

**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 1, 2022, 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 (<i>via Zoom</i>)	Vice Chairman
Gregg Harkness	Assistant Secretary
Paul Johnson	Assistant Secretary
Henry Thrash	Assistant Secretary

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

Angel Montagna	Manager: Inframark, Management Division
Sarah Sandy	Attorney: Kutak Rock LLP
Kathy Leo	Engineer: GAI Consulting
Brad Brown	Inframark, Utility Operations Division
Brenda Burgess	Inframark, Management Division
Greg Kolb	GAI Consulting
Kent Kaughman	Inframark, Utility Operations Division
Rick Lavoie	Inframark, Utility Operations Division
Danny Lyndall	Inframark, Utility Operations Division/ESG
Renea McRoberts	Inframark, Utility Operations Division
Russ Simmons	Inframark, Management Division
Edward Smith	Inframark, Utility Operations Division
Members of the Public	

FIRST ORDER OF BUSINESS

Call to Order and Roll Call

Mr. Herrick called the meeting to order at 4:00 p.m.

Ms. Montagna called the roll and stated a quorum was present for the meeting.

Mr. Thrash and Ms. Locher were not present at roll call.

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.

The record will reflect Mr. Thrash joined the meeting.

FOURTH ORDER OF BUSINESS

Consent Agenda

A. Acceptance of the Minutes of the May 4, 2022, Regular Meeting

The minutes are included in the agenda package and available for public review in the District Office during normal business hours.

Ms. Sandy reviewed some changes to the minutes Ms. Burgess will incorporate, notably the correct name of my firm, clarification at the bottom of page 2 regarding the acquisition from Mattamy Homes, and the motion box on page 4 to delete reference to the contract being terminated, only to direct staff to solicit proposals.

B. Check Register and Invoices

The check register and invoices are 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 Mr. Johnson, with all in favor, unanimous approval was given to the consent agenda, minutes as amended.
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FIFTH ORDER OF BUSINESS

Business Matters

A. Consideration of Proposals for Landscape Maintenance

Ms. Montagna stated the Board authorized staff to solicit proposals for landscape maintenance, which we did. A summary was provided, and the vendors are present at today's meeting. Mr. Simmons and Mr. Perez had conversations with Yellowstone. We have been receiving complaints, and services have been getting progressively worse over time. This is the reason we presented it to the Board at the last meeting. The Board has not terminated the contract with Yellowstone; you simply authorized staff to get proposals. The proposals and information were provided to the Board, so now you may discuss what you would like to do.

Mr. Herrick stated it appears Greenleaf is the lower proposal at \$138,000, and Juniper at \$172,923. That is a pretty large difference. Were the bids discussed with Greenleaf to make sure they included everything?

Ms. Montagna stated yes, they were at the pre-bid meeting. Everyone who attended is aware of the scope. They all met onsite, so it should be an apples-to-apples comparison.

Mr. Herrick asked is the intent to award on the Year 1 price of \$138,000, or to add in the annual cost for extra services? Or to award the grand total for five years?

Ms. Montagna stated it is however the Board wants to break it down. You always have the option to bid out pine straw separately, but we include it in the budget, which is a not-to-exceed amount. You can award it for five years.

Ms. Sandy stated while the annual amount is under the bidding threshold, we would need to do a one-year contract. If you add the prices all together, it is over the threshold.

Mr. Harkness stated we could award the first year, with the option to renew for the second year.

Ms. Sandy stated yes, but we cannot lock in the price.

Mr. Herrick asked why can we not lock in pricing?

Ms. Sandy stated the bidding threshold for maintenance contracts is \$190,000.

Mr. Herrick asked that is a State-mandated threshold?

Ms. Sandy stated yes.

Ms. Montagna stated we only solicited proposals for one year. We did not do a formal bid where we advertise and other requirements for a bid.

Mr. Herrick stated they provided pricing for what the costs could be.

Ms. Montagna stated yes.

Mr. Harkness stated years 2 and 3 include certain inflationary costs, but it may go the other way.

Ms. Montagna stated that is correct.

Mr. Harkness stated I have a question on extra services and number of straw bales. Did we give those numbers, or did they provide the numbers?

Mr. Perez stated they provided the numbers.

Mr. Harkness stated one vendor estimates 2,450, and the other estimates 208. The price per bale is a little different, but that is a big difference in the estimated usage of bales in one year.

Ms. Montagna stated both vendors are here if you have questions for them.

Mr. Harkness asked how did we get to 2,450?

Mr. Derek Buehler, from Juniper Landscaping of Florida, stated we hand measure everything, and we use GIS mapping for verification. The majority was for the S.R. 417 onramp area, and the rest was for oak trees along the roads.

Mr. Jason Ackman, from Greenleaf Landscape Maintenance, stated we did pretty much the same as Mr. Buehler with hand measuring. The vast majority is for the side of the road. Using it for tree rings is very small. I believe ours was 2,450 bales to keep it flush and full year round.

Mr. Herrick stated if we considered the low proposer, we would be looking at an award of \$138,000 plus \$34,300 to include pine straw.

Ms. Montagna stated yes, that is accurate.

Mr. Herrick stated the total would be \$172,300, which is in line with the last four years.

Ms. Montagna stated Greenleaf pricing for year 1 is \$138,000, and then we would add \$34,300.

Mr. Harkness stated that is a not-to-exceed number.

Ms. Montagna stated that is correct. That can fluctuate. If it does not need to be done, then you are billed at the time of service. I would encourage you to put that amount in the budget so you have it.

Mr. Harkness stated yes.

Mr. Herrick stated for fiscal year 2022, we are looking at a cost of \$166,000. In fiscal year 2021, it was \$163,000. In fiscal year 2020, it was \$127,000. In fiscal year 2019, it was \$184,500, so the cost is in line with all that.

Mr. Johnson asked was the scope of work revised, or is it consistent with previous years?

Mr. Harkness stated it looks like the same as what Yellowstone's scope is.

Ms. Montagna stated Mr. Perez made a couple little tweaks, but they were nothing significant.

Mr. Harkness asked which one do you prefer? Both proposals look good.

Ms. Montagna stated both are qualified.

Mr. Harkness stated I reviewed them both and am equally impressed.

On MOTION by Mr. Harkness, seconded by Mr. Johnson, with all in favor, unanimous approval was given to the proposal from Greenleaf Landscape Maintenance for landscape maintenance services for one year in the amount of \$138,000 plus adding pine straw in the amount of \$34,300, for a total amount of \$172,300, as discussed.

Ms. Montagna stated we will also need a motion to terminate the contract with Yellowstone.

On MOTION by Mr. Harkness, seconded by Mr. Johnson, with all in favor, unanimous approval was given to terminate the contract with Yellowstone pursuant to the provisions in the contract.

B. Utility Operation, Maintenance, and Billing Public Bid

i. Consideration of Inframark Alternative Proposal

Mr. Herrick stated I was not at the last meeting, so I am looking for an explanation for the alternative proposal and how it impacts the original proposal.

Ms. Leo stated I will give you some background, and Inframark will give you details regarding the alternate proposal. A few questions from the previous meeting were to work with Inframark to find value opportunities in the proposal. The alternate changes the testing frequency, as required by recommendations and industry standards. So it is an adjustment in valve exercising. We were also asked to look at future phases, which we did, but it is difficult to get numbers out of Mattamy Homes. I am not comfortable with what we received. We tried to incorporate that into the five-year estimate that we asked Inframark to bid. We agreed to include Phases 1 and 2 in the bid. It is hard to tell what years Phases 3 and 4 will occur and see what infrastructure we will be taking on at that point. Their unit pricing really is not based on the number of units but is for lift stations and valves and linear feet of piping, which we do not have today. We have concepts, but that is tough to bid. Their price change at that point could potentially be number of meters read, and it could potentially be a full-time equivalent when you are talking about the added service area. We attached a map that will be part of the contract and will show those base boundaries. I will let Inframark explain the alternate. Through the past few years, we have had a budget line item to change out meters, which has been an addition to the contract price and costs more as a separate line item than rolling it together. The proposal is to include meter change outs in a program that is predictable for the five years of this contract and provides some savings.

The record will reflect Ms. Locher joined the meeting.

Mr. Brown stated Mr. Lyndall is the vice president for this region. We are trying to bring value moving forward, taking the opportunity to present something we are already doing, and rolling it into a better package. Instead of issuing work authorizations to provide services at a different labor rate, we want to roll it into a more holistic approach. Nine hundred meters per year will be changed out and included in the contract.

Mr. Herrick asked how many meters do we have?

Ms. McRoberts stated approximately 5,200. Some have already been changed out.

Mr. Herrick asked is it a five-year program to change them all out?

Ms. McRoberts stated we are down to about 4,200 or 4,300. We are doing commercial meters last since they are bigger meters.

Mr. Brown stated they are also the most expensive.

Mr. Herrick asked which meters are you installing?

Ms. McRoberts stated three-quarter-inch potable and reuse meters.

Mr. Herrick asked what is the brand name?

Ms. McRoberts stated Master Meter. We had Sensys and are going to Master Meter.

Mr. Brown stated the numbers you are seeing are skewing what you have been looking at the past few years. The costs of everything have gone through the roof, including the meters themselves. We just received notification that they will be going up in cost again by about \$35 per meter. As we are trying to keep up, it will be better long term to get the meters installed faster to stay ahead of the cost increases.

Mr. Herrick stated if it is a supply chain issue, the costs could come back down.

Mr. Brown stated very rarely do costs go down.

Ms. McRoberts stated he is estimating costs of meters will stay around \$235 each.

Mr. Brown stated we put together the response to the bid. In it, we address frequency, including valve exercising which was indicated to be on a quarterly basis. Industry standard for main inline valves is once a week. Industry standard for non-critical valves is once every five weeks, according to AWWA standards. Alternate #2 says we will follow AWWA standards for inspections and valve exercising. It will require an extra person for the extra phases we will be taking over, and we will also be able to incorporate the meter change outs on a more aggressive basis. You were already spending the money to change out meters. This normalizes it to a net savings from \$150,000 to \$180,000 per year.

Mr. Herrick asked when the meters are all changed out, will an antenna be somewhere? It is a drive-by system?

Mr. Brown stated yes.

Mr. Herrick stated we should still realize savings on labor as these are changed out.

Mr. Brown stated we still need a meter maintenance technician.

Mr. Herrick asked the meter maintenance technician is also doing the meter reading?

Mr. Brown stated yes. It just makes their time more efficient. They are able to do other maintenance tasks. The age of the infrastructure increases maintenance frequency. He will now have time to do those other maintenance tasks.

Mr. Herrick stated the original bid was \$1,042,000. What is it now?

Mr. Brown stated the new number is \$1,145,472.

Ms. Montagna stated currently we have utility maintenance, which we discussed last year with Mr. Gary Moyer. Historically it had been about \$800,000, but you had been budgeting consecutively about \$450,000. Meter change-out was another budget line item at \$100,000 every year. The utility staff did a great job staying within that budget. The

alternative he is discussing will lower the utility maintenance from \$800,000 to \$500,000, and meter change-outs would stay at \$255,000.

Mr. Brown stated when you do meter sets, you also have to include a \$45 backflow preventer. That \$255,000 includes the meter and backflow preventer for 900 meters. The caveat is, if we can only install 800 meters instead of 900 due to supply chain issues, then the equivalent to 100 meters would be rebated back to the District. The \$99,000 is a not-to-exceed number. That is what we are calling the rebate account.

Mr. Johnson asked is \$99,000 included in the base bid for alternative #2?

Mr. Brown stated yes, the \$1,145,472 includes \$99,000. Essentially we are taking a task we are already performing outside the contract and making it a normalized maintenance activity.

Mr. Herrick stated I now understand the pricing structures. The budget included the previous numbers.

Ms. Montagna stated that is correct.

Mr. Harkness stated the proposal is alternative #2, in the amount of \$1,145,472.

Mr. Brown stated yes.

Mr. Herrick stated this is \$103,000 more than the original bid, but we are reducing \$300,000 from utility maintenance line item in the budget, which equates to a difference of about \$197,000.

Mr. Brown stated yes.

Mr. Harkness stated comparing it to our budget, it is \$180,000 more than was indicated. This really helped because looking at the base bid last month, it went from \$647,000 to \$1,000,000. I did not know meter change outs were not part of their basic service but a separate package.

Mr. Herrick stated we received only one bid. As I read in the minutes, Ms. Leo looked hard to find bidders.

Ms. Leo stated we extended the bid date. We made the pre-bid meeting non-mandatory. We made some phone calls. One other bidder attended the pre-bid meeting that I thought would provide a price.

Mr. Harkness stated having one bidder did not bother me at all, as long as we feel we are getting great service for the price.

Mr. Herrick stated yes, as long as it is a competitive process.

Mr. Thrash stated at the last meeting, I brought up the issue of how fast Mattamy Homes was going to bring on their units, and how many units. I have seen the latest traffic numbers, so I think it will be a more extended build out. Maybe the program changes, but I do not think it will be as fast as what they have been doing the past couple years.

Mr. Harkness asked if we go with this number for alternate #2, what is the impact on our budget? Will there need to be a rate change to accommodate the price, or is there enough flexibility in the budget?

Mr. Herrick stated the budget will answer that. It is not a budget buster.

Ms. Montagna stated that is correct.

Mr. Herrick asked are we awarding one year or five years? Was the bid package for five years?

Ms. Montagna stated yes, it will be the same as your current contract: five years with two one-year renewals.

Mr. Harkness stated the \$190,000 threshold does not apply to this, like it did for landscaping.

Mr. Herrick stated we went through a formal bid for this contract. Do we have a total for the five years?

Ms. Montagna stated yes, \$6,329,457.

Mr. Johnson asked what was the basis for reducing utility maintenance from \$800,000 to \$500,000?

Mr. Lyndall stated it is decreasing by \$300,000 because that amount has traditionally been spent under separate work authorizations to do the meter change outs. By rolling it into the bid, we can reduce that budget line item by \$300,000.

<p>On MOTION by Mr. Johnson, seconded by Mr. Thrash, with all in favor, unanimous approval was given to the alternative #2 proposal from Inframark for utility operations, maintenance, and billing services for a five-year term with two optional one-year renewals, at a total cost of \$6,329,457.</p>
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ii. Consideration of Utility Operations, Maintenance, and Billing Services Agreement

Ms. Sandy stated this agreement was distributed today and is the standard form of agreement the Board has seen before and was included in RFP with no major changes.

On MOTION by Mr. Harkness, seconded by Mr. Johnson, with all in favor, unanimous approval was given to the agreement with Inframark for utility operations, maintenance, and billing services, in substantial form, subject to final review by legal counsel.

C. Presentation of Fiscal Year 2023 Proposed Budget

i. Proposed Fiscal Year 2023 Budget

Mr. Herrick stated this budget will now need to be amended based on what the Board just approved for utility services.

Ms. Montagna stated yes, that is correct. This item and landscaping will be the only significant changes.

Mr. Herrick asked when we approve the budgets, do we approve them separately or all together?

Ms. Montagna stated all together.

Mr. Herrick stated on the operating budget, we are requesting \$19,000 more than last year. It looks like we are taking some out of reserves or cash on hand.

Ms. Montagna stated that is how Mr. Moyer had been doing it previously. Anytime the budget increased, he used the excess funds to offset the increase so the assessments did not increase.

Mr. Herrick stated that is fine as long as excess funds do not get too low.

Ms. Montagna stated that is correct. I will plug in the correct numbers for landscaping services, but it was basically a wash and decreased a little. The affected budget line items are contracts-landscape, contracts-irrigation, contracts-tree trimming, and contracts-other landscape, at a total for all four line items of \$138,000 plus \$34,300 for pine straw.

Mr. Herrick stated total expenditures went from \$683,002 to \$676,840.

Ms. Burgess stated how that decrease affects the assessments is they are also decreased. We are obviously not going to decrease the assessments but will keep them the same. We will adjust other line items to keep assessments flat.

Mr. Harkness stated yes.

Ms. Montagna stated the major changes will be on the water/sewer fund budget, contracts-utility service will be \$1,145,472, R&M-utility maintenance decreases to \$500,000, and R&M-meter change out goes to \$255,000.

Mr. Herrick asked what is the motion, to approve the budget as later changed?

Ms. Montagna stated as amended.

Mr. Herrick stated as amended, but not as amended here because we are going to make sure the assessments stay flat.

Ms. Montagna stated you would approve the budget with assessments staying flat.

ii. Resolution 2022-05, Approving the Proposed Fiscal Year 2023 Budget and Setting a Public Hearing Thereon

Ms. Montagna read Resolution 2022-05 into the record by title.

On MOTION by Mr. Harkness, seconded by Mr. Thrash, with all in favor, unanimous approval was given to Resolution 2022-05 approving the proposed fiscal year 2023 budget with assessments staying flat, and setting a public hearing there on for August 3, 2022, at 4:00 p.m. at the District Office.

D. Consideration of Management Master Services Agreement with Inframark

Ms. Montagna stated if the Board will recall, I raised this in September or October. We wanted to update the old Severn Trent contract, and we also asked the Board to hire one more employee for Enterprise. The Board approved that, and we have been working on the contract. It has already been approved, but we want to get the contract finalized.

Ms. Sandy stated part of the reason I wanted to bring this back, Inframark and I have gone back and forth on a couple items. One section I want to bring to the Board's attention for your input. It was a provision I have not traditionally seen in district management contracts, so I wanted the Board's approval. It is section 5.1. It generally states that Inframark requests we have a total cap on liability under the agreement equal to the amount on the insurance policy, which is \$2 million, and for all other claims, twice the annual compensation. Exceptions to this would be gross negligence, willful misconduct, fraud, and criminal acts. If any of those things happen, the cap would not apply. The Board's options are to approve the agreement as presented, which includes this liability cap. If the Board so directs, I can go back to Inframark and ask them to remove section 5.1, which is what I originally requested.

Mr. Herrick asked they did not want to remove it?

Ms. Sandy stated no. The third option is to meet in the middle and ask them to raise the caps, perhaps increasing insurance coverage to \$5 million, as well as increasing claims that would not be covered by insurance to five times the annual compensation.

Ms. Montagna stated I think Mr. Chris Tarase was okay with that.

Ms. Sandy stated he said they could potentially agree to that, but he was not able to sign off on it at this point.

Mr. Herrick asked what was the previous contract's limit?

Ms. Sandy stated nothing. Most management contracts I have negotiated do not include that provision. Inframark has this included in certain contracts. Traditionally, most of my CDD clients with any vendor do not have a liability cap. We also have indemnification and insurance requirements, but not an actual total cap on liability.

Mr. Herrick asked what is counsel's recommendation?

Ms. Sandy stated I recommend approval with removal of section 5.1. That is what I would be most comfortable with. District management provides a number of services to the District, so it is difficult to try to quantify and think about the potential claims that could happen, not that any of it is happening, but we are trying to protect the District.

Mr. Herrick asked do we have sovereign immunity?

Ms. Sandy stated yes, and it should provide additional protection for the District. That has limits, as well.

Mr. Herrick asked what are the limits?

Ms. Sandy stated \$200,000 and \$500,000. The Legislature has been looking to increase the limits, and they received proposals last year to increase the limits, but it has not happened yet.

Mr. Harkness stated we are removing only 5.1, not 5.2.

Ms. Sandy stated that is correct. Section 5.2 discusses indemnification that the District is providing. We typically include that indemnification.

<p>On MOTION by Mr. Harkness, seconded by Mr. Johnson, with all in favor, unanimous approval was given to the management master services agreement with Inframark, subject to removing section 5.1, with final review by legal counsel.</p>

E. Consideration of Work Authorization #8 with GAI Consultants for Preparation of the Annual Report

Ms. Leo reviewed work authorization #8 to prepare the annual report required by the trust indenture, in the amount of \$6,000. We provide these reports every year. A lot of time is involved in field activities, such as inspecting lift stations and taking photographs. It is supplemented by the District's insurance policy, and we provide it to the manager to disseminate and distribute.

On MOTION by Mr. Harkness, seconded by Mr. Johnson, with all in favor, unanimous approval was given to work authorization #8 with GAI Consultants for the annual engineer's report, in the amount not to exceed \$6,000

SIXTH ORDER OF BUSINESS

Staff Reports

A. District Manager

i. Financial Statements

The financial statements are included in the agenda package and available for public review in the District Office during normal business hours.

On MOTION by Mr. Johnson, seconded by Mr. Thrash, with all in favor, unanimous approval was given to accept the financial statements.

B. Field Operations

i. Field Management Reports

The field management reports are included in the agenda package and available for public review in the District Office during normal business hours.

ii. Proposals for Driveways to Lift Stations

Mr. Simmons reviewed the proposals to install driveways at six lift stations, in the amount of \$31,245. Some driveways require a curb cut, which we received approval to do from Osceola County because they own the curbs. Before we move forward, I would like to request approval from Celebration CDD to access their property to install these driveways. I do not think that will be a problem. By way of explanation, we have six lift stations where the access is essentially grass. When it rains, back trucks get stuck.

Ms. Montagna stated the Board already approved this work.

Mr. Simmons stated we did not have a price before today's meeting.

On MOTION by Mr. Harkness, seconded by Mr. Thrash, with all in favor, unanimous approval was given to the proposal from K&D Concrete to install driveways at six lift stations, in the amount of \$31,245, subject to receiving approval from Celebration CDD to access their property for the installation.

Mr. Simmons stated we finished the sidewalks at the main entrance to the hospital and 200 Celebration Place parking lot. K&D Concrete did that work, also. We ended up not having to spend a lot of money on barricades. We had a leak last month at Lake Evalyn that was coming from Duke Energy pull box. They have panels just like our sidewalk panels. We found the leak one-half mile away.

C. Utility Operations

i. Utility Report (April 2022)

The utility report is included in the agenda package and available for public review in the District Office during normal business hours.

Ms. McRoberts stated the pump is in the alum vault and it is operational. We had issues going from 30-year-old equipment to current parts. We still have a lot of leaks on Celebration Avenue due to issues with trees and roots with potable water lines. That seems to be the main cause. The lining for lift station #9 is complete.

D. Attorney

There being nothing to report, the next item followed.

E. Engineer

Ms. Leo stated one thing we will be doing as part of our annual work is the stormwater needs analysis, required by House Bill 53, which is due by July 1 to Osceola County. Mr. Kolb has been working on it from the wastewater side. I do not think we have much to do on the stormwater side. What I have learned from a couple other districts where we performed this work, initially when it came out, it was an extensive effort to do. It was a Word file, and then the State put out an Excel template with minimal effort. We will put it together this month and submit it.

F. District Representative

There being no report, the next item followed.

G. Mattamy Homes (Island Village)

There being no report, the next order of business followed.

SEVENTH ORDER OF BUSINESS

Other Business and Supervisor Requests

Mr. Johnson stated on the utility contract, the Board approved it in substantial form. It looks like term needs to be amended. It mentions three additional one-year terms, so it needs to be revised to match what we approved.

Ms. Montagna stated yes, it should be two one-year renewals.

EIGHTH ORDER OF BUSINESS

Adjournment

The next meeting is scheduled for Wednesday, July 6, 2022, at 4:00 p.m.

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