

MINUTES OF MEETING ENTERPRISE COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Enterprise Community Development District was held Wednesday, April 21, 2010, at 4:00 p.m. at the Celebration Community Center, 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 L. Moyer	Manager: Moyer Management Group
Cheryl Stuart	Attorney: Hopping Green & Sams
Jason Walter	Attorney: Hopping Green & Sams
Brenda Burgess	Moyer Management Group
Brad McMahan	Engineer: PBS&J
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 4:15 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 February 17, 2010, 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.

FOURTH ORDER OF BUSINESS

Presentation of Fiscal Year 2011 General Fund and Debt Service Fund Budget

A. Fiscal Year 2011 Budget

Mr. Moyer reviewed the general fund and debt service budget for fiscal year 2011. The budget is in similar form that this Board has considered in the past. Because of the competitive bidding on the landscape maintenance contract, we will realize a substantial

savings that we could apply to lowering the assessments if the Board chooses. You may want to consider not reducing the assessment by the total amount of the savings. You may want to establish a contingency fund since we are still not through this real estate recession. We still do not know with certainty whether or not we will collect 100% of our non-ad valorem assessments next year. What we did in this version of the general fund budget was to apply all the savings to lowering the maintenance assessments. That results in a reduction of about \$100,000, which is almost 20%. Last year we levied \$477,000 and this year to balance the budget, that number is \$378,000. The other parts of the work program are on target with the expenses we are currently realizing. In the revenue section, there are assessments that are levied on the tax bill, and we are about 100% collected currently. There are also CDD-collected assessments where we budgeted \$47,000, and we have collected only \$17,000, leaving us about \$30,000 short. That is due in part to the Mona Lisa bankruptcy and the Overture property. We may want to put that \$30,000 into a contingency account and only apply \$58,000 in savings to lower the assessments. Instead of a 20% reduction, you would have a 10% reduction. If that is your desire, we will recalculate the assessments. I will ask the Board to adopt the Resolution approving this budget and setting the public hearing, subject to those changes.

Mr. Kelly stated that seems like a wise thing to do to me. In this economic climate, it would be good to provide a reduction. If we can do that and set aside a contingency for these potential uncollectibles, that would be a very good thing to do.

Mr. Hempel stated I agree.

Ms. Stuart stated this budget shows projected investments that may or may not materialize given the investment climate, which is another reason to have some monies in contingency.

Mr. Moyer stated this budget draft also includes the debt service budget for the water management bonds, beginning on page 12. This District also has an enterprise fund budget but it does not track on the same requirements as the non-ad valorem assessment budget. We will provide that budget to the Board prior to June 15 and schedule that public hearing as well.

Ms. Stuart stated the hearing for that budget is scheduled for the same day as for this general fund and debt service budget in August.

B. Consideration of Resolution 2010-01 Approving the General Fund and Debt Service Fund Budgets and Setting a Public Hearing Date

Mr. Moyer reviewed Resolution 2010-01 approving the budgets and setting the public hearing for August 18, 2010, at 4:00 p.m. You will adopt a similar Resolution in June for the water/sewer budget because that meeting date still allows 60 days prior to August 18 to accomplish the notification requirements.

On MOTION by Ms. Wasson, seconded by Mr. Hempel, with all in favor, approval was given to Resolution 2010-01 approving the budgets and setting the public hearing for August 18, 2010, at 4:00 p.m., with the changes discussed above.

Ms. Stuart stated page 11 shows the estimated assessments associated with the various parcels. There is a gross number indicated with respect to the Mona Lisa units. All of those units are not owned by that entity; some are owned by individuals. The final roll will reflect only those units under their ownership to be direct billed, and the individually owned units will be assessed on the tax roll.

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.

Mr. Moyer stated we are essentially 100% collected on the assessments collected through the tax roll and we are about \$30,000 under collected on the ones we collect directly. The expenses are under budget in all categories, and we will continue to realize further savings from the lower maintenance contract amount that we awarded.

Mr. Kelly stated the non-ad valorem assessments are 100% collected because we did not put Mona Lisa and Overture on the tax roll.

Ms. Stuart stated that is correct.

Mr. Kelly stated we are trying to collect those directly. To answer the question of why we did not include these two properties on the tax roll because it looks like they are getting everything collected, those two properties are in distress and we chose to handle them directly.

Mr. Moyer stated if we have to foreclose on them, it accelerates the process available to us in Chapter 173, Florida Statutes, versus going along with the tax certificate sales for several years.

Ms. Stuart stated there is no guarantee these tax certificates will sell, in which case that extends the time even more. This Board made the decision last year for those two parcels, because they were delinquent, to collect them directly. Mona Lisa also had the issue of their bankruptcy.

Mr. Kelly stated I want everyone on the Board to understand and be comfortable with what we are doing with that method of collection.

Ms. Stuart stated we will again propose at the budget hearing in August that the assessments for these two properties be collected directly and not levied on the tax roll.

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.

Mr. Smith stated Davey will be doing quite a bit of sod replacement within the next month or so.

Mr. Kelly stated I have not heard any complaints this year related to the irrigation system, and we are coming into the time when our irrigation system gets a little distressed. How are things going?

Mr. Smith stated we have had more rain than in the past, but right now we are in good shape. I think Toho Water Authority has it more under control with the valving and improvements they made last year, as well as us valving our system.

Mr. Kelly asked have you received any complaints?

Mr. Smith stated no but it is still early. Most of our complaints will begin mid-May, just before the rains in mid-June because it will start getting really hot then. It is a bit cooler now, but I think we are ready for it this year. Toho Water Authority's supply of reuse is much stronger now. With the way we are handling things, we have much better communication with home owners related to complaints.

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. Smith stated PBS&J is working on an RFP for the SCADA system, which is the telemetry system for the pump station. It will notify us if we have any problems, if a pump goes down or some other emergency. They are also working on an RFP for meter replacements. There are approximately 400 potable meters to be replaced that we want to bid. There is another RFP we are working on to bury the bypass along Celebration Avenue. PBS&J is working on the drawings and the permitting for that work. They will also have a blow off so anytime we need to work on it, we can just blow it off and clean it out. That will be very helpful anytime we need to do work on the pump station.

Mr. Kelly asked what is the reason for the bypass?

Mr. Smith stated the backflows were bad and the valves on either side of the backflows were not sealing. We had no way of shutting it down to work on the pump system. It is hard to shut everything down and still maintain good flow. This bypass will allow us to work on the system.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Stuart stated I will be on sabbatical from June through September, and Mr. Walters will be covering for me during that time, as well as others in the office.

i. Update Regarding Mona Lisa

Mr. Walters stated we had a hearing scheduled for this morning for Mona Lisa at bankruptcy court. It was supposed to be the bankruptcy confirmation hearing. I have provided you with the background information in terms of our position as the plaintiff and the fact that they are supposed to pay all delinquent assessments at closing. The liens will remain on the land going forward, and nothing from that perspective has changed. What has changed is the position of the parties in terms of when they are ready to close. There needs to be a transfer of land which has a hotel and a restaurant. They are trying to work out the details, which necessitates agreements and that has delayed the closing. The judge rescheduled a hearing on another issue for May 20. Assuming these issues get wrapped up by then, closing should occur shortly thereafter. I reminded them we are entering budget season and we will be levying assessments for the next fiscal year. They have many units owned by foreigners, which owners have rental agreements with a management company to rent out the unit and manage the property. The judge was hesitant to move forward too quickly without giving them notice of the possible

cancellation of those agreements. I do not expect anything to change in terms of our position at the next hearing, or with the position of the bankruptcy. It is just a matter of taking it out of the bankrupt owner's hands and into the bank's name or a subsequent purchaser so that they can issue a check at closing and assume all future obligations. It is a matter of details at this point, and I hope to have a more productive update at the next meeting

Ms. Stuart stated it will likely be that we will directly bill those assessments in this budget cycle, even if they get caught up because they are a few years behind. We need to stay on top of that collection.

Mr. Kelly stated the good news is that it sounds like we will receive our assessments.

ii. Consideration of Resolution 2010-02 Regarding Public Records Retention

Ms. Stuart stated the law requires us to have a policy of destruction when we will destroy records. The Department of State has an archival library that deals with governmental records for the entire State. They set terms of when it is acceptable to get rid of certain documents. They have a huge book of all kinds of documents that are truly public records. Florida's records law is so broad and encumbers so many different things, but they will indicate what things are kept for what length of time. Federal law deals with bond documents, and all bond documents have to be kept until after payoff of the bonds, which is 30 years plus three years after the payoff. Even though certain documents may fall into a category to be destroyed under State law, they cannot be destroyed pursuant to Federal law and the IRS. You are supposed to adopt a policy for record destruction. Exhibit A identifies a schedule to allow you to destroy the originals and copies of the advertisements we publish in the newspaper, for example. Exhibit B says that you will extend any schedule that exists for retention and you will basically keep everything. Trying to decide what category some records fall in involves staff's time and effort. New Districts may find that more productive to identify from the beginning. Many Districts that are more mature and have bond financings have chosen to keep everything into perpetuity. You can change this policy later but you need to have one. If you want to destroy your bond documents 10 years after they are paid off, you can come back and amend your policy. All of your rate covenant information and records are considered part of the bond documents. The question is, do you want to go through that effort of determining what information falls into what category, or do you want to just keep everything.

Mr. Moyer stated it is not costing the District anything to keep the information since that is part of your management contract with Severn Trent.

Ms. Stuart stated staff would recommend Exhibit B.

On MOTION by Ms. Wasson, seconded by Mr. Hempel, with all in favor, approval was given to Resolution 2010-02 adopting Exhibit B to the record retention policy.

iii. Consideration of Draft Easement Agreement

Ms. Stuart reviewed the easement agreement with Osceola County for the library site for water, wastewater and utilities, and a reciprocal indemnity for the parcel. We had some changes from what you saw previously to the District's favor with respect to reciprocity and the like. I recommend approval in substantially this form in case there are any other minor changes that need to be made.

Mr. Kelly stated the County now owns the library site, so they can proceed with its construction.

On MOTION by Mr. Hempel, seconded by Ms. Wasson, with all in favor, approval was given to the easement agreement with Osceola County for the library site in substantial form, subject to final review by counsel

iv. Legislative Update

Ms. Stuart stated the legislative Session is scheduled to come to a close April 30. There are some things that will more than likely pass, including changes to sovereign immunity that affects local governments, including Districts. Right now we have the benefit of sovereign immunity limitation of \$100,000 per person or \$200,000 aggregate per incident for tort liability, beyond which there must be a claims bill approved. Those limits will change to \$200,000 per person and \$300,000 aggregate. That number has not changed since the 1980s. The Legislature would like to see fewer claims bills and so they want to give governments the opportunity to settle and resolve smaller claims that might not take as much of their time. I believe that will pass and it will affect us somewhat. At issue is whether or not insurance providers will see it as an opportunity to adjust premiums because our liability has theoretically increased. Mr. Moyer will have conversations with insurance providers to see if that will have any impact this year or next. There a lot of Bills not in sync, which is very unusual and does not bode well for

things to pass. There may be some prompt payment legislation that will pass, trying to force payments to be made earlier and a shorter timeline for disputes. There are conversations about having a special session on ethics issues, but they may not do that. There is some energy legislation being discussed that is not in sync between the House and the Senate. All of us will have to deal with nutrients in the stormwater according to our permits, and that is still the subject of intense discussion with the proposal of the EPA coming in to monitor everything. I will provide a brief summary of the legislation that will affect this District in advance of the full summary we provide at the end of the Session.

B. Engineer

Mr. McMahan stated I talked with the vendor for the VFD installation, and they are scheduled for May 10 and 11 to put in the panels, the conduit and the wiring. On May 12 they will swap two of the motors to the VFD and the third one will be the following day. By May 13, everything should be switched over.

Mr. Kelly asked is there any down time when that happens or is water service interrupted?

Mr. McMahan stated no, there is no down time.

Mr. Smith stated they are basically just changing out the panels. The only concern we have is that we will see a difference in water pressure. We will try to send out a notice informing residents that because of what we are doing to regulate potable water pressure, they may see a reduction in pressure. I think that will generate more complaints having lower pressure than having high pressure. That may be an issue, so we will include a flier in their next utility bill educating them that they may see lower pressure as we adjust these pumps.

Mr. Kelly asked is that because you are adjusting it or do you think they will notice a permanent reduction because we are giving too much pressure today?

Mr. Smith stated the pumps currently operate by flow, so when the pumps come on, there is a bigger swing in pressure. It will go from 120 psi down to 75 psi. Now we will be between 80 psi and 90 psi, eliminate the high water pressure that some people really like. People will notice it, particularly on the third floor. This will be a good change overall to protect their pipes.

Mr. Hempel stated you should put that in the notice, explaining why it will be beneficial.

Mr. Smith stated we definitely will. We will put a notice on the website and the Front Porch.

Mr. Kelly stated the reason is they will receive more reliable, consistent pressure to protect your pipes and your house in the long run, and it will be adequate pressure. You should make all those statements so everyone understands.

Mr. Smith stated we will need to keep it between 80 psi and 90 psi, which will still require the plumbers to install pressure regulating valves on the house. If they go to a house and test it, the pressure will be over 80 psi and according to the plumbing code, they have to install a pressure regulating valve. Most people should have them anyway. If the pressure goes down to 70 psi or 75 psi, the complaints about low pressure will be worse.

Mr. Hempel asked is it worth putting that recommendation in saying you still recommend the pressure regulating valve?

Mr. Smith stated that is a good idea and we should include that.

Mr. Moyer stated you have only four or five days to provide that letter because the bills will go out the end of this month.

Mr. Smith stated I do not think it will be online until the end of May. The installation will be complete but we will have to test it.

Mr. Kelly asked could Town Hall send an email blast?

Ms. Wasson stated yes.

Mr. Kelly stated it might be good to do it in both places anyway.

C. District Representative

There being no report, the next item followed.

SEVENTH ORDER OF BUSINESS

Other Business

Ms. Wasson asked was the Expo on Saturday beneficial to the residents?

Mr. Smith stated yes.

Ms. Wasson stated you looked busy most of the day.

Mr. Smith stated yes, it was very good. We had a lot of comments on the pressure issues. Many people came to talk with us and we had many good conversations. I enjoyed it and it was very productive. We received many positive comments for both Districts, which we do not normally receive on the phone. It was a good day.

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 4:50 p.m.

Gary L. Moyer, Secretary

Matt Kelly, Chairman