Montague stated it seems the timing question is the most important.

Mr. Kelly stated I agree.

Ms. Stuart stated the proposal had a price of zero for the cost of the meter.

Mr. Smith stated yes, the District purchases the meters directly because they charge a fee to order the meters.

Ms. Stuart asked how much is that amount? That could lead to a bidding issue.

Mr. Moyer stated this is a direct purchase.

Mr. Smith stated it is about \$70 for each meter.

Ms. Stuart stated then you are still within the threshold. The cost of the meter is in addition to the labor cost.

Mr. Stokes stated this could be a total of \$150,000.

Ms. Stuart asked do you want staff to get informal price quotes for labor and/or materials and bring it back to you?

Mr. Stokes stated I would like a proposal for the whole work product, just to check the numbers and do our due diligence.

Mr. Moyer stated we have time to do that.

Mr. Kelly stated we are going to delay the work anyway.

2. 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.

Mr. Kelly stated we have not gotten complaints this year from people who cannot water their yards. I have not heard anything, so however you are handling it in the field over the past two years is really paying off. We are in the middle of tough times and we have been going through them for 45 days. This is still the dry period and we are not through it yet, but two years ago in March, we were hearing a lot of complaints. Thanks for all you have done. It has made a difference. We discuss the solution when we implement it, and it is nice to sit here two years later and you can see there has been a dramatic improvement.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Stuart stated Ms. Wasson provided a potential Resolution asking for the District's support/sponsorship of the Florida Energy Alliance activity to find ways for the community to achieve energy cost savings. There was this form Resolution drafted by this group, and I know it went to the Celebration CDD Board.

Mr. Moyer stated the Celebration Board authorized the Celebration CDD to be the sponsor of this group because you need to be a government to make the application for these grant funds. It is approximately \$500,000 as seed money to set up a group that will work with the utility companies in terms of identifying green measures to save energy and carbon footprints.

Mr. Kelly asked is this specifically LED lighting?

Mr. Moyer stated no.

Ms. Stuart stated the Celebration CDD has agreed to sponsor that activity subject to Counsel's review, so I am not sure they need us to sponsor them.

Mr. Moyer stated I think we could have a Resolution of support or a letter. They went to the Public Service Commission to get their support. The more people you have signing

on that they support their efforts, the better their chances are of getting the grant funds. These are private individuals that set up a non-profit corporation for that purpose.

Ms. Stuart stated none of us are fully aware of this issue, but I would suggest a motion to authorize the Chairman to send an appropriate letter on behalf of the District indicating the Enterprise CDD Board's general support of their activity, as opposed to dealing with a Resolution and whereas clauses.

Mr. Kelly stated there are a lot of things in the Resolution that refer to the Celebration CDD and does not relate to us.

Ms. Stuart stated I would suggest that the Chairman investigate the matter further and if appropriate, send a letter indicating the District's general support of their initiative.

Mr. Kelly stated I am meeting with someone in the morning in a different role so I will discuss this with them.

On MOTION by Mr. Stokes, seconded by Mr. Montague, with all in favor, approval was given to authorize the Chairman to send a letter on behalf of the Enterprise CDD, indicating the District's support of the Florida Energy Alliance and their initiatives in pursuing grant funds, subject to further investigation and due diligence that the letter is appropriate to send.

Ms. Stuart stated with respect to legislative issues, the expectation as of this morning is they will stay in session through Friday, they will not do the budget, and they will come back at some point when they think they are closer to an actual budget. They did not have conference committees. There is a bill on Chapter 190, Florida Statutes, that is up for consideration tomorrow morning that hopefully will pass. It will not have much impact on this District but it will clarify some boundary amendment provisions and merger provisions and other technical matters in the Statute. Today they dealt with the worker's compensation issue. I will be in contact with the Chairman on the Mona Lisa bankruptcy. We will be filing a secured claim for their portion of debt service assessment to be sure that lien remains in place. Our conversations with their Attorneys have been going well. We will also file an unsecured claim for pre-petition utility charges that they did not pay, and we will probably have an uncollectible bad debt to write off. In the next couple months, we will look at an overhaul of the current policies on disconnecting

service and deposit policies. There are some large numbers associated with some of these accounts and if they file bankruptcy, you lose those revenues.

Mr. Moyer stated even on the residential side, the write offs that we will bring to the Board are fairly high. The last number I heard was \$65,000 and these are residents who had bills, left without paying, and there is no effective way for us to track them. It is not just bankruptcies, but that means we need to speed up the process of notification and disconnecting the utility services.

Ms. Stuart stated that is a process question. The commercial numbers get large very fast, and I need to look at our deposit requirements as a part of that.

Mr. Kelly asked for a lot of those residential customers, was there someone in the house and service was being used, or is it because they are gone and the BFG charge is accumulating?

Mr. Moyer stated for a lot of them, the BFG charge just continued.

Mr. Kelly asked did we really lose anything?

Mr. Moyer stated that is true in some cases. In some cases, they actually used the services and did not pay.

Ms. Stuart stated the BFG charge goes to pay our fixed costs.

Mr. Kelly stated I understand. They could have called to have service disconnected on their own, and we would not have received the revenue if it is not being used.

B. Engineer – Consideration of Engineer’s Certification Proposal

Mr. Moyer stated I want to meet with Mr. Bell to review the scope of services for this proposal so that there is an understanding what it is we are looking for him to do. That may affect the proposal amount of \$12,500.

C. District Representative

There not being any report, the next item followed.

NINTH ORDER OF BUSINESS

Other Business

Ms. Stuart stated our next meeting is June 17, 2009.

Mr. Moyer stated at that meeting, now that the rate study has been completed, we will bring the Water/Sewer Fund Budget to the Board to be included in the budget hearing scheduled for August. Since that is not certified to the Tax Collector, we have until October 1, 2009, to adopt that budget, so we have plenty of time.

TENTH ORDER OF BUSINESS

Supervisor Requests

There not being any, the next item followed.

ELEVENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Stokes, seconded by Mr. Montague, with all in favor, the meeting adjourned at 7:20 p.m.

Gary L. Moyer, Secretary

Matt Kelly, Chairman