

MINUTES OF MEETING
TESORO
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Tesoro Community Development District was held Tuesday, May 29, 2018 at 10:00 a.m. at the Tesoro Club, 3rd Floor, 2000 S.E. Via Tesoro, Port St. Lucie, Florida.

Present and constituting a quorum were:

Sal Spano	Chairman
Kathy Fialco	Vice Chairman
Everardo Ortiz	Assistant Secretary
Hal Fenner	Treasurer by phone

Also present were:

George Flint	District Manager
William Capko	District Attorney
Brian Smith	Field Manager
Ed Rivera	Tesoro Club/Castle Group

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

Public Comment Period

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the August 22, 2017 Meeting

On MOTION by Mr. Spano seconded by Ms. Fialco with all in favor the minutes of the August 22, 2017 meeting were approved.

FOURTH ORDER OF BUSINESS

Ratification of Agreement with Grau & Associates, Inc. to Provide Auditing Services for Fiscal Year 2017

Mr. Flint stated next is ratification of the agreement with Grau & Associates to provide the annual independent audit for Fiscal Year 2017. You selected Grau & Associates as the independent auditor previously and since you last met in August, to be able to get the audit moving, I executed the agreement in November and I'm asking the Board to ratify that action.

On MOTION by Mr. Spano seconded by Ms. Fialco with all in favor the agreement with Grau & Associates to perform the Fiscal Year 2017 audit was ratified.

FIFTH ORDER OF BUSINESS

**Consideration of Resolution 2018-01
Approving the Proposed Fiscal Year 2019
Budget and Setting a Public Hearing**

Mr. Flint stated next is Resolution 2018-01 approving a proposed budget and setting a date, place and time of the public hearing for its final adoption. We are recommending August 28, 2018 at 10:00 a.m. in this location for the public hearing. Exhibit A to the resolution is the proposed budget and it is not binding on the Board, but you do have a statutory requirement that you approve a proposed budget by June 15th. The final budget would be adopted in August.

Mr. Spano stated we used almost \$112,000 in surplus funds for this year and we are maintaining the same level of assessment of \$40.69 for the developed lots and tracts and undeveloped property \$30.52.

On MOTION by Mr. Spano seconded by Ms. Fialco with all in favor Resolution 2018-01 approving the proposed Fiscal Year 2019 budget and setting the public hearing for August 28, 2018 at 10:00 a.m. at the Tesoro Club was approved.

Mr. Flint stated as long as the assessments aren't increasing you can make whatever changes you want to make between now and at the public hearing. I don't foresee that the per unit amounts are going to go up so we should be fine with this budget.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

Mr. Flint stated Mr. Spano had asked about the status of the easements that the Engineer was preparing as part of the tri-party easement agreement that we have been working on for quite some time that would deal with the encroachment issue at least on an interim basis and previously Toby was supposed to be preparing those easements and did not do that and his services were terminated. The District Engineer indicated that they would be able to prepare those and I have been sending emails fairly regularly since the last meeting asking the status of those easements. The Chairman sent an email to me last week asking the status and I forwarded that on to Culpepper Terpening and Stef Mathis responded saying they have compiled the majority of the west side parcels that require drainage easements. These parcels are part of 12 different plats, we should have a completed list within a week, we will then go over them with Lee Dobbins to confirm what we will need to have easements recorded.

They are still working on those, I'm still following up periodically with them on that.

Mr. Spano stated if they go more than two weeks from the timetable they said they would be done I would like to schedule a conference call with you and Culpepper's people so we get them moving and get this out of our inbox.

C. Manager

i. Approval of Check Register

On MOTION by Mr. Spano seconded by Mr. Ortiz with all in favor the check register from August 16, 2017 through May 18, 3018 in the total amount of \$245,827.16 were approved.

ii. Balance Sheet and Income Statement

A copy of the balance sheet and income statements were included in the agenda package.

iii. Presentation of Number of Registered Voters - 226

Mr. Flint stated I was surprised to see that we had 226 registered voters. Once that number hits 250 then this Board would begin to transition from Landowner elections to general election. If you hit the 250 in 2019 then in November 2020 the first two seats will transition and

November 2022 two more seats and in 2024 the last seat will transition. There is no action required on that it is just something we have to announce.

iv. Designation of November 27, 2018 as Landowners' Meeting Date

Mr. Flint stated we are recommending November 27, 2018 as the landowners' meeting date. Mr. Spano, Ms. Fialco and Ms. Lordi's seats will be coming up for election. Two of the seats will be four-year terms and one seat will be a 2-year term. It is not a Board meeting we just need the landowner or someone he designates as the proxyholder to be at that meeting.

On MOTION by Mr. Spano seconded by Mr. Ortiz with all in favor November 27, 2018 was designated as the landowners' meeting date.

vi. Field Manager's Report

Mr. Smith stated the contractors are performing well the site looks good overall, the conservation area looks good. We have gone through all the storm drains to make sure they are clean and clear. I understand there may be some localized small backups and I will take a look at that.

Mr. Spano stated before the rain we had issues that we had water shortages on the property and Port St. Lucie started to cut us off from intake. This is not a water system that is replenished. If they get short of water they just put the weir up and we were done. Did they discuss that with our people at all when they did that?

Mr. Flint stated they didn't contact us.

Mr. Spano stated I want our people to have a relationship and when we have a contact provide the name so we can follow-up with them. We have a land use surface water management permit that allows us millions of gallons of water, but it is for naught if they turn the pumps off and put the weir up and we are left with no water and J.J. had to turn off pumps on the golf course because they were burnt and we weren't aware of it.

Mr. Flint stated we have had relationships with them in the past, they have our contact information so I'm surprised they didn't contact us.

Mr. Spano asked who is getting the monthly field reports? We used to get a digital field report and I don't get that anymore.

Mr. Smith stated I get them from the contractors.

Mr. Spano stated your report when you come onsite and inspect the landscaper.

Mr. Smith stated I have those and I can certainly send those to you.

Mr. Spano stated we had a form that was a property report and I think with the transition with Alan we lost that. I would like to see that reinstated and I would like to see that Ed, myself, Hal and Kathy get a copy.

SEVENTH ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

EIGHTH ORDER OF BUSINESS

Supervisor's Requests

Mr. Spano stated we have rolled over the major contracts for two years. I think it is time to bid them again.

Mr. Flint stated if the thought is you just don't want to extend them another year you would like to bid them we can do that.

On MOTION by Mr. Spano seconded by Ms. Fialco with all in favor staff was authorized to bid the upland buffer and lake maintenance contracts.

Mr. Flint stated the way we set the bids up in the past we will follow the same practice where you have criteria to evaluate the responses of which price is one component. You look at experience, financial viability of the company, their familiarity with the project and other criteria.

Mr. Spano stated you may know other contractors in the area providing the same type of service. That is one of the things that we look to you as the management company to give us some input.

Mr. Flint stated we will reach out to our environmental consultant also and ask them for any recommendations. Lake maintenance is going to be the big issue because Native Lands was the contractor then we switched and ended up switching back.

Mr. Spano stated it doesn't mean we are going to change anybody.

On MOTION by Mr. Spano seconded by Ms. Fialco with all in favor the meeting adjourned at 10:19 a.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman