

**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 7, 2021, at 4:00 p.m. at the District Office, 313 Campus Street, Celebration, Florida 34747.

Present and constituting a quorum were:

Jason Herrick	Chairman
Kimberly Locher	Vice Chairman
Gregg Harkness	Assistant Secretary
Paul Johnson	Assistant Secretary
Henry Thrash (<i>via Zoom</i>)	Assistant Secretary

Also present, either in person or communications media technology, were:

Gary L. Moyer	Manager: Moyer Management Group
Jennifer Kilinski	Attorney: Hopping Green & Sams
Kathy Leo	Engineer: GAI Consulting
Brenda Burgess	Moyer Management Group
Natasha Cruz Millheim	Inframark, Management Division
Ben Griffin	Inframark, Utility Operations Division
Renea McRoberts	Inframark, Utility Operations Division
Angel Montagna	Inframark, Management Division
Russ Simmons	Inframark, Management Division
Chris Tarase	Inframark, Management Division

FIRST ORDER OF BUSINESS

Call to Order and Roll Call

Mr. Herrick 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. Herrick 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. Acceptance of the Minutes of the November 4, 2020, Landowners Meeting and February 3, 2021, Regular Meeting

Mr. Herrick reviewed the minutes included in the agenda package and available for public review in the District Office during normal business hours, and requested corrections, additions, or deletions.

Mr. Harkness asked can this Board approve landowner meeting minutes? None of us were there.

Mr. Moyer stated I suggest directing staff to enter them into the public record without approval.

B. Check Register and Invoices

Mr. Herrick reviewed the check register and invoices included in the agenda package and available for public review in the District Office during normal business hours.

C. Funding Request #17 to Mattamy Homes

Mr. Herrick reviewed the funding request included in the agenda package and available for public review in the District Office during normal business hours.

On MOTION by Mr. Harkness, seconded by Ms. Locher, with all in favor, unanimous approval was given to the consent agenda, as presented, with the landowner meeting minutes not approved but made part of the public record.

FIFTH ORDER OF BUSINESS

Business Matters

Mr. Moyer stated Mr. Jose Rivera has been attending our meetings for a number of months. He has left the company and gone onto other things. Mr. Griffin has attended meetings periodically and been around for a while. Either he or someone else from the operations staff will be attending these meetings in the future.

Mr. Herrick asked where did Mr. Rivera end up?

Mr. Moyer stated he started his own company.

Mr. Herrick stated good for him.

Ms. Locher asked what company? Is he doing the same thing he was doing here?

Mr. Moyer stated yes.

SIXTH ORDER OF BUSINESS

Staff Reports

A. District Manager

i. Financial Statements (February 2021)

Mr. Moyer reviewed the financial statements included in the agenda package and available for public review in the District Office during normal business hours.

Mr. Moyer stated we have two major operating funds: the general fund, which revenues are from non-ad valorem assessments, and the utility fund, which revenues are from user fees and charges. On the general fund, five months into our fiscal year, we have collected \$460,000. The prorated budget is \$466,000, so we are a little behind in that regard, but we expect we will collect all the non-ad valorem assessments in March

since after then is when they become delinquent. On the operation and maintenance side, the year-to-date budget is \$305,000, and we incurred \$245,000, so we are about \$61,000 under budget on expenditures. The general fund is in good shape. For the enterprise utility fund, a large component of revenues is from connection fees, and we have no way of knowing when certain projects will come online. We budget that figure based on prior years. The prorated budget is \$345,000, and we have currently collected \$41,000, so we are well behind on that. In terms of revenues we generally receive on the utility system, if you add and subtract the line items shown as variances, we come out almost right on budget for revenues.

Mr. Harkness stated interesting that sewer revenue was up but water was down. That seems out of whack.

Mr. Moyer stated yes, a little.

Mr. Herrick stated sewer is billed at a higher rate, so that is okay.

Mr. Harkness stated it seems a little strange.

Mr. Moyer stated both are billed off the same water usage number.

Mr. Simmons stated people are probably washing their cars, and some water their yards with potable water.

Mr. Moyer stated that would mean water use would be up and sewer would be down.

Mr. Harkness stated so they are not washing their cars or watering their lawns.

Mr. Herrick asked is it based on a percentage, or is it based on the water bill?

Mr. Moyer stated it is based on the gallonage.

Mr. Herrick stated some places do it based on a percentage, like Disney and Reedy Creek Improvement District.

ii. Ratification of Extension of Non-Exclusive Wastewater/Utility Easement Extension Agreement with The Celebration Company

Mr. Moyer stated we can discuss both this item and ratification of the first addendum for lift station #2 together. These items deal with our need to obtain from The Celebration Company (“TCC”) a utility easement to construct the lift station that we currently have under contract. In order to do that, TCC had to grant that as owner of the property and wanted to enter into a memorandum of understanding (“MOU”). It includes normal language, such as us repairing any damages on their property to a condition equal to how we found it. That has all been done. It is anticipated the construction will be completed by September. These are more or less housekeeping items.

Ms. Kilinski stated the construction schedule will commence April 23, which is the reason for ratification. We had hoped to get the MOU executed back in March, but it has taken some time to negotiate the terms with the landowner. We are in good shape now. We talked with L7 Construction this morning, and they will be mobilizing April 23.

Ms. Leo stated the reason for that delay also has to do with some functions that BRP, the landowner, is having. Instead of starting immediately upon getting these easements, it was decided for best efficiency to wait until they have those functions before mobilizing. They ordered the pumps, for the Board's information, which was a long-lead item. We expect construction to be completed much sooner than September.

Mr. Herrick asked this is an access easement and a utility easement? Is it both?

Ms. Kilinski stated the extension is access, recognizing some of the lines will also be within this easement. For purposes of the extension, it is largely access.

On MOTION by Ms. Locher, seconded by Mr. Harkness, with all in favor, unanimous approval was given to ratify the extension of non-exclusive wastewater/utility easement extension agreement with The Celebration Company, as described.

iii. Ratification of the First Addendum to the Construction Agreement with L7 Construction for the Lift Station #2 Project

Mr. Moyer stated this addendum basically covers the same items but it with the contractor.

Ms. Kilinski stated for clarification, as you will see in the MOU, there are some obligations of the District in conjunction with construction. A lot of what Mr. Moyer discussed in terms of restoration is the case, but it also includes some safety standards, reporting requirements, and the like that the District does not really control; it is the contractor's communication that will be imperative to be maintained during the course of construction. In that vein, we thought it prudent to amend the existing L7 contract to reflect the obligations set forth with the MOU.

Mr. Johnson asked there is no cost or schedule change based on the first addendum?

Ms. Leo stated there is no cost to the addendum. L7 has been very cooperative through this process. We have communicated very well with them about the situation getting the easements in place. Part of the agreement required onsite coordination with the landowner as far as the work product that is to happen that week. They are prepared

to provide schedules weekly with three-week look-aheads, and have an onsite meeting with the landowner's representative to review construction items for the week. I think we did great getting L7 on the project.

On MOTION by Ms. Locher, seconded by Mr. Harkness, with all in favor, unanimous approval was given to ratify the first addendum to the construction agreement with L7 Construction for the lift station #2 project, as discussed.

iv. Acceptance of Fiscal Year 2020 Audit

Mr. Moyer stated page 1 of the auditor's letter under opinions, they state that in their opinion, "the financial statements referred to above present fairly, in all material respects, the respective financial positions of the governmental activities, business-type activities, and each major fund of the District as of September 30, 2020." That is a clean audit opinion and simply means our financial records that we provided to the auditor as of September 30, 2020, fairly represented our financial position as of that date. The reports are in the back, and the one on page 26 deals with compliance with contracts, ordinances, rules, bond covenants, and things of that nature. They state they did not find anything that was not in compliance with anything that was required by Government Auditing Standards. The next report is the management letter on page 27. They find that we are not in a state of financial emergency as defined in Section 218.503(1), Florida Statutes. We did not meet any conditions that would indicate there is an emergency. Lastly, the auditor has the opportunity to bring to management's attention things that are not material weaknesses but would rather improve our financial operations. They state they have no such recommendations.

On MOTION by Mr. Harkness, seconded by Ms. Locher, with all in favor, unanimous approval was given to accept the audited financial statements for fiscal year 2020 and to direct staff to file it with the appropriate governmental agencies.

v. Consideration of Physical Agenda Packages for Future Meetings

Mr. Moyer stated we are asking Board members if you want to receive agenda packages in hard copies or in electronic form.

After a brief discussion, the Board opted to receive agenda packages in electronic format.

B. Field Operations

i. Field Management Reports

Mr. Simmons reviewed the field management reports included in the agenda package, which are available for public review in the District Office during normal business hours.

Mr. Simmons stated we are cleaning the pvc fences. We are communicating with landscape vendors to be sure everything is caught up and on schedule. A car ran into the fence while our crews were working there, which damaged about 40 feet of the fence and hit some communication cables. Toho Water Authority (“Toho”) is getting ready to remove the pipe from the main lift station out to U.S. Hwy 192. They hit our cable putting the road in by our pump station, so we had to track that down. It took a while just to figure out what was going on with the controllers, but it is straightened out. We perform street light outage reviews. We are keeping on top of everything.

Mr. Harkness asked did we charge them for cutting the cable?

Mr. Simmons stated no, it was on top of the ground to start with. We installed it a long time ago. We just gave it a little conduit and put it in when they did the road base.

Mr. Harkness asked did we get payment from the car that ran into the fence?

Mr. Simmons stated yes, we just received it. We also replaced the light pole at Celebration Place in front of 200 Celebration Place which also was hit. We had an insurance claim on that one.

Ms. Cruz Millheim stated we have had several this year in Celebration CDD, which were all hit and runs. This District was able to get some money back.

Mr. Simmons stated it is about \$4,000 per pole. No one was hurt in any of them.

Ms. Locher stated ultimately that is what matters.

C. Utility Operations

i. Staff Changes

Mr. Griffin stated we had the change with Mr. Rivera leaving. He was the field supervisor. Mr. Patrick Henry is the project manager for this location, and he will continue to do that. Ms. McRoberts is another supervisor for customer service and billing. She will be filling in. In the meantime, I have brought in an experienced, 20-year employee from a different project similar to this one to fill in. She may transfer here. We have everything covered, so we should not have any problems.

Mr. Herrick asked are you going to fill Mr. Rivera’s role?

Mr. Griffin stated we are going to see. I have an open position, but I am interested in seeing how the team does with those changes.

ii. Utility Report (*January and February 2021*)

Mr. Griffin reviewed the utility reports included in the agenda package and available for public review in the District Office during normal business hours.

Mr. Griffin stated with the Delamarre apartments and the construction in Island Village, we are doing a lot of pressure testing and things of that nature. We had a pressure test in early January at Delamarre apartments that failed, so we required them to make the repairs necessary to get it to hold, pursuant to regulations. We told them to contact us, which they did the following month. We ran into an odd situation at the golf course, where we had a valve that was underground. It was hard to get to when we exposed the valve, so it was different than what the staff is used to working with. We just needed to tighten it up. We did the right thing in this situation by installing a riser and a lid so we can access the valve and make it much easier to service and/or replace moving forward. January was a pretty typical month. We continued our manhole inspections and valve exercises. Average customer service calls were about 343. We continued using our E-maintenance system, which is a maintenance tracking system. We closed out 57 work orders in total. Much of what we deal with is small leak repairs and things of that nature. Our meter reading typically takes a week with all employees performing that activity. This year is our cycle of compliance testing. Last year, we took lead and copper samples, and we had asbestos, as well. This year will be pretty light, and we will only be doing chlorine residuals, bacteriological sampling, TPHM, and HA-5, which is the entire sample schedule for this year. All samples have been taken, and everything is good thus far. All reports have been submitted on time to FDEP, so we are good from a compliance standpoint this year.

Mr. Herrick stated the report shows you replaced 24 residential meters. Is there a program in place for replacing meters?

Mr. Griffin stated we have a ten-year meter change-out program. Some of those were part of the change-out program, but we also have meters that fail and are out of warranty. Even if they are within warranty, we will change them out, but some fail before the warranty expires. If they fail after the warranty expires, we have to change them out so as to alleviate any loss of revenue to the District.

Mr. Herrick stated they always fail low.

Mr. Griffin stated yes. January was a pretty standard month.

Mr. Johnson stated I noticed there was a note about the SCADA upgrade in January. Has that been pushed back, or is it still on the radar? The report mentions the SCADA software upgrade with an attached invoice.

Mr. Herrick stated it is an item requiring approval.

Mr. Johnson stated I think we deferred this at the last meeting.

Mr. Griffin stated I do not have that in my packet, but I remember seeing it. I can bring it to the next meeting, but I do not have it in front of me. It is definitely something we need to look into.

Mr. Herrick stated it was deferred at the last meeting, and then Mr. Rivera leaving probably added to the delay.

Mr. Griffin stated I will present it at the next meeting. In February, we had a sizable leak on Banks Rose Court. In some situations, it happens in the middle of the roadway. Those get pretty expensive because we are at the mercy of the County: if they want us to go 20 feet opposite of the break, or if they want us to take out one lane or two lanes. It looks like we went 20 feet on each side of the break; it was 33 feet by 22 feet, so pretty significant. We took care of all that. In those situations, we have to do compaction testing and samples and other things of that nature. Then the County has to come in and approve that we made the repair properly. The second major event, we went out to make a repair and found it was a tree root causing the problem. In situations with the various entities in Celebration, we have to get approval from several in order to move trees. We were able to make that repair.

Mr. Herrick stated I thought you were still waiting to make that approval.

Mr. Griffin asked did we make that repair?

Ms. McRoberts stated we are still waiting and have not heard back about the tree. It is a pretty sizable tree.

Mr. Griffin stated I misspoke. We will pursue that and see if there are any alternatives for making a repair.

Mr. Herrick asked is this a water lateral?

Mr. Griffin stated yes.

Mr. Simmons stated unfortunately, the trees are getting so big now. You can try to work around them. We had to do one a month ago, and it was just a crepe myrtle with a much smaller trunk.

Mr. Herrick stated they are awful when it comes to sewer laterals and sidewalks.

Mr. Simmons stated we had to remove a sycamore tree about three months ago, and it was about 65 feet tall.

Mr. Herrick asked what happens if you do not get the approval? I find that once you cut the tree down, there is not much they can do.

Ms. McRoberts stated where that tree is located, there are roots from other trees. Even if we rerouted the water line, we will run into the same situation later.

Mr. Griffin stated if it is delayed too much longer, we may need to make a permanent fix instead of a band-aid. That just increases operating costs for us.

Ms. Locher stated we need to find other solutions. There is always another solution besides removing a tree.

Mr. Simmons stated we replace trees when we remove them. We offset the tree.

Mr. Griffin stated we changed out 52 meters in February, 17 of which were not working and the rest part of the ten-year meter change-out program. In the upcoming months when the rains subside somewhat and weather permits, we will do some painting at the main station. We will paint all the pipes again, which is corrosion prevention for the most part, and it also makes them look better. Those are some of the plans we have in place. We will continue to work on the air release valves.

Mr. Moyer stated with Mr. Rivera leaving, I know there might be a gap in things. We were supposed to be replacing Flygt pumps.

Mr. Griffin stated yes, I forgot to mention that. We are actively procuring three quotes to present to the Board so we can have backup pumps for the lift stations. There are very few lift stations that have the same sizes, so we will need to get a few pumps if we want to have a backup for each lift station.

D. Attorney

i. Consideration of Letter Agreement for Acquisition of Utility Improvements and Work Product with Mattamy Orlando, LLC

Ms. Kilinski stated this package is one the Board has seen previously. It is consistent with the District's acquisition agreement requirements. Though you do not have all the updated documents, we have been working with Mattamy Homes to provide all the backup required in order to make the acquisition. We have received everything except for one warranty and release, which we will receive tomorrow. We are requesting approval of the package in substantial form, recognizing that the improvement costs are anticipated

to be \$2,433,390.78. We have been working with them to provide all the backup documentation that is required pursuant to our acquisition agreement, and we are comfortable recommending approval.

Mr. Herrick asked the rules require us to purchase that infrastructure from the developer?

Ms. Kilinski stated yes. We have an acquisition agreement with the developer for certain types of public improvements. As long as construction proceeds are in the account and backup is provided to the District as required by the acquisition agreement, then it would be appropriate to reimburse them for these public improvements.

Mr. Herrick stated I presume it is codified somewhere that we do this. The reason I ask is because it is the exact opposite where I come from at the County, where the developer donates for free those assets to the utility.

Ms. Kilinski stated if you think about it like a city, a city may have a developer agreement where the developer is required to deliver offsite improvements in conjunction with their development approvals. Sometimes the city pursuant to a development agreement will reimburse them for the costs of those offsite improvements. This is very much like that. It is essentially an agreement with the District to provide certain public improvements the District would otherwise finance, and they can maybe do it more cheaply or in conjunction with their overall development and mobilization plan. The District has entered into an agreement that says so long as we have funds to reimburse them and they provide the documentation, then we are required to do that.

Mr. Thrash stated reimbursement can be in the form of impact fee credits, as well.

Mr. Herrick asked these are improvements above and beyond what the development itself needs to service their development? The developer agreements I am familiar with, and I am sure there are many different kinds, which is at the County, if Mattamy Homes is putting in a subdivision and they need a six-inch water line to serve that subdivision, they have to pay for it and donate it to the County. If the County wants to make it a 12-inch line that will serve people farther down the line, the County pays the difference between the costs of the six-inch line and the cost of the 12-inch line. In this case, do we pay for the full cost regardless of the size and use?

Mr. Moyer stated yes. In large part, it is driven by connection fees. Imputed in the connection fee is the distribution and collection system.

Mr. Herrick stated I have seen it differently elsewhere. The County also charges connection fees and still gets the infrastructure donated. I am just curious.

Mr. Moyer stated those connection fees could be related to plant capacity. We do not have any plant capacity. To the degree we buy capacity from Toho, it is through the rates.

Mr. Harkness stated connection fees come in, but they turn around and pay back the same entity for major improvements.

Mr. Moyer stated that is correct.

Mr. Herrick stated thank you for the clarification.

On MOTION by Ms. Locher, seconded by Mr. Johnson, with all in favor, unanimous approval was given to the letter agreement for acquisition of utility improvements and work product with Mattamy Orlando, LLC, in substantial form, in the anticipated amount of \$2,433,390.78, as discussed.

ii. Ratification of License Agreement for Operations and Maintenance of Improvements with Mattamy Orlando, LLC

Ms. Kilinski stated in advance of acquiring the improvements that we just discussed, it was brought to our attention that from an operation and maintenance perspective, the District is intended to ultimately own those improvements. For a number of operational and efficiency reasons, we entered into this license agreement for operation and maintenance so the District can start doing what it needs to do by way of operation and control. This is a ratification. We are about to acquire the improvements into District ownership, and in order to get the District actually operating the lift station, we entered into this short-term agreement with Mattamy so the District could start doing that.

On MOTION by Mr. Harkness, seconded by Ms. Locher, with all in favor, unanimous approval was given to ratify the license agreement for operations and maintenance of improvements with Mattamy Orlando, LLC, as discussed.

iii. Ratification of Memorandum of Understanding Regarding the Non-Exclusive Wastewater/Utility Easement Agreement with BRP Celebration, LLC

Ms. Kilinski stated we discussed this MOU earlier related to the extension of the easement areas as well as the L7 Construction addendum. It looks straightforward. There was a lot of negotiation of this MOU, and I want to thank Ms. Leo who was very helpful

in getting this to the finish line. This has been fully executed. I heard from their attorney yesterday morning, and it is effective as of March 31.

Mr. Johnson stated I noticed the schedule was included for substantial completion. Are there any damages if they do not meet those dates? What is the effect if the contractor does not meet those dates?

Ms. Kilinski stated I believe in our existing construction contract, we have liquidated damages provisions set forth therein. I will confirm, but my recollection was maybe \$500 for the first two weeks and then \$1,000 thereafter to the extent it was not completed on time. As Ms. Leo mentioned, L7 has been fantastic to work with despite a number of fits and starts on this project. We have been very clear with them about the urgency associated with the construction, not only because of the nature of the project but also because of the landowner with which we are coordinating much of this work. The other good news about that is, we will be getting weekly status updates, which are required pursuant to the MOU in that contract addendum. We anticipate that every Friday, we will know exactly where they are on that schedule and will be able to hone in on any hurdles that we may experience along the way, which will be reported back to the Board. I believe there are liquidated damage provisions in our existing contract.

Mr. Johnson stated they would be collected by the District. Is there anything on the landowner side?

Ms. Kilinski stated fortunately, I think the landowner has come around to understand the importance of this. Ms. Leo said it very nicely, but staff is going in every few days to clean out these pumps because of debris that is being put into the system. To the extent we wanted to stop doing that, it would be very uncomfortable for the landowner. There is no “teeth” in this except for termination of the easement agreement, which would prevent the District from accessing a portion of that property for the purposes set forth in this MOU. It is in everyone’s best interest for that not to happen. We would know well in advance and would look to communicate with the landowner on any changes we need to make to this schedule because of some unforeseen catastrophe. I think at this point, that is all that would prevent us from getting that construction done. As Ms. Leo indicated, they have already ordered the pumps since they have a long lead time, to make sure we did not experience any hiccups that we could possibly avoid.

On MOTION by Mr. Johnson, seconded by Mr. Harkness, with all in favor, unanimous approval was given to ratify the memorandum of understanding regarding the non-exclusive wastewater/utility easement agreement with BRP Celebration, LLC, as discussed.

E. Engineer

Ms. Leo stated to echo Ms. Kilinski's comments on the easement, there was a lot of effort put in to getting that set and all the documents in place to get the line in to serve the Delamarre apartments that are coming online. All indications are that we will be fine. We are still watching to make sure the work is done when Delamarre comes online. We will continue to coordinate that with those owners. This took a lot more effort on the coordination part with the landowner. As we look at the line we are designing for the reclaimed line coming from South Village through a wetland or easement and coming out on Celebration Boulevard, we are still trying to get those easements in line. I wanted to get this behind us. The reclaimed line will be our next focus to be sure we have all the right ownerships, easements, and so forth, in place to complete that alignment.

F. District Representative

There being no report, the next item followed.

G. Mattamy Homes (Island Village)

Mr. Herrick stated I think it would be interesting to come out and see some of this work at some point. Ms. Locher knows the area well, but I do not know it as well. I would like to get a tour at some point of some of the work that is going on.

Ms. Leo stated sure.

Ms. Locher stated we used to have representatives from Mattamy Homes who would come to our meetings on occasion. Do they not have one who can come to meetings and provide updates occasionally?

Ms. Cruz Millheim stated yes, she was going to come to today's meeting, but she had other things going on and did not think she could attend today.

Ms. Locher stated I am not as updated on Island Village, and I agree. I think it would be interesting to see it all.

Ms. Leo stated I can work with Mattamy Homes to get a report that shows the phasing and what has been accepted and what is to be accepted. I think that will be helpful. We are looking at more areas to accept and get FDEP clearance on. They are moving fast.

Mr. Herrick stated yes, that would be great.

Ms. Locher stated I see everyone working hard every day, but I do not get down to Island Village much.

Mr. Simmons stated there have been more pressure tests done on the new Phase 1B. Also the lift station started up a couple weeks ago, which did not go very well. Someone trenched a conduit into the lift station, and it may have been poor communication but they hit the forcemain right outside. We rescheduled it for three or four days later, turned it on, and the gauge went up to 40. It ended up that the last valve on Celebration Boulevard by the high school was off. We did a pressure test for the whole system. They shut the pump off, and it took 15 minutes to check four or five valves, so that ended up being a good thing. It is active and online now. We are waiting on the generators. We will still watch it, but it is Mattamy's until we accept it. They have model homes up.

Ms. Locher asked are they open?

Mr. Simmons stated they are close to being ready. They are bringing in furniture. A couple of the condominiums are up.

SEVENTH ORDER OF BUSINESS

Other Business and Supervisor Requests

There being none, the next order of business followed.

EIGHTH ORDER OF BUSINESS

Adjournment

The next meeting is scheduled for Wednesday, May 5, 2021, at 4:00 p.m.

On MOTION by Ms. Locher, seconded by Mr. Harkness, with all in favor, the meeting adjourned at 4:45 p.m.

Gary L. Moyer, Secretary

Jason Herrick, Chairman