

MINUTES OF MEETING
TESORO COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Tesoro Community Development District was held Wednesday, July 30, 2014 at 9:30 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
Vera Stewart	Secretary
Tara Lordi	Treasurer

Also present were:

Jason Showe	District Manager
Bill Capko	District Counsel
Alan Scheerer	Field Manger
Glenn Straub	West Coast Investors LLC by telephone
Toby Overdorf	Crossroads Environmental

FIRST ORDER OF BUSINESS

Roll Call

Mr. Showe called the meeting to order.

SECOND ORDER OF BUSINESS

Public Comment Period

There not being any, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the April 30, 2014 Meeting

Mr. Showe stated the next item is approval of the minutes of the April 30, 2014 meeting. The chairman provided a few minor amendments and we have corrected those.

On MOTION by Mr. Spano seconded by Ms. Stewart with all in favor the minutes of the April 30, 2014 meeting were approved as amended.
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FOURTH ORDER OF BUSINESS

**Consideration of Resolution 2014-03
Amending the Fiscal Year 2014 Budget**

Mr. Showe stated the next item is consideration of Resolution 2014-03 amending the Fiscal Year 2014 budget. We have 60 days prior to the end of the fiscal year to clear up any negatives that might be in the budget and we anticipate because of the increase in the mitigation costs that the budget was going to go over and we are utilizing carry forward to make up that difference.

Mr. Spano stated we changed our mitigation contractor and the new contractor was \$60,000 higher. At the same time we experienced our revenue in-stream we found we were \$26,000 ahead in assessments coming in and that is from a couple things, tax certificates and people are now buying tax certificates and the other reason is the POA has now placed 245 liens on property so people know we are serious about collecting and they are starting to pay their bills from prior periods so we are benefitting in this period.

Mr. Showe stated this is a cleanup item and the Board does not have to meet later in the year to clean that up.

Mr. Spano stated because of the inflow of revenue and the amount of surplus we have there is no change in the assessment dollar amount so for developed lots it is \$40.69 and undeveloped lots it is \$30.51. I want to remind everyone that when we first sat at this table it was over \$350 per lot.

On MOTION by Mr. Spano seconded by Ms. Stewart with all in favor Resolution 2014-03 was approved.

FIFTH ORDER OF BUSINESS

Public Hearing

A. Consideration of Resolution 2014-04 Adopting the Fiscal Year 2015 Budget and Relating to the Annual Appropriations

Mr. Showe stated next is the public hearing. This is the annual budget approval for Fiscal Year 2015.

Mr. Spano opened the public hearing.

Mr. Showe stated the first item is consideration of Resolution 2014-04 adopting the Fiscal Year 2015 budget and the appropriations. The budget is similar to the proposed budget that you had it takes into account the larger contract costs on mitigation on both sides and it has

the contingency. It is similar to budgets you have seen in the past and the assessments are remaining level at the \$40.69 for a developed lot and \$30.51 for an undeveloped lot.

Mr. Spano stated our approval of the 2015 budget does not change the estimated assessments to the developed lots or undeveloped lots that we passed previously.

On MOTION by Mr. Spano seconded by Ms. Stewart with all in favor Resolution 2014-04 was approved.

B. Consideration of Resolution 2014-05 Imposing Special Assessments and Certifying an Assessment Roll

Mr. Showe stated next is the resolution, which applies those special assessments to the individual tax bills. Attached to Resolution 2014-05 will be the adopted budget and the spreadsheet that lays out the assessments on every property.

Mr. Spano stated this is a standard resolution we do every year once we have approved the budget we are obligated to present it to the tax collector’s office and that is why there is a tax roll and they apply that to the non-ad valorem section of the tax bill.

On MOTION by Mr. Spano seconded by Ms. Stewart with all in favor Resolution 2014-05 was approved.

On MOTION by Mr. Spano seconded by Ms. Stewart with all in favor the public hearing was closed.

SIXTH ORDER OF BUSINESS

Consideration of Agreement with Grau & Associates to Provide Auditing Services for Fiscal Year 2014

Mr. Showe stated next is consideration of an agreement with Grau & Associates to provide auditing services for Fiscal Year 2014. Fiscal year 2014 will end September 30th and we have asked them for the agreement. It is in line with the original proposal they gave us it is a \$100 increase from the previous year and is \$2,600 for the 2014 audit.

Mr. Spano stated we went through a bid process and had more than three proposers bid and they were ranked and this was the winner and it is the same firm that has been doing our audits. He just published the audit for 2013 where he gave us high marks and said we are in good standing and had no conflicts with state statutes or generally accepted accounting practices.

On MOTION by Mr. Spano seconded by Ms. Stewart with all in favor the engagement letter with Grau & Associates to perform the Fiscal Year 2014 audit was approved.

SEVENTH ORDER OF BUSINESS

Consideration of Agreement with Wellington Pro Lawn Care to Provide Landscape Maintenance Services

Mr. Showe stated the next item is consideration of an agreement with Wellington Pro Lawn Care to provide landscape maintenance services. The initial contract has gone through all the renewal clauses and we started with a fresh contract but the contractor has not proposed any increase in cost.

Mr. Spano stated this contract is consistent with the prior year and the specs we presented for the work they do in maintaining all the buffer areas and their contract total is the same as it was last year, there are no increases. We are approving an agreement for \$89,986.

On MOTION by Mr. Spano seconded by Ms. Stewart with all in favor the agreement with Wellington Pro Lawn Care to provide landscape services in the amount of \$89,986 was approved.

Mr. Straub asked what do they do for the CDD?

Mr. Scheerer responded there is a selected area of wetland buffer typically a grass buffer between the home and the water and their job is to keep it trimmed, clean and free from weeds and invasive species and maintained in quality shape and they are doing a very good job.

Mr. Spano stated we have management come in bi-weekly and do inspection of the area and an evaluation to make sure it is held to standards.

Mr. Scheerer stated we do a drive through every two weeks, a report is generated and sent to Vera.

Mr. Overdorf stated I want to point out this is the west side only they do this work on.

EIGHTH ORDER OF BUSINESS

First Extension to Agreement with Native Lands Management, Inc. to Provide Wetland, Lake and Upland Preserve Maintenance Services

Mr. Showe stated the next item is the first extension to agreement with Native Lands Management, Inc. to provide wetland, lake and upland preserve maintenance services. This is an extension of their original contract, which is included as Exhibit A. They propose no increase in cost.

Mr. Scheerer stated Native Lands is currently doing the lake maintenance on both the east and the west side as well as continuing with the mitigation maintenance on both the east and west side. I believe we were released from our monitoring responsibilities and reporting last year but we continue to maintain the upland buffer areas, the mitigation areas on east and west as well as all the fly aways on the golf course.

Mr. Spano stated this is subject to a bi-weekly inspection and we have used Toby's company in the past to perform the monitoring reports, which we are up to date on and have satisfied all the requirements under our permitting.

Mr. Straub asked how much is that contract?

Mr. Showe stated it is \$152,000.

Mr. Overdorf stated last year before Native Lands took the contract back over we had some issues with exotic vegetation being stacked in the wetlands and not disposed of properly. We had a fair amount of exotics coming back into wetlands under the old company and Native Lands not only took care of what they normally should but took care of all the back issues as well.

On MOTION by Mr. Spano seconded by Ms. Stewart with all in favor the first extension to the agreement with Native Lands Management, Inc. to provide wetland, lake and upland preserve maintenance services was approved.

NINTH ORDER OF BUSINESS

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

Mr. Overdorf stated Mr. Straub and I had some conversations about this. Right now we are on the east side there is still an area we have to get back into compliance. Mr. Straub authorized and we are moving ahead with a prescribed burn on the east side as well as around A2 pond. According to the water management district that will bring us into for the most part compliance on the east side. There is some minor stuff that we need to do in a couple drainage

areas other than that we will be in compliance after this is completed. At that point in time we will be able to transfer the wetland permits from a construction phase to a development phase at which point we will then be able to transfer full control on the east side of those conservation areas to the CDD. It was not felt it was appropriate to transfer that when there are still some liabilities associated with those areas. That burning should happen the middle of August or the first part of September and I will notify the CDD as well as Native Lands prior to when that is actually going to happen. That should bring us into compliance on the east side.

Additionally in speaking with the District Engineer we understand that there should not be a need for platting on the east side in order to separate the areas of golf course, wetlands, lakes, etc. and that all that we would need to do is go back to the conservation easements that we currently have on the east side and have those as defined areas in which we are going to be doing any CDD work and combining all that into one map would be the easiest way to do this without having to go through the platting process itself. The areas of the wetlands conservation areas, etc. will then be transferred over to the CDD control, the ownership will be maintained with the declarant.

Mr. Spano asked what is the timetable of getting that completed?

Mr. Overdorf responded the burning is the biggest thing and that should be done by the end of September at the latest. When is the next CDD meeting?

Mr. Showe responded there is not one scheduled at this point. We meet as needed.

Mr. Overdorf stated I would imagine that the majority of this should be wrapped up by October.

Mr. Spano stated we are going to have a November landowners meeting.

Mr. Showe stated we could have a Board meeting in conjunction with the landowner meeting.

Mr. Spano stated that would make sense if we could wrap that up.

Mr. Overdorf stated we will certainly try to make that happen.

Mr. Straub stated there is no dividing of land so platting as I understand it is done if there are going to be properties sold off like lots. Since there is not then platting is just an expense that nobody needs, the county is not requiring it and they are not going to be subdivided and sold. You are wasting your money to do platting on something of that nature and I think that is what the District Engineer went along with saying this is not necessary.

TENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There not being any, the next item followed.

B. Engineer

There not being any, the next item followed.

C. Manager

i. Approval of Check Register

Mr. Showe stated the next item is approval of the check register for checks 512 through 530 in the amount of \$78,229.86.

Mr. Spano stated I have reviewed the check register and disbursements contained within represent the normal operating costs of the CDD including engineering, maintenance areas and some repairs and administrative support from engineers and legal.

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

ii. Balance Sheet and Income Statement

Mr. Showe stated next is the balance sheet and income statement. There is no action required by the Board.

Mr. Spano stated I want to note that we have in cash \$679,000 of which \$414,000 is in investments the other \$200,000 is in operating. We are solvent.

iii. Presentation of Number of Registered Voters

Mr. Showe stated we are required by Florida Statutes to present the number of registered voters annually and as of April 15, 2014 the Tesoro Community Development District has 171 registered voters.

iv. Approval of Fiscal Year 2015 Meeting Schedule

Mr. Showe stated next is approval of the 2015 meeting schedule. We generally don't do a full meeting schedule for Tesoro but we are required to advertise the annual meeting schedule and you have the notice that would go in the paper indicating that the Board will meet on an as needed basis and advertise those meetings in accordance with the Florida Statutes.

On MOTION by Mr. Spano seconded by Ms. Stewart with all in favor the notice indicating that the Board will meet on an as needed basis was approved.


ELEVENTH ORDER OF BUSINESS Audience Comments

There not being any, the next item followed.

TWELFTH ORDER OF BUSINESS Supervisor's Requests

Mr. Spano stated when we have our November 17th meeting I expect we will have good attendance from the residents.

On MOTION by Mr. Spano seconded by Ms. Stewart with all in favor the meeting adjourned at 9:58 a.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman