

MINUTES OF MEETING

ENTERPRISE COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Enterprise Community Development District was held Wednesday, October 15, 2008, at 4:00 p.m. at 851 Celebration Avenue, Celebration, FL 34747.

Present and constituting a quorum were:

Matt Kelly	Chairman
Don Hempel	Supervisor
Pat Wasson	Supervisor

Also present were:

Gary Moyer	Manager: Moyer Management Group
Cheryl Stuart (by phone)	Attorney: Hopping Green & Sams
Roger Mitchell	Severn Trent Services, Operations Division
Jim Parker	Walt Disney Imagineering
Brian Smith	Severn Trent Services
Brenda Wright	Moyer Management Group

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

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 August 20, 2008, Audit Committee and regular 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. Hempel, with all in favor, approval was given to the Consent Agenda.

FIFTH ORDER OF BUSINESS

Audit Committee

A. Audit firm ranking and recommendation

B. Authorization to enter into a contract with the number-one ranked auditing firm

Mr. Moyer stated we were to have an audit committee meeting prior to this meeting; unfortunately, that meeting was not properly noticed so we will schedule that for your next regularly scheduled meeting. There are no items to consider since the committee has not reviewed or made a recommendation on the selection of the auditor.

SIXTH 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. Kelly asked do you have any comments about the financial turmoil we see in our nation right now and its impact on us?

Ms. Stuart stated a number of Districts I work with are taking a closer look at where their money is invested and the yields on those funds. In some Districts, the investment earnings on construction funds have a significant impact on how much project they can do since they count on a certain amount of interest earnings on large funds. That is not the case here. Second, some Districts are looking at how secure the funds are that their money is in, in some cases they are making the decision to move the money into more secure investments, even if it means giving up yield. It is a topic at virtually every District meeting that I am dealing with.

Mr. Kelly stated help me understand where our funds are invested.

Ms. Stuart stated that information is shown on the cash and investment report in your agenda package.

Mr. Moyer stated we still have some monies with the State Board of Administration (SBA). Some of those funds are still restricted because they are investments that are questionable. They are waiting for those investments to mature and we anticipate that by the end of this year, they should have a good idea of what will be good money and what is not. We have about \$43,000 in the SBA.

Mr. Kelly stated it is less than 1% of our total cash and investments.

Mr. Moyer stated \$1.088 million is in a SunTrust MUNI-Now account, which is part of the qualified public depository program. They are deposit accounts and not investment accounts, which means it is fully collateralized and guaranteed by the State. That is pretty safe and we were conservative when the SBA had their issues last year. It is the same

situation with water and sewer but where there are debt service or bond funds, those are invested by US Bank pursuant to the bond trust indenture

Ms. Stuart stated those are in a particular family of funds, probably First American Government Obligations. There are three funds they invest in at US Bank in that family of funds. They have applied under the new Federal program to insure certain of those money market funds. They applied for that insurance and the premium for that insurance has been accepted by the Treasury. The First American Obligation Fund is comprised of obligations of government agencies, which are not commercial paper as the other fund is.

Mr. Kelly stated there is a note that says these funds are invested with the First American Government Obligation Fund.

Ms. Stuart stated ignoring the rating issue, because we all know that ratings are dependent upon who rates them and the date and time of the rating, the Government Obligation Fund is composed of various government agencies and it is government debt, mostly Federal government. That is why the rate is as low as it is.

Mr. Hempel stated you indicated the water and sewer checking account is fully collateralized, as is the general fund.

Mr. Moyer stated that is correct.

Mr. Kelly stated people who are doing work for us that we will be paying to perform services, there is pressure on some of those entities as to how well they can perform their work and are they financially sound. I do not know how much of that we have. We do not have any large projects underway so I do not think we have a lot of risk. Most of our activity is operations.

Mr. Moyer stated that is correct. Severn Trent is a large international utility company and utilities are fairly safe companies.

Mr. Kelly stated it would be a red flag if anyone is asking for different terms for them to be paid.

Ms. Stuart stated the assessment collections shows we are at 94%. Do we have any indication on what the difference is?

Mr. Moyer stated we reported last month that there is one owner that had not paid. Based on these financials, it appears that is still the case.

Mr. Kelly asked have we filed a lien?

Mr. Moyer stated we levy it on the tax bill.

Ms. Stuart asked did the tax certificate not sell?

Mr. Moyer stated with the taxes on a large commercial property like this, that would not surprise me.

Mr. Hempel asked was it the 200 Celebration Place building?

Ms. Stuart stated that one was paid.

Mr. Moyer stated we will research that outstanding account and I will let you know.

B. Consideration of Management Services Agreement

Mr. Moyer stated I am the individual that is named who will be serving as the Manager for this account. At some point in the future if that is not the case, there is a fairly short termination provision for convenience to terminate the contract if that is your desire. It is fairly straightforward. Ms. Stuart has reviewed this agreement.

Ms. Stuart stated I had several changes, and all my changes were incorporated.

Mr. Kelly stated the fee in the agreement is a 3.5% increase over our last agreement.

Mr. Moyer stated the way those fees are determined is annually when the Board approves the budget. The fee over time has increased more than 3.5% from the original agreement but it increased 3.5% from last year.

Ms. Stuart stated this is a five-year agreement and we will do the same thing going forward for each year.

Mr. Moyer stated that is correct.

On MOTION by Mr. Hempel, seconded by Ms. Wasson, with all in favor, approval was given to District management services agreement with Severn Trent.

C. Field Operations

Mr. Moyer stated we are proceeding to go out for an RFP for field operations on our utility. One of the things the Board needs to review and approve today is the evaluation criteria that we distributed. This is what we used several years ago when we went through this process. I have talked with Ms. Stuart and one thing we wrestle with is how you measure financial capability. The intent is that we want a company that has financial resources to perform the work, but that is difficult to quantify, especially in this environment. The way to do that better than looking at financial statements is to take those 10 points and reallocate them to experience. It seems to me you will be able to tell companies that have been in the business longer who have more experience if we give that category 30 points and do away with the financial capability section.

Ms. Stuart stated under experience, we discussed revising the volume of work and removing those totals in terms of the descriptive nature.

Mr. Moyer stated we will remove that.

Ms. Stuart stated this is a long-term contract. We do not have many contracts that are this large. For volume of work previously awarded, there is not much to compare it to. That is better if we remove that and it is really what we want to get to, which is experience in providing these types of services. The other thing I suggested is to add experience in providing customer service and responsiveness so we can see how they handle customers.

Mr. Kelly stated that would be good to add.

Ms. Stuart asked what about unit prices?

Mr. Moyer stated that evolved over time because in the beginning of this, we were adding villages and we are not going to be adding too many more so we do not need to do that. We can roll that into one.

Ms. Stuart asked what do we do with the 10 points for unit prices?

Mr. Moyer stated we want to leave it the way it is because we will have work authorizations and change orders. We will have Island Village at some point.

Ms. Stuart asked what kinds of unit prices are we asking?

Mr. Smith stated work authorization unit prices for repair and maintenance, labor costs, and equipment costs. Those would be nice to have and there is a section in the RFP for that. This is for non-routine service.

Ms. Stuart stated it is not on the bid form currently. Before the bid package is issued, we need to be clear on what the points are going to be based on, whether it is unit prices for certain things or hourly rates. We need to be clear as to what those 10 points will be awarded on, the reasonableness of these unit prices. I think otherwise you will get lump sum prices for the other things.

Mr. Smith stated we used those villages when we received prices for additional neighborhoods. We counted valves, fire hydrants and pipes so we could get an idea of the increase. We are not going to be developing more areas of the utility but if we are, we would want these unit prices for a changed service authorization for the additional areas.

Mr. Kelly stated if a pipe breaks, you want unit prices for labor and the costs associated with the repair.

Ms. Stuart stated we need to create that sheet.

Mr. Smith stated I recommend leaving the points for unit prices on the evaluation criteria.

Ms. Stuart stated that is fine as long as we have something that indicates how we will allocate those points. Included in the 15 points it says the initial two years of the contract, but the contract is for a longer term. Should it say the first 21 months of the contract?

Mr. Moyer stated we are also asking for what the renewal would be, and that is the 5 additional points in the price category.

Ms. Stuart stated it is 15 points for the first two years.

Mr. Moyer state yes.

On MOTION by Ms. Wasson, seconded by Mr. Hempel, with all in favor, approval was given to the evaluation criteria for utility operations and maintenance.

Mr. Smith reviewed the highlight report as contained in the agenda packet, which is available for public review in the District Office during normal business hours.

Mr. Smith stated we will expand on the utility highlights section of this report. We completed a lot of repairs at the lift stations. Regarding odor control, we no longer use NRP. We are working with Toho Water Authority in getting a proposal from Premier Chemicals to enhance what they are doing for Toho Water Authority. They have one large tank at the master lift station where they are treating odor, which is owned by Toho Water Authority. We asked them to put satellite locations throughout our system farther away that would treat what goes to that lift station. Right now they treat it there and it goes to their plant. It really does not benefit us up front since it is on its way out. We had NRP all over Celebration and it did not do as well as we wanted. We are going to try Premier Chemicals in satellite locations. By doing that, we will ask Toho Water Authority to pay for the product they are currently paying for and we will move it down into these other locations so we can treat our system. The end product for them will be better. Any costs above that, Enterprise CDD will pay. We will pay for the extra tanks and the injection systems. I think it will help. What they had works does not work as well as I think it will be if we use Premier Chemicals.

Mr. Kelly asked have you had many complaints?

Mr. Smith stated we have not had many formal complaints. Mr. Mitchell has an office up there and will notice it first, but development in that area will continue. If you are in that area on a calm morning, it moves across the ground and you do get whiffs of it. We had Toho Water Authority install a drop and they covered it so it goes into the pipe and goes right in, which helped tremendously. I will bring that proposal from Premier Chemical to the Board and I think it will help quite a bit.

Mr. Hempel asked who is taking care of the sod repair?

Mr. Smith stated the Celebration CDD. I have a proposal for other repairs in Aquila Loop and Artisan Park of about \$3,000 for CDD property.

Mr. Hempel stated has Celebration CDD been trying to control the hog population?

Mr. Smith stated I made a presentation to a group of home owners on Monday night and provided some pictures. We have five traps that we built, and we have trapped 30 hogs in the last 30 days. One was about 180 to 200 pounds and that one alone could do the damage that is at Aquila Loop. We have reduced their numbers a lot. We have not had a lot of recent activity in traps. They come in waves and we set traps whenever they come and remove them. We send them to a licensed transporter who is licensed to transport and relocate them. He takes them to conservation areas or hunting camps. One gentleman is putting out corn and salt licks and we asked him to stop because they were coming to his house, so we put a trap in the woods back there.

Mr. Kelly stated there has been a little panther activity. I wonder if that will help. A panther was killed on I-4 in the last couple weeks.

Mr. Smith stated there is also deer activity; about four deer were killed on Celebration roadways in the last couple weeks. They are coming out of the woods.

Mr. Hempel stated I have not seen the hogs in about a week.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

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

B. District Representative

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

EIGHTH ORDER OF BUSINESS

Other Business

Mr. Kelly stated we need to set a date for our next meeting. Currently the schedule shows November 19. I will not be available on that day.

Mr. Moyer stated we want to target the second week in December, so I recommend Wednesday, December 10, 2008, at 4:00 p.m.

Ms. Stuart stated the audit committee will meet at 4:00 p.m. with the regular meeting to follow immediately afterwards.

Ms. Wright stated Ms. Stuart and I briefly discussed establishing an evaluation committee to review the utility bids.

Ms. Stuart stated we can have an evaluation committee.

Mr. Kelly stated I think we would like a recommendation from staff.

Ms. Stuart stated it cannot be Severn Trent staff.

Mr. Moyer stated that is somewhat of a conflict. Last time, we had a representative from PBS&J, the District representative and a Board member review those proposals.

Ms. Stuart stated otherwise, each Board member will receive the proposals individually and will bring their scoring for each proposal to the meeting.

Mr. Kelly stated establishing a review committee for something this large is a good idea so that enough time gets spent on it.

Ms. Stuart stated the Board can appoint that committee.

Mr. Kelly stated from the Board, I recommend Mr. Stokes since he reviews bids and RFPs in the course of his profession.

On MOTION by Ms. Wasson, seconded Mr. Hempel, with all in favor, approval was given to appoint Mr. Stokes, the District representative, and a representative from PBS&J to be the evaluation committee to review utility bids.

NINTH ORDER OF BUSINESS

Supervisor Requests

There being none, the next order of business followed.

TENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Hempel, seconded by Ms. Wasson, with all in favor, the meeting adjourned at 4:35 p.m.

Gary L. Moyer, Secretary

Matt Kelly, Chairman