

MINUTES OF MEETING

ENTERPRISE COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Enterprise Community Development District was held Wednesday, June 17, 2009, at 4:00 p.m. at 851 Celebration Avenue, Celebration, FL 34747.

Present and constituting a quorum were:

Matt Kelly	Chairman
Russell Stokes	Vice Chairman
Don Hempel	Supervisor
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
Bill Telford	Engineer: PBS&J
Brenda Burgess (<i>by phone</i>)	Moyer Management Group
Roger Mitchell	Severn Trent Services, Operations Division
Residents and Members of the Public	

FIRST ORDER OF BUSINESS

Roll Call

Mr. Kelly called the meeting to order at 4:00 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 April 27, 2009 Meeting

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.

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

FIFTH ORDER OF BUSINESS

Presentation of Fiscal Year 2010 Water/Sewer Fund Budget

A. Fiscal Year 2010 Water/Sewer Fund Budget

Mr. Moyer stated we emailed to you a revised budget that is close to the budget that was originally drafted. I used the numbers the Rate Consultant used in our Rate Sstudy because they spent a lot of time looking at costs and allocating costs to various categories. What we presented to you originally was within \$30,000 of their budget. Some of the things I changed dealt with miscellaneous and contingencies and routine maintenance items. The budget you have for the Water/Sewer Fund now tracks fairly closely what the Rate Study provided for and the estimates they used. The notable difference is under administrative. Because we have a better handle on those costs, we were able to reduce those costs by \$30,000 more than what the Rate Consultant provided. The numbers for the utility and field operations are exactly what were projected in the Rate Study. We will have our hearing for this budget at the same time as the hearing for the General Fund, which this Board set at your last meeting. We have a couple months to continue to refine this budget, but there should not be any major changes. It has been reviewed on several levels, most importantly by our Rate Consultant who analyzed the costs we will incur in operating the system and the revenues we anticipate receiving.

B. Consideration of Resolution 2009-05 Approving the Water/Sewer Fund Budget and Setting a Public Hearing Date

Mr. Moyer reviewed Resolution 2009-05 approving the Water/Sewer Fund budget and setting a public hearing for August 24, 2009, at 9:00 a.m.

On MOTION by Mr. Stokes, seconded by Ms. Wasson, with all in favor, approval was given to Resolution 2009-05 approving the budget and setting a public hearing for August 24, 2009, at 9:00 a.m.
--

SIXTH 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.

Mr. Moyer stated we still have two delinquencies on our assessment collections: Mona Lisa and Overture. Unfortunately, neither one of those certificates sold, which means they will be recycled and will go to tax certificate sale in early August. There is a possibility that those certificates will not sell.

Ms. Stuart stated I understood that when they redid the tax bills very recently, they divided the Mona Lisa tax bill among the new owners and some of those owners have paid. I did not think they were at the point of a tax certificate sale on the Mona Lisa tax bill.

Mr. Moyer stated they may not have done that because it is in bankruptcy. The feedback I received from our Assessment Department indicated that they thought it would be subject to the certificate sale in August. I have been researching this issue with Ms. Stuart and the concern is whether or not there will be a problem making the November 1 interest payment on our revenue bonds. The original debt service reserve requirement was about \$850,000, and we currently have about \$1.7 million in the debt service reserve account for that bond issue. As long as we do not go below the amount that is required, we will be fine, even if we take it out of the debt service reserve. We have \$110,000 outstanding to collect from those two properties. In the worst case if we had to go into the debt service reserve account, it would be for that \$110,000.

Ms. Stuart stated we have been dealing with their bankruptcy counsel in terms of negotiating how we are treated in that proceeding. We are conveying some urgency to them about the timing of these payments that need to be made prior to November 1. They are working through their issues and we will continue to monitor that situation.

Mr. Kelly stated they are in a reorganization bankruptcy.

B. Discussion of Proposed Fiscal Year 2010 General Fund Budget

Mr. Moyer stated this public hearing is also scheduled for August 24, 2009. The numbers for this budget are driven primarily by contracts we currently have. We have been doing this work for a long time and they are essentially historical numbers. The Board may want to discuss if we do anything in terms of anticipating future year problems with the assessment. We will have more information on the outstanding assessments by the hearing and we will have to see what happens with those two developments.

C. Revised Report on the Number of Registered Voters – 0

Mr. Moyer stated we received a second letter from the Supervisor of Elections indicating that we have zero registered voters. They made an error and picked up some residential property in Celebration that is not within this District.

D. Field Operations – Monthly Highlight Report

Mr. Moyer 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. Moyer stated the Board is aware that we sent a letter to the residents regarding the increase in utility rates. The feedback we are receiving are that (1) they do not want to pay more, (2) they are not getting the proper pressures on the potable system, and (3) the reuse system is not very good either so why are they having to pay more fees on something that is not a superior product. Mr. Telford knows a lot about our utility operation and Mr. Mitchell is our field operator from Severn Trent. Our system has major pumps that will distribute potable water throughout the community and can be as high as 115 psi, which well exceeds the limits. We knew we had the reuse issue because in May for several weeks, the demand was so high and we have only one connection point with Toho Water Authority. This Board took action a year and a half ago to bifurcate our system so we could operate it on an odd-even weekday basis, but we still have some problems this year. What is the new deal with the potable system? People are saying there are times during the day when the pressure is very high and there are other times when the pressure is lower. We have some fairly big pumps that will pressurize the system at over 100 psi, which is driven by high demand. When there is demand, those big pumps come on. When there is less demand, we have a smaller pump keeping the pressure at 65 psi. Residents are complaining that they are not getting adequate pressure, when 65 psi exceeds what most municipal systems produce and it is well above what is required by the regulations. When you compare it to 100 or 115 psi, there is a noticeable drop in pressure that I think causes some people concern. Mr. Mitchell has been doing pressure tests throughout the system. Have you found any pressure significantly lower than it should be?

Mr. Mitchell stated no. We investigate every call that comes into the office. We found a few where the pressure regulators on the homes are going bad, where it is taking 5 to 10 minutes to refill the toilet. Most of the other ones that have lower pressure, I have talked with the home owner and they said the pressure is less but there is not a total lack of pressure. My concerns are with a lack of pressure, and we have not seen that. I did monitor one house on a mainline at 409 Iris Street, which is the only complaint we have received. The pressures are fairly consistent, but it is due to those times of low demand when it seems like the pressures are lower. When the system is calling for over 700

gallons per minute, the high-service pumps come on and it will kick the pressure up to about 100 or 110 psi just because of the demand on the system. The times when there is lower demand are between 9:00 and 11:00 p.m. until 5:00 a.m. At 6:30 or 7:00 a.m. is when the higher demand time starts again. The high demand time will drop from 5:00 p.m. through 7:00 p.m. and will remain high for a couple hours in the afternoon/late evening. Pressures generally are pretty consistent. Even our low demand pressures are well above average municipalities.

Mr. Montague asked what is the municipal standard?

Mr. Mitchell stated anything over 20 psi. If you are below 20 psi, that is a health hazard and you can get infiltration into the pipe. Anything over 20 psi in the mainline is safe. In Orange County, my pressure runs between 45 and 50 psi. Some communities run about 60 to 65 psi and some are at 75 psi. The ones that have higher pressure, generally have an irrigation system that uses potable water because the irrigation system will draw a lot more than the showers will and irrigation puts more of a demand on the system.

Mr. Dan Tomsick stated it seems that it is possible to design the system not to have such wild swings. I deal with a different water system for three months out of the year when we go to New York and have a well system. I am extremely sympathetic but I would argue that it is possible to do things with modulating valves, bypass systems, variable displacement pumps and other technological options so you do not have the swings. I do not think the argument so much is that the pressure should be 45 psi or more. The community where I live part-time in New York operates at 50 psi. When you experience a swing from 50 to 100 psi, that is a big swing.

Mr. Kelly stated this was in regards to Mr. Moyer's comment. It is not that the pressure is too low but when they are experiencing something different, it feels dramatically different.

Mr. Tomsick stated that is correct. It seems like a well-designed system should not have to go through wild swings. I understand the logic of having to do things with variable demands, but there are experts who understand these kinds of things who can build systems and modify systems accordingly so we do not have wild swings. There is no system in the world that can operate if everyone has their faucet turned on. It seems like you are being challenged right now and you are raising this by saying you need more costs to operate the system. It is one of those things where everyone felt it was ok in the

past but now people are starting to ask what we are getting for our money. My expectation level has changed because I am expecting a Cadillac system and I do not think I am getting Cadillac delivery in my system because I am experiencing these wild swings. I think that is the challenge you are going to face, but I believe there are solutions. I think we have very good infrastructure here, but perhaps this community is at a juncture where we have to look at fine tuning some things. We do have an issue of pressure swings and we should fix it.

Ms. Wasson stated I have received the same feedback. I also have noticed some pressure changes at my home.

Mr. Hempel stated I have not noticed any pressure changes.

Mr. Moyer stated we do not notice anything at our three-story townhouse but a resident across the street from me indicated he had problems.

Ms. Wasson stated I notice it more on weekends than during the week.

Mr. Moyer stated Mr. Tomsick is correct. There are variable-speed pumps that can be installed.

Mr. Kelly asked is the pressure ever too low or is it just changing?

Mr. Tomsick stated it is not too low from my perspective.

Ms. Wasson stated in comparison to what you normally receive here, it seems fairly low. I have stayed in hotels and at other people's homes and our system is still far superior to what you get someplace else. It is just that it fluctuates.

Mr. Kelly stated my home is almost 40 years old and is on an older system, and I never notice any change in pressure except for a few seconds if the irrigation is running at the same time someone is showering, and then it goes right back to normal pressure.

Mr. Telford stated this is the first I have heard of any issues with the potable system.

Mr. Moyer stated this is pretty recent and I think most of the reason for it is people are saying that if they are paying more, then they should be getting Cadillac service instead of the Chevrolet they have been receiving.

Mr. Kelly stated we raised the reuse rate but lowered the sewer rate. But we understand your concerns. It seems we should investigate this because I do not think a person's pressure should swing that wide.

Mr. Moyer stated heretofore I can tell you that the complaints have been that there has been too much pressure.

Mr. Kelly stated I would like staff to investigate this further.

Mr. Moyer stated it is an engineering issue.

Mr. Tomsick stated it is due to lifestyle and the time of the day. If you shower at the same time every single morning, you may not notice anything. My schedule is more flexible so I may do something at 9:00 a.m. or 7:00 a.m. or a different time.

Mr. Moyer stated I heard from one of our constituents at last night's Celebration CDD meeting that he notices a drop in pressure at 4:00 p.m., which makes no sense to me.

Mr. Mitchell stated sometimes between 3:30 and 5:00 p.m., the demand drops and I do not know why.

Mr. Moyer stated I would have thought it would be higher at that time of day.

Mr. Kelly stated update us on the reuse issues.

Mr. Moyer stated we have been wrestling with reuse for a number of years. We had problems with Toho Water Authority providing a sufficient supply to us one year. We recognize everyone in Celebration cannot turn their system on at the same time, regardless of whether or not we have supply. There just is no way to supply for that. What we did was run a line down Water Street to connect the system and valve it off so now we have the system zoned. Half of the residents are on one set of days and the other half are on another set of days, and Artisan Park is on a third set of days. The District's common area is on whenever we want to run it, and we made that accommodation with Toho Water Authority. But four to six weeks out of the year, as we just experienced, sometimes people have problems when they are getting very low pressure. They tell us the pressure is insufficient to pop up their heads and the water just dribbles out. Mr. Smith has one theory. Sometimes when the irrigation companies put in the irrigation systems in the properties, they made the zones too big, which could be part of the reason. I do not think that would be typical of everyone in Celebration. The ultimate solution is to get another connection point to Toho Water Authority, which we discussed a couple years ago. We hired PBS&J to do a Feasibility Study, but doing that type of work is beyond something that we can undertake ourselves in terms of another connection point to their system.

Mr. Kelly asked when we experience this, is the pipe full of water or is Toho Water Authority not providing enough water?

Mr. Mitchell stated yes, we have enough water from Toho Water Authority but the pipe cannot supply the demand. That is why we broke it into zones. For the most part we can maintain the pressure during the watering times. More often than not, it is a design problem on those homeowners properties. Sometimes the solution is as simple as changing out heads. Most of the pipe is run one inch, and it should be supplying 20 gallons per minute per zone. If you have a certain amount of heads on the system asking for 25 gallons per minute, the pipe cannot supply that and you will not get the pressure you need to pop up the heads. We found that a few times. Other times it has been our supply line so we have gone back and changed that out, which increased the pressure somewhat. Sometimes it is the design of the system and sometimes it is the utility's fault. When it is the utility's fault, we try to correct the problem. It has been 10 to 15 times when we have had to go back and retap the service line because it was clogged up and residue built up.

Mr. Kelly asked are we finding that is our only challenge?

Mr. Mitchell stated when we broke it down into zones, we cannot keep up with demand using the pipe in the ground. If the pipe was two or three inches larger, we could keep up with that demand.

Mr. Moyer asked what size are the irrigation lines typically?

Mr. Mitchell stated it depends. I believe the Celebration system is four or five inches. The pipe in the ground should be slightly larger to accommodate the demand. The zones will help resolve it.

Mr. Kelly asked how much of our problem is a system problem with individual irrigation and should we communicate that to the residents instead of waiting for complaints? I think this is an issue for four to six weeks once a year.

Ms. Wasson stated I think it is longer than that.

Mr. Kelly stated it starts when it warms up in March and there is no humidity in the air so the water is evaporated quickly, until our rainy season starts about mid June. We just went through a couple weeks when we had plenty of water, but then the next two weeks we did not have any.

Ms. Wasson stated on behalf of my neighbors and CROA, when we are coming into that part of the year and have Bermuda, we are desperate for water and then the drought hits. I am still waiting for the day I can have enough water to have a pretty Bermuda park.

I watch the residents lose their lawns every year. If they do not get water, they get a bug that destroys their lawn. So they are replacing sections of their yards when the rains start. Most people when they call, we tell them to make sure the grass has not grown over any heads and to clean them out and adjust their timers. I am sure the District Office does the same thing. Many people who are snowbirds lose their lawn because they are not there to know they have a drought issue. We see a lot of bad cases around and it happens every year. I have not replaced my sod anywhere I have lived, but I also have a grounds contractor and I pay attention to those things. Just because I do does not mean everyone else does. I do not believe Mr. Tomsick has ever replaced his sod, either.

Mr. Tomsick stated it does take heroic efforts to maintain the sod at that level. I would argue that the problem lasts more than six weeks. This is a tough sell in the community right now. I deal with the covenants issues in the community and everything that was said is correct, but we have to put it into context. Some systems have too many heads and do not deliver water properly at lower pressures. It is hard when you can say that nine months out of the year it works fine, so I do not want to hear that I have a system problem for those three months. It is a philosophical discussion. I think the problem is bigger than the band-aid options we discussed. I discussed some of these issues with my neighbors and encouraged them to do some of what we have mentioned. We have to look at it more from a standpoint of psychology and people not living here at given times during the year so they are relying on their Management Company to take care of their property, only to find it is not working out very well. As a result, the community suffers a decline every year, and I keep worrying about the fact that it is a rationing effect. We lose a little more sod every year that has to be replaced. At some point we will reach the critical stage where we have reached the low end of the acceptable community standard for plant material maintenance. This is a problem that deserves a long-term view, Maybe we ultimately have to factor it into the cost of doing business as the utility.

Mr. Kelly stated some of those things you mentioned, we do not have a responsibility to do anything about them.

Mr. Tomsick stated you are correct, but the problem is with the snowballs and leads to more problems.

Ms. Wasson stated if they do not get pressure on their days, they will water on their off days. Even though they say their system is off, it is not off because I have a neighbor who waters seven days a week and they have the same pressure seven days a week unless there is no water pressure.

Mr. Mitchell stated Mr. Russell Simmons from the District Office installed some monitoring devices, and we are going to collect this data for two weeks and come back with a time that we suggest everyone water for their zones. We are finding many people try to water the first available hour or at midnight, but no one is watering in between those times. We do not have a good feel about what times to suggest for people to irrigate. These devices will give us the flow rates and you can see the time that the flow rates increase and decrease on the reclaimed system. Then we can suggest to residents what times they should water and the times they should try to change their clocks to adjust for this, so we do not have such a large demand at one particular time per zone. The pressure in the line will decrease if everyone is trying to water at the same time. The instruments are in place and we will collect this data to see when everyone is actually using the irrigation system.

Mr. Kelly asked do you believe you are gaining on this problem? We are nearing the end of the dry period so we will not have any complaints until next year.

Mr. Mitchell stated yes, I think we are gaining on it. When we broke up the system into two zones, it helped somewhat. We needed to do something for Artisan Park, so we broke it into three watering times, which helped a little. We are not on-site overnight and we have no way of knowing everyone's watering schedule and when the demand is on the system. We have the monitoring devices in place so we will know that now. Last year we were able to suggest that it was a good time to water the last hour between 7:00 and 8:00, so now it seems like more people are trying to water during that time. We do not have a good feel for when they are watering.

Mr. Moyer stated I think what Mr. Mitchell is suggesting is to identify blocks and send the residents letters identifying their times to water will be from 1:00 to 2:00 a.m. and send letters to the next block over and indicate their times to water will be from 2:00 to 3:00 a.m. We can then take our three zones and break them into subzones. If everyone cooperates, maybe that will work, but it gets complex.

Mr. Montague stated it seems like the root cause of the issue is the variable pressure. If you solve that and say we are going to deliver this level of pressure year round, then we tell the residents to configure their system around this level of pressure. If you have too many heads on one zone, you need to fix that.

Mr. Moyer stated in this case, the problem is more on the demand side where everyone is turning their system on at the same time and the system simply is not designed to do that.

Mr. Montague stated I know everything comes at a cost. Are there ways to add technology to the system so either all the extra pumps or none of the pumps are on and we modulate in between?

Mr. Kelly stated we did that to try to resolve this problem and this is our second year since we rezoned the system and put those pumps in. I am not sure if we resolved all of it or just 80% of it.

Mr. Moyer stated part of the problem is, if we put in bigger pumps, we cavitate the line for the supply coming in. We will actually pull more water out than they are providing to us, and we cannot operate the system.

Mr. Mitchell stated with the pipe that is in the ground, you can have 2,000 pounds of pressure, but it will not reduce the demand. You need to balance the pressure with the demand. I think that is the problem. Everyone turns on their water at one time.

Mr. Moyer stated here is the lose-lose situation we are looking at. If the system was designed, as it was in 1995, assuming you can water any time you want on any day you want, that is a totally different scenario than our governing authority allowing us two days to water and everyone watering on those two days. We hear the message that we have a problem. We need to talk with the Engineer and see if we are missing something.

Mr. Kelly asked have we gained on this problem from where we were three years ago?

Mr. Hempel stated I think we have. It used to last much longer and now it is only for a three-month period.

Ms. Wasson stated Artisan Park is much better.

Mr. Tomsick stated I agree. I think splitting it into two zones and a third watering time for Artisan Park has made it better. I think we have gained on it.

Mr. Kelly stated we have made some progress and we need to keep making progress.

Mr. Tomsick stated I would offer one cautionary aspect when you talk about blocks of watering times. The horticulturalists in the community are going to object to watering their yards at 2:00 a.m. because they will say it is an awful time to water the lawn since it leads to fungus, disease and mold. That is the kind of debate you will have with people who, ironically, are fussing about their property and want to care for it the best way they can.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Stuart stated I had an exchange of emails about the potential grant of an easement for the library, but they did not indicate if they need it for this meeting. We do not have any of the attachments or exhibits.

Mr. Kelly stated there is nothing time sensitive about it, so we have time to deal with it.

Ms. Stuart stated House Bill 21 was passed and signed by the Governor, which had some changes to Chapter 190, Florida Statutes, regarding procurement and other issues.

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.

EIGHTH ORDER OF BUSINESS

Other Business

There being none, the next order of business followed.

NINTH ORDER OF BUSINESS

Supervisor Requests

Mr. Hempel stated with all the foreclosed homes in the community, the lawns are looking terrible. Is there any way we can not turn off the reuse water? I do not know how that will work with timers if the electricity is also turned off.

Mr. Kelly stated we have not turned off water to those properties.

Ms. Stuart stated if the builder is maintaining it, they will receive the bills.

Mr. Mitchell stated if we get a shut-off order, we can turn off potable and reuse systems, but we continue to bill the base charges.

Mr. Moyer stated our policy is when you are delinquent by a certain number of days, we will send you a final notice and when you exceed that, we will shut off all your water

service. Mr. Hempel is suggesting we not implement that, and if we do, then the District will be paying for that reuse water at \$.93 per thousand gallons.

Mr. Hempel asked can we lien the house?

Ms. Stuart stated no, we cannot. Our remedy is to disconnect service.

Mr. Hempel stated my concern is the street trees. In some areas, they look horrible. Replacing a street tree is much more expensive than keeping the water on.

Mr. Kelly stated it is a CDD tree that is maintained by the homeowner. It was set up this way, just like in most other communities. The tree out front may be in the right-of-way but the homeowners maintain it.

Mr. Hempel stated I am not sure it will work anyway because if the electricity is off, the irrigation timers will not work either.

Mr. Moyer stated that is an interesting thought. I have a workshop with the Celebration CDD Board on Tuesday and I will suggest it and see what their reaction is.

TENTH ORDER OF BUSINESS

Adjournment

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

Gary L. Moyer, Secretary

Matt Kelly, Chairman