

MINUTES OF MEETING  
TESORO COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Tesoro Community Development District was held Thursday, May 30, 2013 at 9:30 a.m. at the Tesoro Club, 3<sup>rd</sup> Floor, 2000 S.E. Via Tesoro, Port St. Lucie, Florida.

Present and constituting a quorum were:

Sal Spano	Chairman
Kelly Straub	Vice Chairman
Chris Partida	Assistant Secretary
Mike Waldo	Assistant Secretary
Deanna Kernan	Assistant Secretary by telephone

Also present were:

George Flint	District Manager
Ken Dodge	District Attorney
Butch Terpening	District Engineer
Alan Scheerer	Field Manger
Toby Overdorf	Crossroads Environmental
Doug Mathews	Aquagenix

Ms. Kernan attended by telephone, was not sworn in and did not participate in voting on any of the following items.

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Flint called the meeting to order.

**SECOND ORDER OF BUSINESS**

**Organizational Matters**

**Administration of Oaths of Office to Newly Elected Supervisors**

Mr. Flint stated the next issue is administration of the Oaths of Office to the newly elected Supervisors. For purposes of the meeting today Ms. Kernan, you will not be able to vote as a Board member because you are not officially sworn in yet because you are on the phone but at the next meeting we can administer the oath and you can become an official member of the

Board. You can participate in the discussions but just for voting purposes you won't be able to vote.

Mr. Flint being a Notary Public of the State of Florida administered the Oath of Office to Mr. Waldo.

Mr. Flint stated I will briefly go over the information I have just given to you. The first form is the form 1 statement of financial interests and as a Board member you are a public official and the State of Florida requires you to file a financial disclosure form on an annual basis. The first form has to be filed within 30 days of today with the Supervisor of Elections in the county in which you preside. It is important that it be filed within 30 days because the commission on ethics does monitor the filing of the reports. It doesn't ask for dollar amounts it merely asks for sources and is something on an annual basis the Supervisor of Elections will mail the form to you to update each year. When you leave the Board either at the end of your term or through resignation there is another form called a form 1f that has to be filed within 60 days of leaving the Board and we will mail that to you with a letter reminding you and we have also included a copy in here. As a Board member you are also entitled to \$200 per meeting up to \$4,800 per year depending on how many times the Board meets. If you choose to accept the compensation as a Board member there is a W-4 and I-9 form in here that would be submitted to my office because we process the payroll.

Also as a Board member you are a public official and subject to the government in the sunshine law, which means that you can't talk with any of the other Board members outside of a publicly noticed meeting regarding CDD matters or things that you feel will reasonably come before the CDD for action. You can only communicate with the other Board members in a publicly noticed meeting and that is verbally, email and writing or otherwise. Be careful on emails if other Board members are copied on it be sure not to reply to all and inadvertently get into communication with the other Board members. Public records law also applies which means that any documents that you have such as the agenda or any other documents that are CDD related are subject to a public records request and you have the option of keeping the information or you can dispose of it if it is something that I already have a copy of such as the agenda you can merely dispose of the documents to the extent they are not an original. If you do keep the documents we suggest you keep them in a separate file from you personal or business

documents in the event there is ever a records request. If you have any questions on any of that information you can contact me or District Counsel.

**THIRD ORDER OF BUSINESS**

**Approval of the Minutes of the November 26, 2012 Board of Supervisors Meeting and Acceptance of the Minutes of the November 26, 2012 Landowners' Meeting**

Mr. Flint stated the next item is approval of the minutes from the November 26, 2012 Board of Supervisors meeting and acceptance of the minutes from the November 26, 2012 landowners' meeting. Are there any additions, deletions or corrections to those?

There not being any,

On MOTION by Mr. Spano seconded by Mr. Partida with all in favor the minutes of the November 26, 2012 Board meeting were approved and the minutes of the November 26, 2012 landowners' meeting were accepted.

**FOURTH ORDER OF BUSINESS**

**Review and Acceptance of the Fiscal Year 2012 Audit Report**

Mr. Flint stated the District is required to perform an annual independent audit. The Board went through a competitive selection process per the statutes and selected Berger Toombs to perform that audit and a copy of that has been provided to you. The audit is as of September 30, 2012. It is a clean audit and there are no findings or recommendations included in the audit. If you refer to the management letter, which is on pages 23 and 24 you will see that there are no findings or recommendations and we have complied with all of the provisions of the auditor general of the State of Florida.

Mr. Spano stated when this audit is done it is done in accordance with the governmental auditing standards and also the accounting of the audit is done within generally accepted accounting practices. Those two things were met and we complied with everything. I also would like to point out to the Board that when you look through this you will be able to see that because we had excess funds for a number of years of not doing the East side we opted not to send out an assessment charge for the last year, therefore, we absorbed \$302,232 against the available cash and investments. We are under certain restrictions where we as a fiduciary board member have to maintain the integrity of the principal therefore, our investments are very

conservative and they go to treasury type notes that are about half a basis point in terms of our investment. When you look at our holdings, which show \$532,000 in 2012 in cash and investments you can see that a portion of that is put into treasuries, which is \$475,000. We are very conservative in terms of what we do and we do that as a responsibility to the landowners. I reviewed the audit and we are in good standing from an auditing and review factor and we didn't compromise any standards. My recommendation is that we accept the audit.

On MOTION by Mr. Spano seconded by Mr. Partida with all in favor the fiscal year 2012 audit was accepted and staff authorized to transmit it to the State of Florida.

#### **FIFTH ORDER OF BUSINESS**

#### **Consideration of Resolution 2013-03 Approving the Proposed Fiscal Year 2014 Budget and Setting a Public Hearing**

Mr. Flint stated the next item is consideration of Resolution 2013-03, which is a resolution that approves what is called a proposed budget and sets the date, place and time of the public hearing for its final consideration. We are recommending August 29, 2013 at 9:30 a.m. in this location for the public hearing for final adoption. Exhibit A to the resolution is a draft proposed budget. This is a statutory requirement that it be approved prior to June 15<sup>th</sup> of each year then it is transmitted to the City of Port St. Lucie and St. Lucie County at least 60 days in advance of the public hearing for its final adoption. The city and county have review and comment ability under the statutes but they have no approval authority over the budget and we have never received comments from them in the past but as a statutory requirement we do have to send it to them.

The proposed budget doesn't bind the Board in any way if you choose to make changes up to and including at the public hearing you are able to do that. The only factor that would need to be considered from a timing perspective is if you anticipated an increase in assessments then there are certain mailed notice requirements and that sort of thing but I don't believe that applies in this case.

Mr. Spano stated because of our strong past cash position we used \$54,000 of the surplus that we had, which represents about 10% of the cash that we had carry forward from prior years. In addition to that we went back and rebid all of our major accounts and we were able to reduce in the case of Aquagenix the cost of the maintenance through their services by almost 60% from

the prior contractor. We were able to go back all the other major vendors including the management fee and this year the management fee was reduced by 10%. In addition to that it is important to understand that we turned around and removed what is called on the East side landscaping, which was a budget item of about \$50,000 and that is an item we are able to remove because there is no upland buffers that need to be maintained. Now that we have been on the Board for a while we have our arms around what we are doing and we are able to alleviate that. With the change in the landscape maintenance, the \$54,000 surplus, reduction of cost of the aquatics and lake areas we were able to substantially affect this budget. What that means is that when we look at our total revenues of \$310,000 only \$54,000 of that came from prior years and that is reflected when you look at page 1 on the bottom you can see for the fiscal year 2014 take note that in 2010 the charge was \$311.89 per lot and undeveloped was \$233 in 2011/2012 because we had excess funds from not maintaining the East side we did not assess. In 2013 that amount changed to \$104.78 and \$78 for undeveloped again reflecting the savings that we found. Using the surpluses and combining those savings for the current year for developed property it will be \$40.69 per unit and undeveloped property, which is 75% of the assessed non-ad valorem charge will be \$30.51. Those are the major items that we changed in looking at this budget going forward.

If you look at page 3 you will see a per unit assessment allocation summary and it is important to note that because that is kind of the report card of the entire property. If you look at developed lots and undeveloped lots you will see that number equals 911, which is the approximate number of lots that are available in development or undeveloped stage at this point. The other count of 1136 includes the club and golf courses and is done on a per acre basis as far as an allocation. You can see that we have gone through and did a very strong study on everything that is here including bidding out all major contracts. In fact today we are going to discuss bidding the audit.

Mr. Flint stated even after we utilize \$54,000 to subsidize the assessments and after an operating reserve set aside of \$77,000 we are still projecting \$488,000 in unreserved fund balance for renewal and replacement. Although we are using \$54,000 to lower the assessments we are still in good shape financially with \$488,000 undesignated.

Mr. Spano stated from an operating perspective I think it is important to understand that the CDD is the owner of the lakes.

Mr. Flint stated we are maintaining them right now, we are the anticipated owner of the stormwater system but that transfer is still pending.

Mr. Spano stated part of our maintenance responsibility is the lake areas and 4 feet above the high water mark and we are required to do a one to four slope under our permit.

Mr. Terpening stated technically the District has the right to maintain 20 feet out from the top of bank. You have that legal right to maintain the system. Technically 4 feet up from an environmental perspective to maintain in conjunction with the golf course operations that maintain the rest. One point I would like to bring up it doesn't affect this year's budget but from a planning perspective for future years our cost for maintaining these lakes are relatively constant in regards to the percent build out of the community, they really don't go up linear as the 760 vacant lots are developed. If only half of them were developed over the next four to five years that would increase the general fund revenue by \$350,000 annually. Our revenue will start increasing dramatically as development occurs while our expenses only increase very slightly because in essence we are maintaining the whole system now.

Mr. Flint stated annually we are provided a preliminary assessment roll from the county as of June 1<sup>st</sup> then we certify the assessment roll back to the county for placing it on the tax bill so we rely on the county's reflection of whether it is developed or undeveloped based on the assessment roll they provide us. There may be a lag based on the home actually receiving the C.O. just like there are on taxes but we will be looking at it each year and as those lots are developed it will go from 75% of the assessment to 100%. Right now we are subsidizing it \$50,000 so we are going to monitor that annually and as it develops and goes from 75% to 100% we can look to see if we need to adjust that per unit assessment amount to reflect that. This year because we are subsidizing it whether we have houses coming on line or not we rely on what the county provides us.

Mr. Spano stated as an overview over the last 12 months lots have been sold to DR Horton. Currently they own 171 lots in Tesoro, they have approximately 15 homes approved for construction, 8 are under construction right now and we also are now being approached by at least five different builder groups that want to move forward in terms of developing their lots. I think we are seeing a maturity, we are seeing the reflection of a healthier real estate market and the things we are doing now is laying the foundation to make sure that is successful. Are there any questions regarding the 2014 budget?

Mr. Flint stated if there are no questions or further discussion then a motion to approve Resolution 2013-03 would be in order.

On MOTION by Ms. Straub seconded by Mr. Spano with all in favor Resolution 2013-03 was approved.

**SIXTH ORDER OF BUSINESS**

**Update from Developer Regarding Platting, Transition of Permits and Conveyance of Land**

Mr. Flint stated the next item is a general item that we kept on the agenda regarding an update on the status of the platting transition of permits and conveyance of land.

Mr. Spano stated I would like to hold that until the developer comes in.

**SEVENTH ORDER OF BUSINESS**

**Appointment of Audit Committee and Chairman**

Mr. Flint stated the District every three years bids out the independent auditing services and as part of that process the statutes require the Board to appoint an audit committee. The audit committee's role is strictly limited to approving the form of the RFP, the form of notice and reviewing the responses and making a recommendation to the Board as far as selection of an auditor. In the past the Board has appointed themselves as the audit committee and one of the Board members as the Chairman of the audit committee. We have placed a notice in the paper to hold an audit committee meeting immediately after the Board meeting in anticipation that whoever you appointed to the committee would be present to be able to attend the audit committee meeting. For ease of administration our recommendation would be the Board appoint themselves, however, you can appoint non-Board members to the audit committee if you chose to do so.

On MOTION by Mr. Spano seconded by Mr. Partida with all in favor the Board members were appointed as the audit committee and Mr. Spano as chair.

Mr. Flint stated right after this meeting we will adjourn the Board meeting and open the audit committee meeting and that meeting shouldn't take very long.

**EIGHTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

There not being any, the next item followed.

**B. Engineer**

Mr. Spano stated if the report is related to the transfers I would like to wait until Mr. Straub arrives.

**C. Manager**

**i. Approval of Check Register**

Mr. Flint stated in your agenda packet you see the check run summary and you will see for the general fund checks 416 through 447 in the amount of \$112,262.55 and the detailed register is behind the summary. If there are any questions on the check run summary we can discuss that and if not I ask for a motion to approve the check run summary.

Mr. Spano stated I reviewed it and the check run represents the obligations we have contractually for management fees, lake management, landscape and general operations.

On MOTION by Mr. Spano seconded by Mr. Partida with all in favor the check register was approved.

**ii. Balance Sheet and Income Statement**

Mr. Flint stated we also have the balance sheet and income statement through April 30<sup>th</sup>. There is no action required by the Board but if you have any questions we can discuss those at this time.

Mr. Spano stated as we spoke before the investment portion of that is in treasuries even though there is a lower yield it protects the principal and the payables are contractual issues so I think that balance sheet is acceptable.

**iii. Presentation of Number of Registered Voters**

Mr. Flint stated the next item is presentation of number of registered voters. Each year we have to announce in a Board meeting the number of registered voters as of April 15<sup>th</sup> and you will see there is a letter from the Supervisor of Elections indicating that as of April 15, 2013



there are 165 registered voters. This number becomes important because the statutes provide that the Board of Supervisors transition from a landowner elected board to a board elected through general election process once the District is at least six years old and has at least 250 registered voters. At this point we don't have the 250 we have been in existence six years the next election would be in 2014 anyway so when we look at the April 15, 2014 number if we have hit the 250 then in November 2014 two of the five seats would be elected through general election process. If we don't hit 250 in April 15, 2014 it goes to 2016 before it transitions. Once you hit the transition point it is two seats an election that will transition. If we hit it next year in 2014 two seats would go and in 2016 another two seats would go and in 2018 the last seat would go.

**Update from Developer Regarding Platting, Transition of Permits and Conveyance of Land**

Mr. Terpening stated I would like to combine my Engineer's Report with the status. We did a good summary of where we are and we are very happy to report that all construction of the drainage modifications necessary for the project turnover have been completed to date and they have been surveyed and were found in accordance with the plans approved by the District and by the state. The certifications of completion of these required improvements has been submitted to South Florida Water Management District and under their review. Generally that takes a few weeks and we should have had it by now. All this is a predecessor to being able to turn over the deeds in fee to the stormwater management system. From the District's perspective we can't accept the ownership until the project was brought in compliance and accepted by the state agency. Unlike in other meetings we are glad to sit here today and be able to say the developer and our office has accomplished quite a bit and in the near future will present the deeds of the transfers of the lake areas and those components. Our office has prepared all of the required easements on the East side necessary for the drainage facilities. The District's attorney's office does have the descriptions of the properties as you recall several Board meetings ago this Board elected to hold off preparation of any of the easements or deeds until such time as the state certification was received and that was prudent from a cost perspective to prepare all these documents and there are changes in the as-builts and construction. We are in pretty good shape.

Mr. Spano stated with South Florida's approval we will be able to move forward.

Mr. Terpening stated correct and there is really nothing from a construction perspective that the developer has to do. All those items have been done, our office has inspected them, our office has certified to the state that the work has been done and we are just waiting for their sign-off and permission to put in the operational phase.

Ms. Straub stated that is just for the East side.

Mr. Terpening stated that is for the East side. Our thought because of the documents and paperwork both the East and West and those transfers can all be one package for the Board to consider. There are some ownership issues on the West side in talking with Mr. Overdorf all the components of the transfer necessary back over to the CDD have been done. There is still some discussion as to plat versus the transfer of metes and bounds that we had a meeting with the developer and those properties can be transferred metes and bounds to the District because the District never intends to build on it. Under the city code they have to be platted to get a building permit and since the District isn't receiving a building permit to build a structure on it I don't see any reason that the District would have to plat the property to receive it.

Mr. Flint stated we also have a representative from Crossroads Environmental here too. Are there any questions on the District Engineer on that issue?

Mr. Straub stated I'm going along with you, they are good educated people familiar with the process. I usually like to know what we are not doing, not what we are doing but in this situation if you can help me because Toby not being here we kind of relied on him because he is on the phone with us on other items you are telling me that Culpepper is saying that Toby's organization has done something. I haven't seen any bills come through so I didn't investigate it. Have you guys seen any bills come through from Crossroads?

Mr. Flint responded the Board approved a work authorization at the last Board meeting for Crossroads from the District's perspective and there have been two invoices that have been submitted against that work authorization and paid.

Mr. Straub asked do they show a percentage they have done or not? Is he finished?

Mr. Flint responded it was about a \$5,000 work authorization and it hasn't been fully billed out yet.

Mr. Straub stated so the Engineering firm is keeping an eye on what Toby is doing, they are satisfied that they are accomplishing. I know you have something different between the East and the West I thought one was done and we were going to be working on the other. Assume

I'm somebody new who moved in the neighborhood and said what is the CDD do or don't do is there anybody willing to take that on and just explain to me in 50 words or less where are we in this process? Is there something the developer still has to do? We have been busy selling units I think that is our job I think we are 100% sold out. The intention is, we closed on probably 55% of what our remaining holdings are and with the contract the same people to buy the remaining 30% or 45%. With that in mind we are trying to appease them and clean yards up and clean tiles up and making sure the roads are done correctly and the easements and everything else. Sorry to say but I think that is our job for the CDD to make sure that there is habitat here and not just dirt and flowers and things. Tell me what else I have to do in the future and/or what Toby I was told there was a conflict of interest and I think that is why you guys have to observe is that he does work for us, very minor I think it is \$1,000 a month but he does have some additional things to do it sounds like and when are you saying that we lack or doing anything else or what is on the agenda because as I said we have been busy doing what we thought was correct up here, which is to find a customer with enough pocketbook to complete the project and we assist them with recreational amenities and front gates and POAs and things of that nature. Tell me if anybody is willing to.

Mr. Terpening stated first our responsibility is to maintain the drainage system. That is our number one responsibility. The remaining work from the developer's perspective is transfers, once approvals are obtained by the state, transfer the ownerships of the stormwater system and required easements necessary to maintain them.

Mr. Straub asked why is platting tied into what you just said? Easements sounds like it was very important but I understood platting has to occur before easement, what comes first the chicken or the egg? Is platting really necessary because they told me earlier they told the group here that because we are not really building in these facilities structures then I'm not sure that in the normal course of things where a developer always wants to have 1, 2, 3, occur here we don't have to because we aren't going to be building structures so it is something that occurs sometime over the next six months or the next six years.

Mr. Terpening stated if I understand the question, platting is not required to take a deed in ownership of our ponds.

Mr. Straub stated I want you to go a little slower. Who is here representing Toby's organization, Crossroads? Do you know enough to answer that question because Toby is telling

me on the phone that he is running late or he is in another meeting and did he discuss anything with you about platting and I know we have to do it for the government agencies where we are having housing but again Culpepper is saying maybe it is not as important because we are not building. In a development we are going to actually build streets, roads, and tie into city sewerage and things of that nature and platting is very important here it sounds like it is not so maybe get back with Toby and say if you are spending your time working on platting maybe it is not important. He did seem to back off after a while.

Mr. Flint stated I think there are some issues with some existing plats that have to be cleaned up where it is designating property that the District should own; it designates it being owned by the POA. There is cleanup of some existing plats.

Mr. Straub stated give me an example of that.

Mr. Flint stated over on the West side there are some areas where the plat designates that the POA would be maintaining the stormwater system when it should have designated the CDD.

Mr. Tarpenting stated we prepared those documents for those parcels and there are probably half a dozen parcels they were just transferred in the plat and should have been transferred to the CDD but were transferred over to the POA. The POA needs in this case to prepare deeds; the descriptions have already been prepared to go from the POA to the CDD. Then you have other components that are part of the existing golf course that need to be described and those need to be deeded too to the CDD. Then we have a set of easements.

Mr. Straub asked golf course to CDD or golf course needs to get CDD property? Which way?

Mr. Tarpenting stated it is golf course to CDD.

Mr. Straub stated Tesoro Holdings or whatever has wetlands we went through a whole phase here in the last six months and let contracts and didn't drain into the wetlands and treated the material before it went to the wetlands, had that construction I think we paid for all the remaining contingency fee of 10% or something still might be outstanding and I don't know that for a fact. You are saying there is still property in these golf courses that should go to the CDD that are wetlands.

Mr. Tarpenting responded wetlands and lakes.

Mr. Straub asked and the drawback being when a golfer hits from a tee it is over top of the wetlands into the other I guess nobody says anything but a person goes in those wetlands and

hits the ball out of it if that individual can get the ball out. Why would we want to get those wetlands? What is the purpose, what is the underlying purpose when it is in play to the golf course? You are going to explain this to Toby hopefully and then somebody is going to have a meeting with me to tell me what I'm supposed to sign off. Because you are telling me right now there are areas pertinent to golf ball it is in the direction of getting to the next shot and that wetland is supposed to be owned by the CDD for what reason? It seems like we maintain a lot of stuff, we maintain the golf course, we try to maintain the wetlands too. It is not the way the rules are written.

Mr. Flint stated the CDD is maintaining the wetland system right now through a contract with Aquagenix and it is anticipated that the CDD would be the entity maintaining the stormwater system, which includes the wetland system, which is part of that and the conservation areas. The District is maintaining those wetlands right now it is just a matter that authority is lagging either through a maintenance easement or transfer of ownership but one or the other has to occur to authorize the District to maintain.

Mr. Straub asked has to?

Mr. Flint responded yes. We can't maintain private property.

Mr. Straub stated this is going to be in direct conflict. I don't know if anyone has ever sat there and figured out what all you guys are taking. Has anyone done any surveys to know exactly where the golf course comes to, where the sand traps are? Some of this stuff looks like wilderness it might be a waste area where you hit the ball and it is not a definition to be wetlands or not. Are we just accepting the fact that we are trying to get these pieces of property over to the District?

Mr. Flint stated I will let the Engineer address the surveying question but from a permitting perspective you don't want more than one entity responsible for maintenance especially an entity that is not the permit holder. Ultimately you want one entity maintaining that system unless you have different permits you break up the permits.

Mr. Terpening stated I will try to answer the question and I would like to first answer as District Engineer. From the District's perspective it really doesn't matter if we have an easement or have fee simple title to the wetland. We need an easement or a title so we can maintain the facility. You can own the lake or we can own the lake but we do need that legal ability.

Mr. Straub stated I have other facilities and that is how different interpretations and different facilities now somebody says you have to do it this way, I appreciate what you are saying. We might own the lake because we might dredge golf balls out of the lake. If you are saying ownership of this wetlands is not crucial to drainage from the whole 2,000 acres drainage you are responsible for and you designate where those are?

Mr. Terpening responded yes, they have been designated, surveys have been provided, the District has done its research, I am comfortable with which areas need to be either (1) deeded and/or (2) easements granted to make the drainage system work.

Mr. Straub stated it is either/or.

Mr. Terpening responded yes and it can be a combination it doesn't have to be all deed or all easement.

Mr. Straub stated we are getting down to the wire and there is a big difference. Once we assign this I don't think I can get it back if we end up assigning a lake to somebody that for some reason it is a lake we pump water out of for irrigation. Is there anything you are approving today before somebody needs to take in its infancy and explain to me and my operations people the golf course and stuff like that where they will say no. 10 hole you have to retain ownership of that because that is where we pump our water from or that is where we drain fertilizer into. Are we doing anything here?

Mr. Flint responded no, this is just a status item that we keep on the agenda each meeting to provide an update as to where we are. The Board is not voting on anything regarding this.

Mr. Straub stated I think we have done what we are supposed to do, which is find customers for homes and we are assisting in cleaning up some lots and this and that so the builder will be able to succeed in what they are doing. I need to sit down with Toby and put it at its infancy and maybe have one of my associates sit here and say the golf course operates this way, housing operates this way, you guys need to have drainage from streets and homes and us getting easements in and out of different places for different treatments and stuff like that. If there is nothing pressing we don't have to have a meeting next week or two weeks from now but we don't want to have too many meetings on this thing

Mr. Flint stated the Board will ultimately have to meet to approve transferring the water management district permitting from the current holder for operating purposes to the District.

Mr. Straub asked who is the current holder?

Mr. Flint responded I believe West Coast.

Ms. Straub stated the POA owns nothing.

Mr. Flint stated the other issue is we ultimately will approve a maintenance easement or accept ownership of the property or some combination of those two.

Mr. Straub asked are there going to be any major problems with the CDD accepting or we going backwards?

Mr. Flint responded no, the owner of the property and the holder of the permit tees it up to be transferred to the CDD and the CDD has to accept the permit for operating and accept either title or approve a maintenance easement.

Mr. Straub asked are we doing anything that we were supposed to clean up something and we didn't clean it up or is there anything pending that should be done?

Mr. Flint responded I think that is what the Engineer and Toby was addressing in his memo to the Board. It appears we are ready and just waiting for water management district's final approval and at that point it would be ready to occur and it could happen at the August Board meeting if we were ready at that point.

Mr. Straub asked is that what you are saying that South Florida Water Management has to put their seal on the thing?

Mr. Terpening stated I would not recommend to this Board acceptance of the South Florida permit until we have a complete package. We can't accept the permit if we don't have the legal right to go on the property.

Mr. Flint stated that has to happen at the same time.

Mr. Terpening stated I just want clarity; it would be a complete package. It could easily be ready for the August Board meeting.

Mr. Spano stated this other meeting can occur in that timetable between now and then.

Mr. Flint stated that is at staff level.

Mr. Straub stated besides meeting with me what is the other meeting you are talking about that has to occur, the package put together or is there anything else under the umbrella that has to be corrected.

Mr. Terpening stated the only remaining item is to sit down with the developer, we know what we need in the District and work out those areas that we would have fee to if that is the direction of the landowner and/or take an easement.

Mr. Straub stated so there are still some steps that has to be done. Give me one example of something we will be required to do.

Mr. Terpening stated at the simplest level on the Watson Course there are several areas where our pipes cut through the golf course and we have no easement.

Mr. Flint stated the CDD has been maintaining that system even though we don't have title and permit because the Board made a finding that it was in the public's best interest to do that until the permit and ownership issue got resolved but it is something that needs to come to a head and be resolved in the near future because we are maintaining it right now and we don't have ownership or legal authority to do that.

Mr. Straub stated tell me what you did exactly what you said about the six years and that we have to have them both and you are saying you have to have either/or.

Mr. Flint responded that was in regards to the number of registered voters in the District, Chapter 190 when CDD boards are formed the five member Board is elected on a landowner election basis, which is one vote per acre or part thereof. Once the District hits year 6 if there are 250 registered voters in the District it transitions to a general election format.

Mr. Straub stated no matter how successful we are that is not going to change next year.

Mr. Flint stated if you don't hit the 250 by April 15<sup>th</sup> of next year then you shift to 2016.

Mr. Straub stated the definition of registered voters, they are going to own a piece of property they have already closed on 200 lots.

Mr. Flint stated they have to be registered with that as their address with the Supervisor of Elections.

Mr. Straub stated reality is it is not going to happen until two years down the road.

Mr. Flint stated 2016 but only two of the five seats transition and three of the seats are still landowner elected. In 2018 two more seats would transition so at that point the landowner would lose control of the Board to a general elected board. If you don't hit it next year it will be 2016 but you don't lose control until 2018.

Ms. Straub left the meeting at this time.

## **NINTH ORDER OF BUSINESS**

## **Audience Comments**

There not being any, the next item followed.



**TENTH ORDER OF BUSINESS****Supervisor's Requests**

Mr. Spano stated I would like to get a confirmation we made a major change in the lakes and everything and we have Aquagenix sitting here and Mr. Scheerer sitting here. I would like to have you address the Board in terms of the transition and what has taken place and how we are moving along in that area. We did obtain substantial savings.

Mr. Scheerer stated the biggest issue on the East side would be the conservation wetland areas that are still under permit but being inspected. They are currently being maintained in accordance with those contracts. We had some Melaleuca issues on recent inspections and cattail concerns, salt bushes in those conservation easements. Those have all been removed but that is not to say that during the ongoing maintenance if we are still not seeing cattails sprout up or dog fennel, which currently seems to be our nemesis now those are being treated in accordance with the contract. We are meeting every two weeks, we are doing thorough site inspections starting on the East side, we do all the lakes, all the wetlands, all the upland buffers. We are making notes of any concerns we are tracking those concerns on the next inspection to double check the progress of the contractor. The lakes on the West side in our most recent inspection we got through about half of them before we got soaked with a downpour of rain and those lakes are being currently maintained in accordance with the obligations of Aquagenix. They are working hard and keeping their hands around everything and I think on our next inspection with the Water Management District or with Toby or whoever is out there they are going to see a very good wetland structure on the East side.

Mr. Spano asked your onsite inspections are bi-weekly now?

Mr. Scheerer responded they are every other week, yes.

Mr. Spano stated you advised me that you could go on the website and see postings of the results.

Mr. Scheerer responded no, what we post on the website is the areas that they are going to be maintaining throughout the course of the month.

Mr. Spano stated I would like to see that make sure that gets communicated to the residents.

Mr. Flint stated we put the schedule up.

Mr. Spano stated but I didn't know it was there.

Mr. Flint stated several residents who used to attend these meetings knew it because it was based on their request.

Mr. Spano stated that is how we can tell we are doing a good job.

Mr. Scheerer stated Wellington will include a map of the area and it will show the weeks they are in those areas as far as the buffer maintenance goes and then Aquagenix sends us a monthly schedule indicating the areas they are going to be in and that gets forwarded to my office and we have a person there who posts that on the Tesoro CDD website.

Mr. Flint stated I think Alan provides you with a report as well.

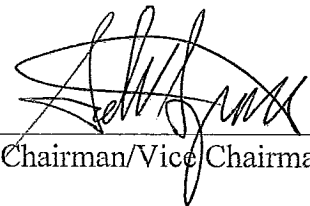
Mr. Spano stated now he is.

Mr. Scheerer stated I had a wrong email address. That has been resolved.

Mr. Spano stated I am going to have Chris our CAM manager for the POA send an email blast out reinforcing that so the customers that are here and the ones that are up north can see the progression as we move forward.

On MOTION by Mr. Spano seconded by Mr. Partida with all in favor the meeting adjourned at 10:30 a.m.

  
Secretary/Assistant Secretary

  
Chairman/Vice Chairman