

MINUTES OF MEETING

ENTERPRISE COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Enterprise Community Development District was held Monday, August 24, 2009, at 9:00 a.m. at 851 Celebration Avenue, Celebration, FL 34747.

Present and constituting a quorum were:

Matt Kelly	Chairman
Don Hempel	Supervisor
Lance Montague	Supervisor
Pat Wasson	Supervisor

Also present were:

Gary L. Moyer	Manager: Moyer Management Group
Cheryl Stuart (<i>by phone</i>)	Attorney: Hopping Green & Sams
Chuck Bell	Engineer: PBS&J
Brad McMahan	Engineer: PBS&J
Brenda Burgess	Moyer Management Group
Roger Mitchell	Severn Trent Services, Operations Division
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 9:00 a.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

Mr. Sunnarborg stated I am a Supervisor with the Celebration CDD. I would like to discuss the four new signs along U.S. 192. This is an item on your agenda already. Mr. Kelly, Pat Wasson and Mr. Moyer and I have discussed this separately. The Celebration CDD has objected to these signs being there. I met with the Beautification committee and discussed a letter the Celebration CDD sent to them and elaborated why we object. I have also met with Commissioner Harford, County Manager Michael Freiling, and I am trying to meet with County Attorney Jo Thacker. So far, Commissioner Harford and Mr. Freiling are supportive of our position. The Assistant County Attorney attended the Beautification committee meeting and is very defensive about these signs. I do not want to imply how the County Attorney feels about it. What would be helpful is to get letters of support from the Enterprise CDD, CROA, and CNOA. Ms. Wasson has letters being

drafted on behalf of CROA and CNOA. Mr. Kelly drafted a letter on behalf of the Enterprise CDD.

Mr. Kelly stated that is correct, and the Board has seen the letter because it was emailed to them last week.

Mr. Sunnarborg stated I would ask that you help us. There are a lot of reasons that I can elaborate on. This is not just about Celebration being aesthetic snobs. These signs are causing problems for us. There are a multitude of problems with the County and the vendor that should not be there and hopefully will not make it into the public record. We would like them removed, and your help would be appreciated.

FOURTH ORDER OF BUSINESS

Consent Agenda

A. Approval of the minutes of the June 17, 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. Montague, seconded by Ms. Wasson, with all in favor, approval was given to the Consent Agenda.

FIFTH ORDER OF BUSINESS

Public Hearing to Adopt the Fiscal Year 2010 Budget

A. Fiscal Year 2010 Budget

On MOTION by Mr. Montague, seconded by Mr. Hempel, with all in favor, approval was given to open the public hearing.

Mr. Moyer stated we propose to levy the same assessment that we have historically levied, and we will operate within that amount. The proposed budget reflects that. The challenge facing this Board that we need to address is we have two parcels that are delinquent in which tax certificates were not sold. One is because Mona Lisa is in bankruptcy, and the second is Overture, who has been behind for a couple years in which certificates have not sold. The issue to discuss, at least for the Overture property, rather than assessing on the tax roll, we can direct assess that property. The District would send a bill to the property owner. If it is not paid by the due date, then this Board will be permitted to start certain actions to foreclose the assessment lien against that property. It is a quicker process than if we continue to leave it on the non-ad valorem assessment

portion of the real estate tax bills. That issue is more important than the numbers in the budget.

Ms. Stuart stated I agree with Mr. Moyer. I had a conversation with Jason Walters in our office who has been dealing with the bankruptcy issue with Mona Lisa. Their amended plan is not due until September 8, 2009. We do not know how we will be ultimately treated in that plan. I am inclined to pull both Mona Lisa and Overture off the roll and direct collect all of those. The Resolution does not contemplate that because we are wrestling with this issue. Given where we are and given the length of time these have been delinquent, the District is in a better position to pull off the roll and do a direct bill. We will levy the assessment, we certify a portion of the roll to the tax collector, and the rest of the tax roll is directly billed by and collected by the District. If payment is not made, it is collected through the court.

Mr. Kelly stated Overture is now owned by the bank. I presume we will now have to deal with the bank.

Ms. Stuart stated it will be the property owner of record, whoever that is. My recollection is the name was still in the Overture name.

Mr. Kelly stated I believe about 120 days ago, the bank's name went on the property.

Ms. Stuart stated we will use the name on the County's tax roll because that is who will receive the tax bill.

Mr. Kelly stated we do not need that answer for this meeting. Staff will research that and handle it appropriately.

Ms. Stuart stated the difference is timing and the ability of the District to move more quickly to a foreclosure action if tax certificates do not sell than we could if the assessment is on the tax roll. That is why it is in the District's best interest to move in this direction in this matter. In this case, you are treating all delinquent properties the same.

Mr. Kelly asked when we take them off the tax roll, do we have the ability to deal with each one individually?

Ms. Stuart stated yes. Each individual parcel is treated separately.

Mr. Montague asked are there any future implications of taking them off tax roll this year?

Ms. Stuart stated no, every year you can make an independent decision on how to deal with properties. We are still using the tax collector for everything else.

Mr. Kelly stated many of the individual owners of Mona Lisa have paid.

Ms. Stuart stated they will normally go on the tax bill. Only delinquent properties will come off the roll, so this would not affect the ones who have paid. The amount of the assessment does not change, either.

B. Consideration of Resolution 2009-06 adopting the budget for fiscal year 2010

Mr. Kelly read Resolution 2009-06 by title into the record.

Mr. Moyer stated this resolution includes the water/sewer fund budget, which tracks the rate study that was recently performed and the new rates that are in effect.

Mr. Kelly asked have we had any conversations with the golf course since that time?

Mr. Smith stated yes, we set them up on a payment schedule. They are in agreement with the amount that is outstanding. We adjusted some of the things they will be paying because some of the billing should have gone to the previous owner, so we will bill that owner for a few months.

Mr. Moyer stated you will remember that we deferred the implementation of their rate for a month or so to give them some time to deal with the rate change. The adoption of this resolution will include the general fund budget which is supported by the levy of the non-ad valorem assessments, the debt service budget, and the water/sewer budget which is supported by rates, fees and charges.

On MOTION by Ms. Wasson, seconded by Mr. Hempel, with all in favor, approval was given to Resolution 2009-06 adopting the budget for fiscal year 2010.

C. Consideration of Resolution 2009-07 levying the assessments for fiscal year 2010

Mr. Kelly read Resolution 2009-07 by title into the record.

Mr. Kelly stated staff recommends removing Mona Lisa and Overture from being placed on the tax roll and doing a direct bill for those properties.

Ms. Stuart stated we will change the language appropriately in the Resolution.

On MOTION by Mr. Montague, seconded by Mr. Hempel, with all in favor, approval was given to Resolution 2009-07 levying the assessments for fiscal year 2010, amended to remove the delinquent parcels from the tax roll and to bill those parcel directly, as discussed.

On MOTION by Ms. Wasson, seconded by Mr. Montague, with all in favor, approval was given to close the public hearing.

SIXTH ORDER OF BUSINESS

Acceptance of the Audit for Fiscal Year 2008

Mr. Moyer stated this is the first year this auditing company did the audit for Enterprise. Heretofore, we used Hoyman Dobson, so there are a new set of eyes looking at these financial reports. I am encouraged that their reports are positive, and it is another independent look at what we are doing from accounting standpoint. In the independent auditor's letter, they state "in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the remaining nonmajor fund of the District as of September 30, 2008, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America." That is traditionally referred to as a clean audit opinion. It means that the financial statements generated by the District through your management contract with Severn Trent did fairly represent our financial position as of September 30, 2008. There are reports in the back that the auditor is required to make, either by law or by rule of the Auditor General of the State of Florida. In the report on internal control over financial reporting, they state they did not identify any deficiencies in internal control over financial reporting that they consider to be material weaknesses, which they have defined. In the report on compliance and other matters, where they test for compliance with laws, regulations, contracts, trust indentures, et cetera, they state that the results of their tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. The last report is the management letter. There are certain things the auditor has to review and opine on. This is also their opportunity to bring things to attention of the Board and management that may not be material but nonetheless may assist us in having a better accounting system. That is shown under current year findings and recommendations, as well as prior year findings. In both of those cases, there were no findings or recommendation. They also opine on whether or not we were in a state of financial emergency, and we did not meet any of the defined financial emergency conditions that are identified in the Statute. It is a clean audit with no

recommendations. I will ask the Board to accept the audit and authorize it be filed with the appropriate State agencies.

Mr. Kelly stated it is not just a clean audit, it is a perfectly clean audit. Our commendation to Mr. Moyer and the financial staff.

Ms. Wasson asked were they easy to work with?

Mr. Moyer stated yes. Grau performs a lot of our CDD audits.

Ms. Wasson asked did we approve them for one year?

Mr. Moyer stated no, we have a three-year engagement.

On MOTION by Mr. Hempel, seconded by Ms. Wasson, with all in favor, approval was given to accept the audit for fiscal year 2008 and to authorize staff to file with the appropriate State agencies.

SEVENTH ORDER OF BUSINESS

District Manager's 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.

Mr. Moyer stated we have not collected \$60,813 in assessments, which we discussed during the budget hearing, due to the two delinquent parcels. To the degree we have not collected these assessments, we will allocate fund balance for that purpose, with the anticipation that we will collect those assessments.

Mr. Kelly stated we are almost the same savings for expenses as we are short the revenues, within \$1,000.

Ms. Stuart asked will we take care of this in a budget amendment at year end?

Mr. Moyer stated that is correct.

B. Meeting Schedule for fiscal year 2010

Mr. Moyer stated we are proposing to continue with our current meeting schedule every other month at 4:00 p.m. in this location. If we need to cancel or add a meeting, we can do that to accommodate your schedules.

On MOTION by Mr. Montague, second by Mr. Hempel, with all in favor, approval was given to the meeting schedule for fiscal year 2010.

C. Consideration of Letter Regarding News Racks Along U.S. 192

Mr. Kelly stated this letter was emailed to everyone last week for your review.

Ms. Wasson stated it is bad to put them anywhere out here, but they put one right at our entrance.

Mr. Kelly stated I am sure they are placed every certain number of feet.

On MOTION by Ms. Wasson, seconded by Mr. Montague, with all in favor, approval was given to authorize staff to mail the letter requesting the County remove the news racks along U.S. 192.

D. 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.

Mr. Kelly asked with the passing of Bill 360, which does not have any bearing on us, have we ever considered the change out of some of our turf to something that is more drought tolerant? Has that been discussed, at least when it is time to change turf, perhaps to go from St. Augustine to zoysia, if it is ever practical?

Ms. Wasson stated CROA has one park that has zoysia, and it is only a minimal step above Bahia. It is not very attractive.

Mr. Smith stated in winter, if you do not keep zoysia watered, it will turn brown. It discolors and goes dormant, but it does not die. I do not recommend doing that at our front door but perhaps we can look at it in other places. I do not know how much you can save in the winter besides turning off the water.

Mr. Kelly stated it is used on the golf course in places.

Mr. Smith stated if you keep it well watered, it looks beautiful, but you would water it as often as our current turf.

ii. Utility Report

iii. Request for Authorization to Replace the Drive on the Pump

Mr. Smith reviewed the request for authorization to have PBS&J assist in the work effort to change over to the Variable Frequency Drive (VFD) pump panels in the amount of \$10,700.

Mr. Moyer stated this is an effort to reduce the peaks in our pressure and maintain a more constant pressure on the potable water system.

Mr. Smith stated we continue to get complaints that the pressure fluctuates. Sometimes it is very high and people think it is great. When it dips with a lot of usage, people think there is something wrong because it dips to 60 psi. They are seeing a big fluctuation because the pumps run on flow instead of pressure, so we are going to change that to keep the pressure at 70 psi to 80 psi, rather than going up to 90 psi and down to 60 psi.

Mr. Kelly asked what do we anticipate the total cost to be for this effort to change out the pumps?

Mr. Mitchell stated about \$25,000 with installation.

Mr. Kelly stated so it looks like a total about \$35,000 to \$50,000 for the whole initiative.

Ms. Wasson stated I think we should do it.

Mr. Kelly stated I agree.

Ms. Wasson stated I think it will alleviate a lot of criticism that we receive.

Mr. Hempel asked what will the average pressure be?

Mr. Smith stated we will set the new pumps to 70 psi to 75 psi, and it will be much more constant. With the pumps running the way they will be, there is a reduction in electrical cost because they will be more efficient. We might recoup some of that back over a long period of time.

Mr. Hempel asked is this to address complaints or would we have had to change our pumps periodically for general maintenance?

Mr. Smith stated it is basically in response to complaints because of the big fluctuations in pressure.

Mr. Hempel stated I think it is a good idea, 110 psi is dangerous.

Mr. Smith stated we have always recommended that owners install a pressure reducing valve or a pressure regulating valve to keep the pressure consistent.

Ms. Stuart asked what will we do with the old pump?

Mr. Mitchell stated we are not changing the pump; we are replacing the drive for the pump.

Mr. McMahan stated there are small pumps and large pumps, so when there is low flow, the small pump is running. When it calls for a larger flow, the big pump is on and it is too much. The VFD is like an accelerator in your car—it accelerates to match the

discharge with the flows. Over time, it is better on the pumps. It saves on the life of the pump, and you will have some electrical savings because you are not over pumping. You are matching the flows.

On MOTION by Mr. Montague, seconded by Ms. Wasson, with all in favor, approval was given to authorize PBS&J to assist with change out to a Variable Frequency Drive for the pumps, in the amount of \$10,700, as discussed.

iv. Request for Authorization for the Master Manhole Repair

Mr. Smith reviewed the request for authorization to repair the master manhole. It is starting to decay and we are starting to lose the pipes. We will have to do a sanitary bypass and get into this manhole. Before it goes into the master lift station, all of our wastewater goes through the master manhole into the master lift station. We have to bypass the manhole to go directly into the lift station to make that repair. This proposal includes the bypass and the repair to the manhole. We did receive other pricing for this repair, and PBS&J worked it down to this price. I am comfortable with this proposal.

Mr. Kelly asked does this satisfy the attorney on pricing?

Ms. Stuart stated it is under the bidding threshold.

Mr. Kelly stated this has been in place for 15 years. Is this normal for this point in time?

Mr. Smith stated yes, it was two or three years ago Toho Water Authority had to replace their pumps at their lift station, so ours lasted a little longer.

On MOTION by Mr. Hempel, seconded by Mr. Montague, with all in favor, approval was given to authorize the manhole repair, as discussed.

Mr. Smith stated we have a leak at the pump station that is fairly serious. We have to do a bypass on this, and it is for the potable system. We have a manifold going to the large pumps and underground one of the Ts has a bad gasket. We found a small leak on Friday. We are trying to find a contractor to do the bypass because we have to go 360 feet with a 12-inch above-ground line because we have no shut off valve in the area where we have that leak. We have to shut off valves at both ends and jump past the valve that is 360 feet away with a 12-inch pipe. We are waiting on the pipe to come in. If we lose that T, we could have a serious problem with water loss. The T seems to be holding but we are

losing the gasket which is the reason for the leak. We should have the bypass in this week and we are getting a saddle for a wet tap. In the meantime, I am doing an emergency repair but at some point you will see a \$20,000 cost for this repair.

Mr. Moyer stated we have three valves going into that manifold. Will the bypass be a permanent installation?

Mr. Smith stated no, we will do the bypass now and make the repair. As soon as possible, we will put in another valve in the downstream side of these three pumps but before jockey pump. If we lose one of these Ts again, we can shut off that valve and pressurize the system through the jockey pump. We will make these repairs at night, and our biggest concern is the hospital. With this 12-inch line, we should have plenty of flow. If we have to come back and perform any repairs, we will shut down that valve that we are going to install and work on the jockey pump during the night. We will leave it in place until the other valve is installed. If we have a problem with the jockey pump, then we would have to use the jumper. I am working on that with the engineer.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Stuart stated we have an easement to grant for Comcast. Mr. Parker has the drawing for the legal description.

Mr. Parker stated it is an easement between the Enterprise CDD and Comcast. About two years ago, Comcast approached the Board and asked to lay a fiber optic cable between U.S. 192 coming down Celebration Place to the hub station. With that request, a temporary construction easement was granted by the Board. PBS&J generated the exhibit which identified the location where they could put the cable. Upon completion of laying the cable, Comcast generated an as-built, which generated the legal description. This request is finalizing the easement for Comcast to be in the location where they are. When they initially applied for the temporary construction easement, we received a \$50,000 deposit and we request that be returned to them upon execution of this easement.

Mr. Kelly asked we are putting a permanent easement in place and abandoning the temporary easement?

Ms. Stuart stated that is correct, and we are returning their deposit upon execution of the permanent easement. We required a deposit in the event something happened.

Mr. Parker stated nothing happened, but there are some fees that we think they are responsible for with respect to PBS&J's time into providing the exhibits, and they have agreed to pay those fees.

Ms. Wasson asked this is where they were able to get to U.S. 192 to connect with their other areas?

Mr. Parker stated yes, to connect with the hub building. Prior to that, Comcast rode on Smart City's lines, and they wanted their own lines to the hub building. They still run on Smart City's lines for the internal lines.

Ms. Stuart stated we have not finalized the form yet but because of the timing of your meeting, we are requesting authority for the Chairman to execute the permanent construction easement and return any remaining deposit after the deduction of all appropriate fees to Comcast upon execution of that agreement, subject to review of the form by counsel.

On MOTION by Ms. Wasson, seconded by Mr. Montague, with all in favor, approval was given to authorize the Chairman to execute the permanent construction easement with Comcast and to return any remaining deposit after the deduction of all appropriate fees to Comcast upon execution of that agreement, subject to review of the form by counsel, as discussed.

Ms. Stuart stated we also have an easement for the C-21 parcel that the Board may have reviewed a couple times over the past few years in anticipation of various real property transactions. This is a proposal to grant a wastewater utility easement from Willmark Communities to the District. The form is one that you have seen before, and it has been changed to reflect the realities of this particular transaction and the parties involved related to parcel C-21. It is a one-half acre parcel

Mr. Parker stated this easement is with Willmark being grantor, which is the subject of an upcoming land transaction, and Enterprise CDD being the grantee. There is an existing wastewater sanitary line on the property and was placed there to support this project and others going farther south on Celebration Boulevard. Because this sanitary line is physically on the property, that generates the need for this easement.

Ms. Stuart stated I am requesting authorization for the Chairman to execute this wastewater utility easement agreement from Willmark Communities, subject to review of the final form by counsel.

On MOTION by Mr. Hempel, seconded by Ms. Wasson, with all in favor, approval was given to authorize the Chairman to execute the wastewater utility easement agreement from Willmark Communities, subject to review of the final form by counsel, as discussed.

B. Engineer

There being nothing to report, the next order of business followed.

C. District Representative

There being nothing to report, the next order of business followed.

NINTH ORDER OF BUSINESS

Other Business

There being none, the next order of business followed.

TENTH ORDER OF BUSINESS

Supervisor Requests

There being none, the next order of business followed.

ELEVENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Montague, seconded by Mr. Hempel, with all in favor, the meeting adjourned at 9:50 a.m.

Gary L. Moyer, Secretary

Matt Kelly, Chairman