

*Tesoro Community  
Development District*

*Agenda*

*May 28, 2019*

# AGENDA



# ***Tesoro***

## ***Community Development District***

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135 W. Central Blvd., Suite 320, Orlando, FL 32801

Phone: 407-841-5524 – Fax: 407-839-1526

May 22, 2019

Board of Supervisors  
Tesoro Community  
Development District

Dear Board Members:

The meeting of the Board of Supervisors of the Tesoro Community Development District will be held on **Wednesday, May 29, 2019 at 10:00 a.m. at the Tesoro Club, 2000 SE Via Tesoro Blvd., Port St. Lucie, Florida.** Following is the advance agenda for the meeting:

### **Board of Supervisors Meeting**

1. Roll Call
2. Public Comment Period
3. Approval of Minutes of the November 27, 2018 Board of Supervisors Meeting and Acceptance of the Minutes of the November 27, 2018 Landowners' Meeting
4. Consideration of Resolution 2019-03 Approving the Proposed Budget for Fiscal Year 2020 and Setting a Public Hearing
5. Ratification of Agreements
  - A. Wetland, Lake and Upland Preserve Maintenance Services with Native Lands Management, Inc.
  - B. Wetlands Boundary and Lake Banks Landscape Maintenance Agreement with Wellington Pro Lawn Care
6. Review and Acceptance of Fiscal Year 2018 Audit Report
7. Appointment of Audit Committee and Chairman
8. Staff Reports
  - A. Attorney
  - B. Engineer
  - C. District Manager's Report
    - i. Approval of Check Register
    - ii. Balance Sheet and Income Statement
    - iii. Presentation of Number of Registered Voters – 251
    - iv. Engagement Confirmation with Dean Mead Regarding Real Property Issues
    - v. Field Manager's Report
9. Audience Comments
10. Supervisor's Requests
11. Adjournment

### **Audit Committee Meeting**

1. Roll Call
2. Public Comment Period
3. Audit Services
  - A. Approval of Request for Proposals and Selection Criteria
  - B. Approval of Notice of Request for Proposals for Audit Services
  - C. Public Announcement of Opportunity to Provide Audit Services
4. Adjournment

The second order of business of the Board of Supervisors Meeting is the Public Comment Period where the public has an opportunity to be heard on propositions coming before the Board as reflected on the agenda, and any other items.

The third order of business is the approval of the minutes of the November 27, 2018 Board of Supervisors meeting and acceptance of the minutes of the November 27, 2018 Landowners' Meeting. The minutes are enclosed for your review.

The fourth order of business is consideration of the Resolution 2019-03 approving the proposed budget for Fiscal Year 2020 and setting a public hearing. Once approved, the proposed budget will be forwarded to the governing authorities at least 60 days prior to the final budget hearing. A copy of the Resolution and proposed budget are enclosed for your review.

The fifth order of business is ratification of agreements. Section A is the Wetland, Lake and Upland Preserve Maintenance Services Agreement with Native Lands Management, Inc. A copy of the agreement is enclosed for your review. Section B is the Wetlands Boundary and Lake Banks Landscape Maintenance Services Agreement with Wellington Pro Lawn Care. A copy of the agreement is enclosed for your review.

The sixth order of business is review and acceptance of the Fiscal Year 2018 Audit Report. A copy of the report is enclosed for your review.

The seventh order of business is appointment of Audit Committee and Chairman. There is no back-up.

Section C of the eighth order of business is the District Manager's Report. Section 1 includes the check register for approval and Section 2 includes the balance sheet and income statement for your review. Section 3 is the presentation of the number of registered voters within the boundaries of the District. A copy of the letter from the St. Lucie County Supervisor of Elections is enclosed for your review. Section 4 is engagement confirmation with Dean Mead regarding real property issues. A copy of the engagement letter is enclosed for your review. Section 5 is the Field Managers Report. A copy of the report is being provided under separate cover.

Following the adjournment of the Board of Supervisor's meeting, there will be a meeting of the Audit Committee to approve the Request for Proposals and selection criteria and the notice of RFP for auditing services. Enclosed for your review are copies of the RFP, selection criteria, and RFP notice.

The balance of the agenda will be discussed at the meeting. In the meantime, if you should have any questions, please contact me.

Sincerely,



George S. Flint,  
District Manager

Cc: William Capko, District Counsel  
Butch Terpening, District Engineer  
Darrin Mossing, GMS

Enclosures

**BOARD OF SUPERVISORS  
MEETING**

# MINUTES

MINUTES OF MEETING  
TESORO COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Tesoro Community Development District was held Tuesday, November 27, 2018 at 10:02 a.m. at the Tesoro Club, Grill Room, 2000 S.E. Via Tesoro, Port St. Lucie, Florida.

Present and constituting a quorum were:

Sal Spano	Chairman
Kathy Fialco	Vice Chairperson
Hal Fenner	Treasurer
Rina Osle-Girard	Secretary

Also present were:

George Flint	District Manager
Bill Capko	District Attorney by telephone
Tom Kiernan	Culpepper & Terpening
William Viasalyers	Field Manager
Paula Loughlin	Castle Group

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Flint called the meeting to order.

**SECOND ORDER OF BUSINESS**

**Public Comment Period**

There being none, the next item followed.

**THIRD ORDER OF BUSINESS**

**Organizational Matters**

**A. Administration of Oath of Office to Newly Elected Supervisors**

Mr. Flint being a notary public of the State of Florida administered the Oath of Office to Mr. Spano, Ms. Fialco and Ms. Osle-Girard.

Mr. Flint stated as a Board Member you are a public official and subject to government in the sunshine law, public records laws, other laws that apply to public officials such as city commissioners, county commissioners, school Board Members. The main issue with the sunshine law is that you are not supposed to talk to the other Board Members about CDD

business outside of a publicly noticed meeting. That includes texts, emails, verbal communication, communications through third parties, that sort of thing. You need to be careful not to inadvertently do that. There is a Form 1 disclosure of financial interests that is attached to the paperwork I gave you and that has to be filed within 30 days of today with the Supervisor of Elections in the County in which you reside. It has to be filed annually and each year in June they will mail you a new form and you will have to file it by July 1<sup>st</sup>. As a Board Member you are also entitled to compensation of \$200 per meeting and if you choose to accept the compensation the W-4 and I-9 forms need to be filled out and sent to me and we process that.

**B. Consideration of Resolution 2019-01 Canvassing and Certifying the Results of the Landowners Election**

Mr. Flint stated Resolution 2019-01 canvasses and certifies the results of the Landowners' election. We will fill in the names of the three Board Members that were elected, Mr. Spano, Ms. Fialco and Ms. Osle-Girard and it will indicate that Mr. Spano and Ms. Fialco received 600 votes each and will serve four-year terms of office and Ms. Osle-Girard received 599 votes and will serve a two-year term of office.

On MOTION by Mr. Spano seconded by Ms. Fialco with all in favor Resolution 2019-01 was approved.

**C. Acceptance of Resignation of Everardo Ortiz**

On MOTION by Mr. Spano seconded by Ms. Fialco with all in favor Everardo Ortiz' resignation was accepted.

**D. Appointment of An Individual to Fill Board Vacancy with a Term Ending November 2020**

Mr. Flint stated any time there is a Board vacancy during the term of that seat the remaining Board Members appoint a replacement. This seat has a term ending in November 2020. Are there any nominations to fill that seat at this time?

Mr. Spano responded not at this time.

**E. Consideration of Resolution 2019-02 Electing Officers**

Mr. Flint stated you have Resolution 2019-02 in your agenda package. Currently Mr. Spano is Chairman, Ms. Fialco is Vice Chairperson, Ms. Lordi was Secretary, Mr. Fenner was Treasurer, I was an Assistant Secretary and Ariel Lovera was an Assistant Treasurer. We can handle each office individually or someone can propose a slate.

On MOTION by Mr. Spano seconded by Ms. Fialco with all in favor Resolution 2019-02 was approved reflecting the following officers: Sal Spano Chairman, Kathy Fialco Vice Chairperson, Rina Osle-Girard Secretary, Hal Fenner Treasurer, George Flint Assistant Secretary and Ariel Lovera Assistant Treasurer.

**FOURTH ORDER OF BUSINESS****Approval of the Minutes of the August 28, 2018 Meeting**

Mr. Spano stated I would like to verify the unit count on page 2, the fourth paragraph down.

Mr. Flint stated we reviewed that and what was certified to the property appraiser is 140 units.

Mr. Spano asked why is there a discrepancy between you and the POA?

Mr. Flint stated there isn't anymore. The assessment roll that you reviewed had old data in it and when we went back and reviewed it we reconciled it to the same number and came up with the same number the POA had.

On MOTION by Mr. Spano seconded by Ms. Fialco with all in favor the minutes of the August 28, 2018 meeting were approved as presented.

Mr. Capko joined the meeting by telephone at this time.

**FIFTH ORDER OF BUSINESS****Consideration of Second Extension to the Wetland, Lake and Upland Preserve Maintenance Agreement with Native Lands Management, Inc.****SIXTH ORDER OF BUSINESS****Consideration of First Extension to the Wetlands Boundary and Lake Banks Landscape Maintenance Agreement with Wellington Pro Lawn Care**

Mr. Flint stated when the Board made the decision to bid out the upland buffer landscaping maintenance and the lake and wetland maintenance you made a motion to extend the existing contracts on a month to month basis while we were bidding it out. Items five and six are just the extensions of the contracts that expired on September 30, 2018. You are not awarding the new one yet that will be what we talk about next.

On MOTION by Mr. Spano seconded by Ms. Fialco with all in favor the Second Extension to the agreement with Native Lands Management, Inc. and the First Extension to the agreement with Wellington Pro Lawn Care on a month to month basis were ratified.

The next item was taken out of order.

#### **EIGHTH ORDER OF BUSINESS**

#### **Review of Proposal and Selection of Firm to Provide Wetlands Boundary and Lake Banks Landscape Services (RFP 2018-200)**

Mr. Flint stated item eight is the lake bank landscape services. We had five firms request the bid package, we held a voluntary pre-bid conference, no one showed up to the pre-bid conference and we received one proposal and that was from Wellington Landscape, the current provider of the services. I don't believe Wellington has increased their fees in a number of years. The existing contract was \$89,986 and their bid came in at \$94,500, which is a 5% increase.

Mr. Spano stated they did come to me and discuss that with me and I recommended that they put in an increase and I negotiated it down to a 5% increase.

Mr. Flint stated because you only received one bid so you have the option of rejecting it and rebidding or accepting the bid and awarding the contract.

Mr. Spano stated Wellington Pro Lawn Care has worked with us for over two decades and they have been the vendor here and have won four other bids in the past and that might be why you are not getting a lot of other bids.

On MOTION by Mr. Spano seconded by Ms. Fialco with all in favor the contract was awarded to Wellington Pro Lawn Care in the amount of \$94,500.



**SEVENTH ORDER OF BUSINESS****Review of Proposals and Selection of Firm to Provide Wetland, Lake and Upland Preserve Maintenance Services (RFP 2018-100)**

Mr. Flint stated we also bid the lake and wetland maintenance, we had eight firms request packages, six companies represented at the pre-bid conference and received three proposals that you were provided. The proposals were from Lake and Wetland Management, Inc., Kerner Environmental and Native Lands Management, Inc. Native Lands Management, Inc. is the current provider of the services. When you approved the form of the RFP you also approved the evaluation criteria that included personnel, experience, understanding of the scope of work and their financial capability as well as price. On the ranking sheet we put the price, which represents 15 points out of the total 100 points. Native Lands came in at \$151,992, which is their current contract amount, Lake and Wetland Management came in at \$147,432 and Kerner Environmental came in at \$140,262.

Kerner Environmental is a very small company, has gross revenue of less than \$500,000 a year. This contract is \$140,000 so it would represent more than a third of their current revenue. They have limited staffing. I'm sure they would do a fine job; my concern would be the size of the company and their ability to provide the service. I would keep that in mind and price is only 15% of the total so although they are the lowest price bidder the other criteria come into play when you are evaluating them.

Lake and Wetland Management is a larger company and they have a lot of experience as demonstrated in the proposal, they do work for a number of CDDs. They have offices throughout the State of Florida and a presence in this area. I think the variable between them and our current provider is probably understanding the scope of work since our current provider has been maintaining these systems since they were constructed. They are intimately familiar with the work that needs to be done and we don't have any issues with their current performance. I think that would come into play when you are evaluating the firms.

Mr. Spano stated there was a time in the past when we took the lowest bidder brought them in and for six months the place was a mess and we couldn't get anything done and since there is such a small difference in price and the history we have, I recommend we continue with our current contractor.

Mr. Spano stated I rank Native Lands no. 1, Lake and Wetland no. 2 and Kerner Environmental no. 3.

On MOTION by Mr. Spano seconded by Mr. Fenner with all in favor Native Lands Management, Inc. was ranked 1, Lake and Wetland Management was ranked 2 and Kerner Environmental was ranked 3.

Mr. Flint stated we will get contracts drafted with those firms and ratify them at a future meeting.

## **NINTH ORDER OF BUSINESS**

### **Staff Reports**

#### **A. Attorney**

There being none, the next item followed.

#### **B. Engineer**

Mr. Kiernan stated I would like to provide an update on the work effort we have been undertaking to provide the access rights for the CDD to continue to maintain the drainage facilities. We have identified all of the areas on the east side, everything east of Via Tesoro, and we have written the descriptions that would be included in that agreement for the east side. The west side we have identified all of those areas as well and we are in the process of preparing the legal descriptions for the west side of the property, which would give the CDD the rights for ingress/egress. Our timeline for that is within the next 30 days to have it all completed and at that point I believe those legal descriptions and our exhibit will go to Mr. Dobbins. I wouldn't expect him to do more than review that and I expect he will have drafted language that would be the overall document that you would look for the POA to execute on behalf of the CDD.

Mr. Spano stated I ask that you keep George Flint and his group in on all emails and correspondence as we finalize this so we have a coordinated effort.

Mr. Flint stated there have been a number of targets set that haven't been met on this and it has gone on for years so you really need to meet that 30 day timeframe.

Mr. Kiernan stated I'm making that commitment here, that is why I'm here because we actually see that this is completed, we have identified all the areas and it is a matter of putting the legal language into the descriptions, which is what I do in the surveying department so we are there and I see the goal line within 30 days. I will take the lead on this particular item from here on out.

**C. Manager**

**i. Approval of Check Register**

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

**ii. Balance Sheet and Income Statement**

A copy of the balance sheet and income statement was included in the agenda package.

**iii. Field Manager's Report**

Mr. Spano stated we are still not getting copies of the field reports.

**TENTH ORDER OF BUSINESS**

**Audience Comments**

There being none, the next item followed.

**ELEVENTH ORDER OF BUSINESS**

**Supervisor's Requests**

There being none,

On MOTION by Mr. Spano seconded by Ms. Fialco with all in favor the meeting adjourned at 10:28 a.m.

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Secretary/Assistant Secretary

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Chairman/Vice Chairman

MINUTES OF LANDOWNERS' MEETING  
TESORO COMMUNITY DEVELOPMENT DISTRICT

The Tesoro Community Development District held a Landowners' Meeting on Tuesday, November 27, 2018 at 10:00 a.m. at the Tesoro Club, Grill Room, 2000 S.E. Via Tesoro, Port St. Lucie, Florida.

Present were:

Sal Spano  
Kathy Fialco  
Hal Fenner  
Rina Osle-Girard  
George Flint

**FIRST ORDER OF BUSINESS**

**Determination of Number of Voting Units  
Represented**

Mr. Flint stated I have been provided documentation from West Coast Investors, LLC indicating they own 663.46 acres representing 832 votes.

**SECOND ORDER OF BUSINESS**

**Call to Order**

Mr. Flint called the meeting to order.

**THIRD ORDER OF BUSINESS**

**Election of a Chairman for the Purpose of  
Conducting the Landowners' Meeting**

Mr. Flint asked as a representation of West Coast Investors will you designate me as Chairman for purposes of conducting the Landowners' Meeting?

Mr. Spano responded yes.

**FOURTH ORDER OF BUSINESS**

**Nominations for Position of Supervisor**

Mr. Flint stated Mr. Spano has provided me with his official ballot nominating himself, Kathy Fialco and Rina Osle-Girard.

There being no other nominations the floor was closed to nominations.

**FIFTH ORDER OF BUSINESS**

**Casting of Ballots**

**SIXTH ORDER OF BUSINESS**

**Ballot Tabulation**

Mr. Flint stated Mr. Spano has cast 600 votes for Mr. Spano, 600 votes for Ms. Fialco and 599 for Ms. Osle-Girard.

**SEVENTH ORDER OF BUSINESS**

**Landowners' Questions and Comments**

There being none, the Landowners' Meeting adjourned.

## SECTION IV

## RESOLUTION 2019-03

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE TESORO COMMUNITY DEVELOPMENT DISTRICT APPROVING A PROPOSED BUDGET FOR FISCAL YEAR 2019/2020 AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW; ADDRESSING TRANSMITTAL, POSTING AND PUBLICATION REQUIREMENTS; ADDRESSING SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the District Manager has heretofore prepared and submitted to the Board of Supervisors ("**Board**") of the Tesoro Community Development District ("**District**") prior to June 15, 2019, a proposed budget ("**Proposed Budget**") for the fiscal year beginning October 1, 2019 and ending September 30, 2020 ("**Fiscal Year 2019/2020**"); and

**WHEREAS**, the Board has considered the Proposed Budget and desires to set the required public hearing thereon.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE TESORO COMMUNITY DEVELOPMENT DISTRICT:**

1. **PROPOSED BUDGET APPROVED.** The Proposed Budget prepared by the District Manager for Fiscal Year 2019/2020 attached hereto as **Exhibit A** is hereby approved as the basis for conducting a public hearing to adopt said Proposed Budget.

2. **SETTING A PUBLIC HEARING.** A public hearing on said approved Proposed Budget is hereby declared and set for the following date, hour and location:

DATE: August 28, 2019

HOUR: 10:00 a.m.

LOCATION: The Tesoro Club  
2000 SE Via Tesoro Blvd.  
Port St. Lucie, FL 34984

3. **TRANSMITTAL OF PROPOSED BUDGET TO LOCAL GENERAL PURPOSE GOVERNMENT.** The District Manager is hereby directed to submit a copy of the Proposed Budget to St. Lucie County and the City of Port St. Lucie at least 60 days prior to the hearing set above.

4. **POSTING OF PROPOSED BUDGET.** In accordance with Section 189.016, *Florida Statutes*, the District's Secretary is further directed to post the approved Proposed Budget on the District's website at least two days before the budget hearing date as set forth in Section 2, and shall remain on the website for at least 45 days.

5. **PUBLICATION OF NOTICE.** Notice of this public hearing shall be published in the manner prescribed in Florida law.

6. **SEVERABILITY.** The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

7. **EFFECTIVE DATE.** This Resolution shall take effect immediately upon adoption.

**PASSED AND ADOPTED THIS 29<sup>th</sup> DAY OF MAY, 2019.**

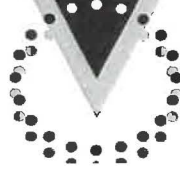
ATTEST:

**TESORO COMMUNITY  
DEVELOPMENT DISTRICT**

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
Its: \_\_\_\_\_





**TESORO**

**Community Development  
District**

**Proposed Budget**

**FY 2020**



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**1** General Fund

**2-6** General Fund Narrative

# Tesoro

## Community Development District General Fund Budget

	Adopted Budget FY2019	Actual thru 4/30/19	Projected Next 5 Months	Projected thru 9/30/19	Proposed Budget FY2020
<b>Revenues</b>					
Stormwater Fees	\$210,000	\$224,110	\$2,934	\$227,044	\$220,000
Maintenance Assessments	\$71,321	\$65,487	\$5,834	\$71,321	\$71,321
Interest Income	\$5,000	\$6,537	\$3,463	\$10,000	\$7,500
Carry Forward Surplus	\$111,729	\$59,460	\$0	\$59,460	\$104,121
<b>Total Revenues</b>	<b>\$398,050</b>	<b>\$355,595</b>	<b>\$12,231</b>	<b>\$367,825</b>	<b>\$402,942</b>
<b>Expenditures</b>					
<b>Administrative</b>					
Supervisor Fees	\$4,000	\$600	\$2,000	\$2,600	\$4,000
FICA Expense	\$306	\$46	\$153	\$199	\$306
Engineering	\$5,000	\$14,083	\$5,917	\$20,000	\$5,000
Attorney	\$10,000	\$1,671	\$3,329	\$5,000	\$10,000
Annual Audit	\$2,800	\$0	\$2,800	\$2,800	\$2,800
Assessment Administration	\$2,500	\$2,500	\$0	\$2,500	\$2,500
District Management Fees	\$31,827	\$18,566	\$13,261	\$31,827	\$31,827
Information Technology	\$500	\$1,492	\$208	\$1,700	\$500
Telephone	\$150	\$6	\$44	\$50	\$150
Postage	\$1,000	\$173	\$327	\$500	\$1,000
Insurance	\$6,844	\$6,222	\$0	\$6,222	\$6,844
Printing & Binding	\$1,000	\$33	\$167	\$200	\$1,000
Legal Advertising	\$1,600	\$615	\$985	\$1,600	\$1,600
Other Current Charges	\$750	\$219	\$226	\$445	\$750
Office Supplies	\$200	\$21	\$54	\$75	\$200
Dues, Licenses & Subscriptions	\$175	\$175	\$0	\$175	\$175
<b>Administrative Expenses</b>	<b>\$68,652</b>	<b>\$46,421</b>	<b>\$29,471</b>	<b>\$75,892</b>	<b>\$68,652</b>
<b>Field Operations</b>					
Field Management Fees	\$15,450	\$9,013	\$6,438	\$15,450	\$15,450
<b>West Side</b>					
Mitigation Maintenance	\$85,116	\$49,651	\$35,465	\$85,116	\$85,116
Landscaping	\$89,986	\$53,996	\$39,375	\$93,371	\$94,500
Electric	\$10,000	\$78	\$57	\$135	\$10,000
Plant Replacement	\$5,000	\$0	\$2,500	\$2,500	\$5,000
Fountain Repairs	\$5,000	\$0	\$2,500	\$2,500	\$5,000
Contingency	\$26,095	\$0	\$13,048	\$13,048	\$26,473
<b>East Side</b>					
Mitigation Monitoring	\$7,500	\$0	\$3,750	\$3,750	\$7,500
Mitigation Maintenance	\$66,876	\$39,011	\$27,865	\$66,876	\$66,876
Plant Replacement	\$5,000	\$0	\$2,500	\$2,500	\$5,000
Contingency	\$13,375	\$0	\$6,688	\$6,688	\$13,375
<b>Field Operations Expenses</b>	<b>\$329,398</b>	<b>\$151,749</b>	<b>\$140,185</b>	<b>\$291,933</b>	<b>\$334,290</b>
<b>Total Expenditures</b>	<b>\$398,050</b>	<b>\$198,170</b>	<b>\$169,656</b>	<b>\$367,826</b>	<b>\$402,942</b>
<b>Excess Revenues /(Expenditures)</b>	<b>\$0</b>	<b>\$157,424</b>	<b>(\$157,425)</b>	<b>(\$0)</b>	<b>\$0</b>

Net Assessments	\$71,321
Add: Discounts & Collections	\$4,552
Gross Assessments	\$75,873

SF Lots*	Per Unit Gross Maintenance Assessment				
	FY2016	FY2017	FY2018	FY2019	FY2020
Developed	\$40.69	\$40.69	\$40.69	\$40.69	\$40.69
Tracts	\$40.69	\$40.69	\$40.69	\$40.69	\$40.69
Undeveloped	\$30.51	\$30.52	\$30.52	\$30.52	\$30.52

\*Undeveloped SF Lots assessed at .75 units

**Tesoro**  
**Community Development District**  
GENERAL FUND BUDGET

**REVENUES:**

**Stormwater Fees**

The District has entered into an agreement with the City of St. Lucie requiring the City to refund to the District 75% of all stormwater fees collected within the District's boundaries.

<b>Description</b>	<b>Amount</b>
Gross Stormwater Revenue	\$325,612
Less: Discount, Tax Collector & Property Appraiser @ 7% (.93)	\$302,819
CDD Amount (75%)	\$227,114
Allowance for Delinquencies	\$(7,114)
<b>NET BUDGET</b>	<b>\$220,000</b>

**Maintenance Assessments**

The District will levy a non-ad valorem special assessment on all taxable property within the District, to fund General Operating and Maintenance Expenditures for the Fiscal Year. This represents the net assessments after discounts and collection fees.

**Interest Income**

The District will invest surplus funds with State Board of Administration.

**Carry Forward Surplus**

The District will utilize a portion of excess funds collected in previous fiscal years.

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**EXPENDITURES:**

**Administrative:**

**Supervisor Fees**

The Florida Statutes allows each board member to receive \$200 per meeting not to exceed \$4,800 in one year. The amount for the fiscal year is based upon 5 supervisors attending 4 monthly meetings.

**FICA Expense**

Represents the Employer's share of Social Security and Medicare taxes withheld from the Board of Supervisors checks.

**Engineering**

The District's engineer will be providing general engineering services to the District, e.g. attendance and preparation for monthly board meetings, review invoices, etc. The District has contracted Culpepper & Terpening for this service.

**Tesoro**  
**Community Development District**  
GENERAL FUND BUDGET

*Attorney*

The District's legal counsel, Lewis, Longman & Walker, P.A., will be providing general legal services to the District, e.g. attendance and preparation for monthly meetings, review operating & maintenance contracts, etc.

*Annual Audit*

The District is required annually to conduct an audit of its financial records by an Independent Certified Public Accounting Firm. The District is contracted with Grau and Associates, CPA.

*Assessment Administration*

The District has contracted with Governmental Management Services-CF, LLC to levy and administer the collection of non-ad valorem assessment on all assessable property within the District.

*District Management Fees*

The District has contracted with Governmental Management Services - Central Florida, LLC to provide management, accounting and recording secretary services. These services include but are not limited to, advertising, recording and transcribing of Board meetings, administrative services, budget preparation, financial reporting, and assisting with annual audits.

*Information Technology*

The District incurs costs related to the District's accounting and information systems, District's website creation and maintenance, electronic compliance with Florida Statutes and other electronic data requirements.

*Telephone*

The District incurs charges for telephone and facsimile services.

*Postage*

Mailing of agenda packages, overnight deliveries, checks for vendors and other required correspondence.

*Insurance*

The District's general liability and public officials liability coverage is provide by the Florida Insurance Alliance (FIA). FIA specializes in providing insurance coverage to governmental agencies.

*Printing & Binding*

Printing and Binding agenda packages for board meetings, printing of computerized checks, stationary, envelopes etc.

*Legal Advertising*

The District is required to advertise various notices for monthly Board meetings, public hearings etc. in a newspaper of general circulation.

**Tesoro**  
**Community Development District**  
GENERAL FUND BUDGET

Other Current Charges

Includes bank charges and any other miscellaneous expenses that are incurred during the year.

Office Supplies

Miscellaneous office supplies.

Dues, Licenses & Subscriptions

The District is required to pay an annual fee to the Department of Economic Opportunity for \$175. This is the only expense under this category for the District.

**Field Operations:**

Field Management Fees

The District has contracted with Governmental Management Services – Central Florida, LLC to provide onsite field management of contracts for the District Services such as landscape and lake maintenance. Services to include onsite inspections, meetings with contractors and monitoring of utility accounts.

**West Side**

Mitigation Maintenance

Includes the cutting and removal of exotic and nuisance vegetation from all wetland preserves and their associated buffers within the limits of the US Army Corps of Engineers permit and the SFWMD permit previously issued for the parcel west of Via Tesoro Boulevard within the limits of the Tesoro West project area. Due to the native vegetation on the site and in accordance with the conditions of the Agency permits, hand cutting of vegetation will occur where possible and application of an appropriate herbicide to the cut stumps to inhibit further growth. The District has contracted with Native Lands Management, Inc. for this service.

<b>Description</b>	<b>Monthly</b>	<b>Annually</b>
Mitigation Maintenance	\$7,093	\$85,116
<b>TOTAL</b>		<b>\$85,116</b>

Landscaping

Scheduled maintenance consists of trimming vegetation, weed control, edging, blowing, application of herbicides (as permitted), and the removal of debris and trash within the service area. The District has contracted with Wellington Pro Lawn Care for this service.

<b>Description</b>	<b>Monthly</b>	<b>Annually</b>
Landscape Maintenance	\$7,875	\$94,500
<b>TOTAL</b>		<b>\$94,500</b>

**Tesoro**  
**Community Development District**  
GENERAL FUND BUDGET

*Electric*

To record cost of electric services to an irrigation pump. The District has the following utility account with Florida Power & Light.

<b>Description</b>	<b>Monthly</b>	<b>Annually</b>
167 SE Bella Strano #Pump	\$833	\$10,000
<b>TOTAL</b>		<b>\$10,000</b>

*Plant Replacement*

Unscheduled maintenance consists of tree, shrub, and other plant material replacements in various communities.

*Fountain Repairs*

Includes expenses for equipment, supplies, and maintenance for the fountains at the District.

*Contingency*

The current year contingency represents 20% of the mitigation maintenance and 10% of the landscaping costs for any maintenance expenses not included in budget categories or not anticipated in specific line items.

*East Side*

*Mitigation Monitoring*

The District will schedule monitoring of mitigation areas.

*Mitigation Maintenance*

Includes the cutting and removal of exotic and nuisance vegetation from all wetland preserves and their associated buffers within the limits of the US Army corps of Engineers permit and the SFWMD permit previously issued for the parcel east of Via Tesoro Boulevard within the limits of the Tesoro East project area. Due to the native vegetation on the site and in accordance with the conditions of the Agency permits, hand cutting of vegetation will occur where possible and application of an appropriate herbicide to the cut stumps to inhibit further growth. The District has contracted with Native Lands Management, Inc. for this service.

<b>Description</b>	<b>Monthly</b>	<b>Annually</b>
Mitigation Maintenance	\$5,573	\$66,876
<b>TOTAL</b>		<b>\$66,876</b>

*Plant Replacement*

Unscheduled maintenance consists of tree, shrub, and other plant material replacements.

**Tesoro**  
**Community Development District**  
GENERAL FUND BUDGET

Contingency

The current year contingency represents 20% of the mitigation maintenance and 10% of the landscaping costs for any maintenance expenses not included in budget categories or not anticipated in specific line items.



## SECTION V

# SECTION A

**AGREEMENT BETWEEN NATIVE LANDS MANAGEMENT, INC. AND THE  
TESORO COMMUNITY DEVELOPMENT DISTRICT  
REGARDING THE PROVISION OF WETLAND, LAKE  
AND UPLAND PRESERVE MAINTENANCE SERVICES**

This Agreement is made and entered into this 1<sup>st</sup> day of January, 2019 by and between:

The Tesoro Community Development District, a local unit of special purpose government established pursuant to Chapter 190, Florida Statutes, being situated in St. Lucie County, Florida, and having offices at 135 West Central Blvd., Suite 320, Orlando, Florida 32801 (“the District”), and,

Native Lands Management, Inc., having offices at 3172 SE Waaler Street, Stuart, Florida 34997 (“the Contractor”).

**RECITALS**

**WHEREAS**, the District was established by a rule of the Florida Land and Water Adjudicatory Commission for the purpose of providing stormwater management and wetlands mitigation maintenance services to all residences and commercial properties throughout the District; and

**WHEREAS**, the District has a need to retain an independent contractor to provide wetland, lake, and upland preserve maintenance services for certain lands within the District; and

**WHEREAS**, the District finds it in the best interest of the District to engage the services of the Contractor.

**NOW, THEREFORE**, in consideration of the recitals, agreements, and mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

**Section 1. Recitals.** The recitals so stated above are true and correct and by this reference are incorporated into and form a material part of this Agreement.

**Section 2. Duties.** The duties, obligations, and responsibilities of the Contractor are described in Exhibit “A” attached hereto. The location of the services is identified on Exhibit “B” attached hereto. Contractor shall be solely responsible for the means, manner and methods by which its duties, obligations and responsibilities are met to the satisfaction of the District. Contractor shall report to the District Manager or his designee. Additional duties may be specified by the District Manager or his designee.

**Section 3. Compensation.** District agrees to compensate the Contractor in accordance with the following schedule:

Monthly Treatment Costs - \$12,666.00 (\$151,992.00 Annually)

Contractor shall invoice the District for services performed monthly.

Any additional compensation for additional duties shall be paid only upon the written authorization of the District Manager or his designee.

**Section 4. Independent Contractor.** The District and Contractor agree and acknowledge that Contractor shall serve as an independent contractor of the District.

**Section 5. Term.** This Agreement shall commence on January 1, 2019 and shall continue until September 30, 2019 unless terminated in accordance with Section 11 below. This contract may be extended by up to two (2) additional one (1) year terms upon mutual agreement in writing by both the Contractor and District. This agreement may be extended on a month-to-month basis upon agreement of the parties hereto in writing and subject to appropriation of funds by the District's Board of Supervisors.

**Section 6. Insurance.**

**A.** The Contractor shall maintain throughout the term of this Agreement the following insurance

- (1) Worker's Compensation Insurance in accordance with the laws of the State of Florida.
- (2) Commercial General Liability Insurance covering the Contractor's legal liability for bodily injuries, with limits of not less than \$2,000,000 (two million dollars) combined single limit bodily injury and property damage liability with the District named as an additional insured, and covering at least the following hazards:
  - (i) Independent Contractors Coverage for bodily injury and property damage in connection with subcontractors' operation;
  - (ii) The District shall be named as additional insured
- (3) Employer's Liability Coverage with limits of at least \$1,000,000 (one million dollars) per accident or disease.
- (4) Professional Liability Insurance with limits of \$1,000,000 (one million dollars).
- (5) Automobile Liability Insurance for bodily injuries in limits of not less than \$2,000,000 (two million dollars) combined single limit bodily injury and for property damage, provided coverage for any accident arising out of or resulting from the operation, maintenance, or use by the Contractor of any owned, non-owned, or hired automobiles, trailers, or other equipment required to be licensed.

**Section 7. Indemnification.** Contractor agrees to indemnify and hold harmless and defend the District and its officers, agents and employees from any and all liability, claims, actions, suits or demands by any person, corporation or other entity for injuries, death, property damage or of any nature, arising out of, or in connection with, the work to be performed by Contractor,

including litigation or any appellate proceedings with respect thereto. Contractor agrees that nothing herein shall constitute or be construed as a waiver of the District's limitations on liability contained in Section 768.28, Florida Statutes, or other statute.

**Section 8. Agreement.** This instrument shall constitute the final and complete expression of this Agreement between the District and the Contractor relating to the subject matter of this Agreement. This Agreement effectively cancels the Second Extension to the Wetland, Lake and Upland Preserve Maintenance Agreement (dated October 1, 2018).

**Section 9. Amendments.** Amendments to and waivers of the provisions contained in this Agreement may be made by an instrument in writing which is executed by both the District and the Contractor.

**Section 10. Authorization.** The execution of this Agreement had been duly authorized by the appropriate body or official of the District and the Contractor, both the District and the Contractor have complied with all the requirements of law, and both the District and the Contractor have full power and authority to comply with the terms and provisions of this instrument.

**Section 11. Cancellation.** The District shall have the right to cancel this Agreement at anytime upon written notice. Contractor shall have the right to cancel this agreement upon thirty (30) days written notice to the District stating a failure of the District to perform in accordance with the terms of this Agreement.

**Section 12. Enforcement of Agreement.** In the event that either the District or the Contractor is required to enforce this Agreement by court proceedings or otherwise, then the prevailing party shall be entitled to recover all fees and costs incurred, including reasonable attorney's fees and costs for trial, alternative dispute resolution, or appellate proceedings.

**Section 13. Notices.** All notices, requests, consents, and other communications under this Agreement ("Notices") shall be in writing and shall be hand delivered, mailed by First Class Mail, postage prepaid, or sent by overnight delivery service, to the Parties, as follows:

**A. If to Contractor:** Native Lands Management, Inc.  
3172 SE Waler Street  
Stuart, Florida 34997  
Attn: Ronnie Howell

**B. If to District:** Tesoro Community Development District  
135 West Central Blvd., Suite 320  
Orlando, Florida 32801  
Attn: District Manager

**With a copy to:** Lewis, Longman & Walker PA  
515 N. Flagler Drive, Suite 1500  
West Palm Beach, Florida 33401  
Attention: William G. Capko

Except as otherwise provided in this Agreement, any Notices shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or a non-business day, shall be deemed received on the next business day. If at any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the District and counsel for the Contractor may deliver Notices on behalf of the District and the Contractor. Any Party or other person to whom Notices are to be sent or copied may notify the other Parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the Parties and addressees set forth in this Agreement.

**Section 14. Assignment.** Neither the District nor the Contractor may assign this Agreement or any monies to become due under this Agreement without the prior written approval of the other, and such approval shall not be unreasonably withheld.

**Section 15. Controlling Law.** This Agreement and the provisions contained in this Agreement shall be construed, interpreted, and controlled according to the laws of the State of Florida.

**Section 16. Severability.** The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part of this Agreement not held to be invalid or unenforceable.

**Section 17. Headings for Convenience Only.** The descriptive headings in this Agreement are for convenience only and shall neither control nor affect the meaning or construction on any of the provisions of this Agreement.

**Section 18. Counterparts.** This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute, but one and the same instrument.

**Section 19. Public Records.** Contractor understands and agrees that all documents of any kind provided to the District in connection with this Agreement may be public records, and, accordingly, Contractor agrees to comply with all applicable provisions of Florida law in handling such records, including but not limited to Section 119.0701, *Florida Statutes*. Contractor acknowledges that the designated public records custodian for the District is George Flint ("Public Records Custodian"). Among other requirements and to the extent applicable by law, the Contractor shall 1) keep and maintain public records required by the District to perform the service; 2) upon request by the Public Records Custodian, provide the District with the requested public records or allow the records to be inspected or copied within a reasonable time period at a cost that does not exceed the cost provided in Chapter 119, *Florida Statutes*; 3) ensure that public records which are exempt or confidential, and exempt from public records disclosure requirements, are not disclosed except as authorized by law for the duration of the contract term and following the contract term if the Contractor does not transfer the records to the Public Records Custodian of the District; and 4) upon completion of the contract, transfer to the District, at no cost, all public records in Contractor's possession or, alternatively, keep, maintain and meet all applicable requirements for retaining public records pursuant to Florida laws. When such public records are transferred by the Contractor, the Contractor shall destroy any duplicate public records that are

exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the District in a format that is compatible with Microsoft Word or Adobe PDF formats.

**IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, *FLORIDA STATUTES*, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (407) 841-5524, GFLINT@GMSCFL.COM, OR AT 135 W. CENTRAL BLVD., SUITE 320, ORLANDO, FLORIDA 32801.**

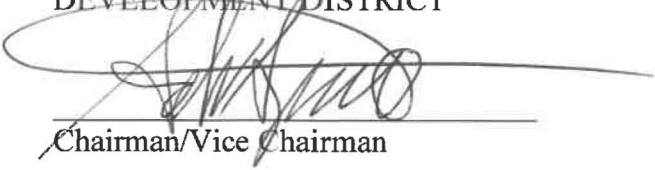
***[SIGNATURES ON FOLLOWING PAGE]***

**IN WITNESS WHEREOF**, the parties hereto have signed this Agreement on the day and year first written above.

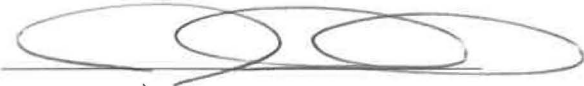
ATTEST:

  
Secretary/Assistant Secretary

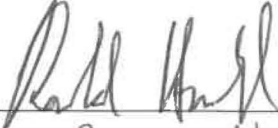
TESORO COMMUNITY  
DEVELOPMENT DISTRICT

  
Chairman/Vice Chairman

ATTEST:

  
Print: JOSEPH SHAW

NATIVE LANDS MANAGEMENT, INC

  
Print: Ronald Howell  
Title: Sec. of Treasurer



## **Exhibit A – Overall Scope of Services – Definition**

### **1. GENERAL CONTRACTOR REQUIREMENTS AND PROCEDURES**

The Contractor shall meet the requirements and follow the procedures associated with all items in this Agreement. These general requirements and procedures are as follows:

#### **1.1 Operation Procedures**

The Contractor shall perform the basic services outlined within the Attachment A-Scope of Services as defined between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday unless specified otherwise or directed by the District. The Contractor may submit a request for additional operation time, in response to poor weather conditions, to be reviewed for approval by the District. The District will designate where Contractor's crew will take breaks, lunches, and use restroom facilities. Employee personnel vehicles will be parked only in areas designated by the District.

#### **1.2 Key Personnel**

- 1.2.1 All Work shall be managed and/or directed by key personnel identified in the proposal. Any changes in the assigned key personnel shall be subject to approval by the District. Where applicable, the Contractor shall require certifications, training, etc. be secured and updated for all employees for the Environmental Services provided as defined in Attachment A-Scope of Services.
- 1.2.2 Contractor shall provide one (1) On-Site Field Operations Manager who is knowledgeable of the Contractor's daily activities when performed at the site. The Senior Overall Manager shall serve as the point of contact between the District, Contractor and any other entity and shall be responsible for coordinating all scheduled services with the District and for the timely scheduling of scheduled or unscheduled environmental services.
- 1.2.3 Contractor shall provide at least one (1) full-time onsite Field Manager to observe and monitor the daily or routine activities of environmental services covered in the contract as defined in Attachment A-Scope of Services.
- 1.2.4 Contractor shall provide a trained Field Crew to perform basic scope of services as outlined above for environmental services covered in the contract as defined in Attachment A-Scope of Services.
- 1.2.5 Contractor shall have key personnel office location within St. Lucie County and/or no more than twenty (20) miles from site.

#### **1.3 Personnel Dress Code**

The Contractor shall ensure that employees working on the Project shall wear

uniforms or professional attire at all times. Personnel will wear clean uniform shirts of consistent design and color.

#### **1.4 Personnel Conduct**

The Contractor shall enforce strict discipline and good order among its employees on the Project site. The Contractor shall ensure that its employees who communicate and interact with the community and any other customer/party associated with the Project are knowledgeable of the Project and the Services the Contractor is performing.

#### **1.5 Safety Program**

The Contractor shall develop, implement, and maintain a safety program for its operations on the Project. That safety program shall include, at a minimum, a safety policy, safety rules and procedures, safety training, procedures for reinforcing and monitoring safety programs, procedures for accident investigations, providing and maintaining equipment safety features, and safety record keeping.

The Contractor shall comply with all State of Florida and Federal and local regulations, rules and orders, as they pertain to occupational safety and health, the safe operation and security of the facilities.

The Contractor shall provide, at the Contractor's expense, all safety equipment and materials necessary for and related to the work performed by its employees. Such equipment will include, but is not limited to, items necessary to protect its employees and the general public, if applicable.

#### **1.6 Facility Location**

The District shall not provide a facility on the Project Site for the Contractor as part of this Scope of Services. The Contractor shall, upon receipt of written approval from the District, be allowed to temporarily store, if necessary, its materials and equipment on site at a District-selected location. The Contractor shall be responsible for security of its stored materials and equipment, as well as any connections for utilities to the storage site.

#### **1.7 Subcontractors**

If the Contractor, as a part of the performance of its Services, elects to employ Subcontractors, the following shall apply:

- The Contractor shall be responsible for, and coordinate with, the services of any of its Subcontractors.
- The Contractor shall require all of its Subcontractors, as a condition of employment, to agree to the applicable terms and conditions identified in the Contract Documents.
- Current certificates of insurance will be provided.

## **1.8 Consultants**

If the Contractor, as a part of the performance of its Services, elects to employ consultants, the following shall apply:

- The Contractor shall be responsible for, and coordinate with, the services of any of its consultants.
- The Contractor shall require all consultants, as a condition of employment, to agree to the applicable terms and conditions identified in the Contract Documents.
- Current certificates of insurance will be provided.

## **1.9 Document Control and Data Management**

### **1.9.1 Document Control**

The Contractor shall keep accurate records of documents received and, if applicable, issued by this Contractor. A “document log” shall be maintained during the work of this Contractor to provide records on the information available to or from this Contractor. The “log” shall outline document titles and dates, the originator, received dates, and to/from information. This “log” shall be updated monthly and submitted to the District when requested.

### **1.9.2 Data Maintenance**

The Contractor shall, after review with the District, establish a systematic process for the insertion of revised sets and the integration of that data into the overall Project plan after verification for compatibility and consistency of the information received with existing information.

### **1.9.3 Data Dispersal**

Should the Contractor distribute data to others, the Contractor shall document the distribution of data by completing a letter of transmittal. All distribution of data shall be accompanied by a letter of transmittal with a copy provided to the District identifying:

- Party to whom the data is being transferred
- Origination of the request for transfer
- Name of data being transferred
- Type(s) of data being transferred
- Date of transfer
- Purpose of transfer or use of information
- Further action necessary

The Contractor shall propose a format for, and keep a log of, all data transfers for updates to the District.

### **1.10 Verification of Data**

All data provided to the Contractor shall be examined for consistency with its records and work efforts. Any obvious inconsistency shall be reported to the District verbally and in writing, upon discovery.

### **1.11 Ownership of Data**

It is to be understood that all data transmitted, and material/equipment purchased under this contract by the Contractor or provided to the Contractor, either by the District or third parties, are the sole properties of the District. The Contractor shall have temporary charge of the data while performing contracted services for the Project. All data shall be returned to the District at the conclusion of the Project, after which, no copies of the data may be kept by the Contractor without the express written permission of the District.

The District shall retain the right to require that the Contractor transfer all Project data, material, or equipment to the District immediately upon fourteen (14) days' written notice, for any reason. The same procedures shall apply should it become necessary for the Contractor to voluntarily return all Project data to the District.

### **1.12 Quality Control**

The District will have the right, at any stage of the operation, to reject any or all of the Contractor's services and materials, which in the District's opinion does not meet the requirements of these specifications. The Contractor shall replace or reimburse the District for the cost of replacement or repairs, at the Contractor's own expense, those native plant materials as defined in Attachment A-Scope of Services that are damaged or lost due to insects, disease, fungus, and/or as result of Contractor's insufficient services as directed by the District. All replacements shall meet the current size, specifications, and quality of surrounding related material. Any other CDD items damaged due to the Contractor's negligence shall be repaired or replaced as directed by the District at the Contractor's own expense. All repairs and replacements shall also occur within two (2) weeks of notice from the District.

If requested by the District, the Contractor will make weekly walk-through reviews of the entire site related to visual observations and the Contractor's performance. The Contractor will make repairs and adjustments, as directed by the District, during these site visits. A monthly Environmental Services Report shall be generated by the Contractor and submitted to the District outlining potential problem areas and the Contractor's proposed corrective action, upcoming work approval request, coordination, scheduling, etc. The Contractor shall provide the District with a weekly updated environmental services log addressing all activities occurring in that week.

## **2.0 COORDINATION**

The Contractor shall provide coordination with the District for all items associated with the requirements of this Agreement.

## **2.1 General Coordination**

The Contractor shall meet with the District and its separate consultants as appropriate, on a monthly basis, if required. Those meetings shall serve as forum for the exchange of information, identification of pertinent and critical issues, determination of an action plan and schedule for resolving those issues, review of schedule and budget status, and discussion of other environmental services and maintenance related issues deemed appropriate by the District of the Contractor.

In addition, the Contractor shall provide a representative to attend the periodic meeting of the Board of Supervisors if requested to do so by the District. This representative shall be knowledgeable of Scope of Services as defined in Attachment A and shall be able to respond to any questions the Board may have as to the day-to-day activities at the Project site pursuant to this Agreement.

Coordination of the construction, operation, environmental services and general maintenance of the District assets at the Project is considered one of the many critical activities of the Contractor. Further, coordination of those efforts with all parties involved, or those with the need to know are crucial to the success of the Project. While all parties involved with the Project cannot be identified at this time, a partial list is provided as follows:

- CDD District Manager and/or CDD District Field Manager
- CDD District Engineer
- CDD District Representative
- St. Lucie County and its various departments
- Florida Turnpike Authority
- Florida Department of Transportation
- SFWMD
- US Army Corps of Engineers
- Adjacent property owners, as directed by the District
- Tesoro Club operating staff and Golf Course maintenance staff

## **2.2 Contractor's District Manager and Project Manager**

Contractor shall designate an on-site representative who will be responsible for overall supervision of the Contractor's work force on the Project and shall act as the single point of contact, on a daily basis, between the District and the Contractor. This individual shall maintain at all times a means of being contacted by the District (pager, cellular phone, or radio) and shall respond to such calls within twenty (20) minutes of contact. This individual shall be responsible for maintaining the Contractor's schedule of activities and notifying the District of this daily schedule for quality control of the Contractor's service and for arranging and supervising unscheduled service requests by District. Contractor will also provide District with a contact list for use in case of emergencies and will have personnel on call after regular business hours to respond accordingly.

### **2.3 Contractor's Vehicles and Equipment**

Contractor service vehicles must be well maintained and clean in appearance. Vehicles must be properly licensed and tagged and operated only by licensed personnel. All Contractors vehicles must operate in a safe and courteous manner while on site. Pedestrians have the right-of-way, and service vehicles are expected to yield. All trailers, storage facilities, and maintenance equipment must be in good condition and present a clean and neat appearance. Tools and equipment must be properly suited for their purpose and used in a safe manner utilizing the appropriate safety gear when necessary.

### **2.4 Contractor's Additional Provisions**

Property inspections will be conducted weekly by an authorized Contractor representative. Contractor will document and correct any environmental services deficiencies that are identified within one week, or provide a status update for work requiring a longer period to accomplish. Periodic inspections (no less than monthly) will be conducted in conjunction with a management representative of the District. A monthly report will be provided to the client summarizing activities completed, in progress and planned. Contractor will be proactive in identifying any environmental services conditions that affect long-term environmental health and vigor and will advise District, accordingly.

## **3. SCHEDULED OPERATIONS AND MAINTENANCE**

The Contractor shall meet all requirements as defined in **Attachment A - Scope of Services** and as required in this Agreement. The contractor shall make a complete site inspection of Tesoro, specifically the areas of Districts maintenance. **Attachment A - Scope of Services** includes plan identifying the general limits of Districts environmental services.

## **4. UNSCHEDULED MAINTENANCE AND REPAIRS**

The Contractor shall be equipped and organized to provide any unscheduled services and repairs required and any emergency maintenance and repairs as provide in the above noted Performance Specifications on an immediate basis.

## **5. RESPONSE TIME**

The Contractor shall provide services and repairs within the amount of time indicated in this Agreement. The following is general response time information and requirements for the Emergency Response Program to be developed, implemented, and maintained by the Contractor.

## **5.1 General**

The Contractor shall, on a timely and efficient basis, respond to any and all requests and perform all repairs, inspections, and observations, etc. stipulated in the Project Manual. The Contractor shall provide supervisory, operating and maintenance personnel as required who shall be available on call 24 hours per day, seven (7) days per week to respond to and correct any problems with any of the elements covered by this Agreement.

Response time, unless otherwise directed by the District, required by the Contractor for various environmental service activities is as follows:

- Standard environmental services activity adjustments: varies, as directed by District.
- Standard repairs: one week
- Emergency repairs: three (3) hours
- Unscheduled environmental services request: as needed, as soon as four (4) hours
- Plant material replacement: two (2) weeks

Should the Contractor fail to respond to a request for any services addressed in Attachment A-Scope of Services within the required allotted time, the Owner shall, at the Contractor's sole expense, provide the requested services.

## **5.2 Emergency Response Program**

The Contractor shall develop, implement, and maintain an Emergency Response Program (ERP) for emergency work that must proceed immediately to avoid property damage or result in a public health or safety hazard. The ERP shall address emergency situations including, but not limited to, the following items:

- Stormwater System or any Environmental Services
- Equipment failures
- Chemical spills

Additionally, the ERP shall address the following:

- Responsible parties to be notified
- Personnel, equipment, and emergency repair contractors on call and who will respond to each type of emergency
- Procedures for notifying the District, District Manager, the community, and other utility companies affected by the listed emergency
- The Contractor shall prepare, maintain and distribute an ERP manual detailing the procedures and responsibilities for the situations listed above and any other situation deemed appropriate by the District.
- The ERP manual shall be included in the operations section of the Administrative/Maintenance/Operations program.



## **Attachment A – Scope of Services**

The general items to be completed within the service area, as described in Attachment B is as follows:

1. Cutting, pulling and/or herbicidal treatment of all invasive, nuisance and exotic plants & trees in all wetlands, littoral shelves, lake bodies and upland preserve areas.
2. Assist, coordinate and participate in meetings onsite with Owner, engineers, consultants and SFWMD as required to maintain compliance and to coordinate the work.
3. Debris and trash removal from all work areas.
4. Hand pull weeds in planted areas between the golf course and wetland areas.
5. Trimming and vegetation removal on all flyaways on the golf course.
6. The work includes cutting at stumps and treatment of tree stumps to prevent re-growth.
7. Removal of plants and trees includes all vegetation listed on Florida Exotic Pest Plant Species list in accordance with State and local guidelines. Further the work shall include removal of nuisance vegetation as allowed by the agencies having jurisdiction (AHJ).
8. The work shall include removal of all exotic plant materials from the project site.
9. The work includes removal of exotics and nuisance vegetation in the lake bodies to provide open water areas as needed for the SFWMD compliance.
10. Herbicide application must be conducted under the supervision of a licensed applicator (Dept of Agriculture, Aquatic Pest Control), contractor to provide copies of current license to Owner prior to the start of work. Contractor shall maintain all AHJ mandatory required licenses for the work and provide notices to AHJ as required during the progress of work.
11. Contractor is encouraged to use Greener methods for treating algae in the lakes as an alternative to herbicides.
12. Contractor must provide daily reports for the work no later than the following day for each day worked onsite. These reports will be precedent to payment. Reports shall include a site plan indicating areas treated with pesticides and areas where hand removal took place on each day of work.
13. All lakes will be treated at least monthly for unwanted shoreline and floating vegetation.
14. Contractor will treat all areas on the entire property at least once monthly. A more specific plan for the individual needs of each area is described below. The Contractor is responsible for having the Field Manager meet with the District Representative twice monthly to review the property and identify any areas not being maintained in accordance with the Scope of Services.



### **Task 1 – Wetland Preserve/Mitigation Area Maintenance – Tesoro West**

This task will include the cutting and removal of exotic and nuisance vegetation from all wetland preserves, littoral shelves, and lake bodies within the limits of the US Army Corps of Engineers (ACOE) permit and all modifications and the South Florida Water Management District (SFWMD) permit previously issued for the parcel west of Via Tesoro Boulevard within the limits of the Tesoro West project area. Due to the native vegetation on the site and in accordance with the conditions of the Agency permits, hand cutting of vegetation will occur where possible and Contractor will apply an appropriate herbicide to the cut stumps to inhibit further growth. Clearing and maintenance activities will be conducted to the satisfaction of the Client and in accordance with the currently approved mitigation and monitoring plan for the parcel (as approved by the US Army Corps of Engineers and the South Florida Water Management District). Removal includes all plants listed on the Florida Exotic Pest Plant Species list in accordance with State and local guidelines. Contractor will remove all cut vegetation from the preserve area and dispose of within the proposed clearing area for the development. Contractor will apply herbicide to lake areas when necessary and monitor open water habitats. Contractor will also remove any and all trash and debris from the mitigation areas to the satisfaction of the Client. Herbicide application will be conducted under the supervision of a licensed applicator. This task specifically excludes additional planting as well as the body of water known locally as the A2 pond. See Map of Service Areas for more definition of Area.

### **Task 2 – Supplemental Plantings – Tesoro West**

This task will include the purchase and installation of native plant materials for use inside wetland and surface water areas throughout the Tesoro West side development. This task specifically excludes plantings within upland preserves or in areas currently maintained by the District's Upland Buffer Maintenance Contractor or the Tesoro Club. As part of the ongoing construction and the ACOE and all modifications and SFWMD compliance reporting, areas may be identified as areas required for wetland planting in accordance with the permit schedule and conditions. The costs associated with the planting budget include purchase and installation of plant materials. See Map of Service Areas for more definition of Area. These services will be performed as an additional service and the scope and price will be determined at the time the work is required.

### **Task 3 – East Side Wetland Preserve/Mitigation Area Maintenance**

This task will include the cutting and removal of exotic and nuisance vegetation from all wetland preserves, littoral shelves, and lake bodies within the limits of the US Army Corps of Engineers permit and all modifications and the SFWMD permit previously issued for the parcel east of Via Tesoro Boulevard within the limits of the Tesoro East project area. Due to the native vegetation on the site and in accordance with the conditions of the Agency permits, hand cutting of vegetation will occur where possible and Contractor will apply an appropriate herbicide to the cut stumps to inhibit further growth. Clearing and maintenance activities will be conducted to the satisfaction of the Client and in accordance with the currently approved mitigation and monitoring plan for the parcel (as approved by the US Army Corps of Engineers and the South Florida Water Management District). Removal includes all plants listed on the Florida Exotic Pest Plant Species list in accordance with State and local guidelines. Contractor will remove all cut vegetation from the preserve area and dispose of within the proposed clearing area for the development. Contractor will apply herbicide to lake areas when necessary and monitor open water habitats. Contractor will also remove any and all trash and debris from the mitigation areas to the satisfaction of the Client.

Herbicide application will be conducted under the supervision of a licensed applicator. This task excludes additional planting where needed in accordance with the approved State and Federal permits associated with this parcel. See Map of Service Area for more definition of Area.

**Task 4 – Stormwater Management System Infrastructure – Tesoro East and West**

The successful Proposer shall operate, maintain, and repair all elements of the stormwater management system including but not limited to pumps for water flow, water features and all water quality features in conformance with the ACOE permits including all modifications and SFWMD permits for the areas within the contract. The operation of the stormwater system shall include record keeping and reporting as required by the applicable permits and the provision of records upon request.

## **Exhibit B – Map of Service Areas**



## SECTION B



**AGREEMENT BETWEEN WELLINGTON PRO LAWN CARE  
AND THE TESORO COMMUNITY DEVELOPMENT DISTRICT  
REGARDING THE PROVISION OF WETLANDS BOUNDARY AND LAKE BANKS  
LANDSCAPE MAINTENANCE SERVICES**

This Agreement is made and entered into this 1<sup>st</sup> day of January, 2019 by and between The Tesoro Community Development District, a local unit of special purpose government established pursuant to Chapter 190, Florida Statutes, being situated in St. Lucie County, Florida, and having offices at 135 West Central Blvd., Suite 320, Orlando, Florida 32801 ("the District"), and

Wellington Pro Lawn Care, having offices at 3132 Fortune Way, Suite D9, Wellington, Florida 33414 ("the Contractor") and mailing address of P.O. Box 1134, Loxahatchee, Florida 33470.

**RECITALS**

**WHEREAS**, the District was established by a rule of the Florida Land and Water Adjudicatory Commission for the purpose of providing stormwater management and wetlands mitigation maintenance services to all residences and commercial properties throughout the District; and

**WHEREAS**, the District has a need to retain an independent contractor to provide wetlands boundary and lake banks landscape services for certain lands within the District; and

**WHEREAS**, the District finds it in the best interest of the District to engage the services of the Contractor.

**NOW, THEREFORE**, in consideration of the recitals, agreements, and mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

**Section 1. Recitals.** The recitals so stated above are true and correct and by this reference are incorporated into and form a material part of this Agreement.

**Section 2. Duties.** The duties, obligations, and responsibilities of the Contractor are described in Exhibit "A" attached hereto. The location of the services is identified on Exhibit "B" attached hereto. Contractor shall be solely responsible for the means, manner and methods by which its duties, obligations and responsibilities are met to the satisfaction of the District. Contractor shall report to the District Manager or his designee. Additional duties may be specified by the District Manager or his designee.

**Section 3. Compensation.** District agrees to compensate the Contractor in accordance with the following schedule:

Monthly Treatment Costs - \$7,875.00 (\$94,500.00 Annually)

Contractor shall invoice the District for services performed monthly.

Any additional compensation for additional duties shall be paid only upon the written authorization of the District Manager or his designee.

**Section 4. Independent Contractor.** The District and Contractor agree and acknowledge that Contractor shall serve as an independent contractor of the District.

**Section 5. Term.** This Agreement shall commence on January 1, 2019 and shall continue until September 30, 2019 unless terminated in accordance with Section 11 below. This contract may be extended by up to two (2) additional one (1) year terms upon mutual agreement in writing by both the Contractor and District. This agreement may be extended on a month to month basis upon agreement of the parties hereto in writing and subject to appropriation of funds by the District's Board of Supervisors.

**Section 6. Insurance.**

**A.** The Contractor shall maintain throughout the term of this Agreement the following insurance

- (1) Worker's Compensation Insurance in accordance with the laws of the State of Florida.
- (2) Commercial General Liability Insurance covering the Contractor's legal liability for bodily injuries, with limits of not less than \$2,000,000 (two million dollars) combined single limit bodily injury and property damage liability with the District named as an additional insured, and covering at least the following hazards:
  - (i) Independent Contractors Coverage for bodily injury and property damage in connection with subcontractors' operation;
  - (ii) The District shall be named as additional insured
- (3) Employer's Liability Coverage with limits of at least \$1,000,000 (one million dollars) per accident or disease.
- (4) Professional Liability Insurance with limits of \$1,000,000 (one million dollars).
- (5) Automobile Liability Insurance for bodily injuries in limits of not less than \$2,000,000 (two million dollars) combined single limit bodily injury and for property damage, provided coverage for any accident arising out of or resulting from the operation, maintenance, or use by the Contractor of any owned, non-owned, or hired automobiles, trailers, or other equipment required to be licensed.

**Section 7. Indemnification.** Contractor agrees to indemnify and hold harmless and defend the District and its officers, agents and employees from any and all liability, claims, actions, suits or demands by any person, corporation or other entity for injuries, death, property damage or

of any nature, arising out of, or in connection with, the work to be performed by Contractor, including litigation or any appellate proceedings with respect thereto. Contractor agrees that nothing herein shall constitute or be construed as a waiver of the District's limitations on liability contained in Section 768.28, Florida Statutes, or other statute.

**Section 8. Agreement.** This instrument shall constitute the final and complete expression of this Agreement between the District and the Contractor relating to the subject matter of this Agreement. This Agreement effectively cancels the First Extension to the Wetlands Boundary and Lake Banks Landscape Maintenance Agreement (dated October 1, 2018).

**Section 9. Amendments.** Amendments to and waivers of the provisions contained in this Agreement may be made by an instrument in writing which is executed by both the District and the Contractor.

**Section 10. Authorization.** The execution of this Agreement had been duly authorized by the appropriate body or official of the District and the Contractor, both the District and the Contractor have complied with all the requirements of law, and both the District and the Contractor have full power and authority to comply with the terms and provisions of this instrument.

**Section 11. Cancellation.** The District shall have the right to cancel this Agreement at anytime upon written notice. Contractor shall have the right to cancel this agreement upon thirty (30) days written notice to the District stating a failure of the District to perform in accordance with the terms of this Agreement.

**Section 12. Enforcement of Agreement.** In the event that either the District or the Contractor is required to enforce this Agreement by court proceedings or otherwise, then the prevailing party shall be entitled to recover all fees and costs incurred, including reasonable attorney's fees and costs for trial, alternative dispute resolution, or appellate proceedings.

**Section 13. Notices.** All notices, requests, consents, and other communications under this Agreement ("Notices") shall be in writing and shall be hand delivered, mailed by First Class Mail, postage prepaid, or sent by overnight delivery service, to the Parties, as follows:

**A. If to Contractor:** Wellington Pro Lawn Care  
P.O. Box 1134  
Loxahatchee, Florida 33470  
Attn: Geoffrey Phillips

**B. If to District:** Tesoro Community Development District  
135 West Central Blvd., Suite 320  
Orlando, Florida 32801  
Attn: District Manager

**With a copy to:** Lewis, Longman & Walker PA  
515 N. Flagler Drive, Suite 1500  
West Palm Beach, Florida 33401  
Attention: William G. Capko



Except as otherwise provided in this Agreement, any Notices shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or a non-business day, shall be deemed received on the next business day. If at any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the District and counsel for the Contractor may deliver Notices on behalf of the District and the Contractor. Any Party or other person to whom Notices are to be sent or copied may notify the other Parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the Parties and addressees set forth in this Agreement.

**Section 14. Assignment.** Neither the District nor the Contractor may assign this Agreement or any monies to become due under this Agreement without the prior written approval of the other, and such approval shall not be unreasonably withheld.

**Section 15. Controlling Law.** This Agreement and the provisions contained in this Agreement shall be construed, interpreted, and controlled according to the laws of the State of Florida.

**Section 16. Severability.** The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part of this Agreement not held to be invalid or unenforceable.

**Section 17. Headings for Convenience Only.** The descriptive headings in this Agreement are for convenience only and shall neither control nor affect the meaning or construction on any of the provisions of this Agreement.

**Section 18. Counterparts.** This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute, but one and the same instrument.

**Section 19. Public Records.** Contractor understands and agrees that all documents of any kind provided to the District in connection with this Agreement may be public records, and, accordingly, Contractor agrees to comply with all applicable provisions of Florida law in handling such records, including but not limited to Section 119.0701, *Florida Statutes*. Contractor acknowledges that the designated public records custodian for the District is George Flint ("Public Records Custodian"). Among other requirements and to the extent applicable by law, the Contractor shall 1) keep and maintain public records required by the District to perform the service; 2) upon request by the Public Records Custodian, provide the District with the requested public records or allow the records to be inspected or copied within a reasonable time period at a cost that does not exceed the cost provided in Chapter 119, *Florida Statutes*; 3) ensure that public records which are exempt or confidential, and exempt from public records disclosure requirements, are not disclosed except as authorized by law for the duration of the contract term and following the contract term if the Contractor does not transfer the records to the Public Records Custodian of the District; and 4) upon completion of the contract, transfer to the District, at no cost, all public records in Contractor's possession or, alternatively, keep, maintain and meet all applicable requirements for retaining public records pursuant to Florida laws. When such public records are

transferred by the Contractor, the Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the District in a format that is compatible with Microsoft Word or Adobe PDF formats.

**IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, *FLORIDA STATUTES*, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (407) 841-5524, GFLINT@GMSCFL.COM, OR AT 135 W. CENTRAL BLVD., SUITE 320, ORLANDO, FLORIDA 32801.**

***[SIGNATURES ON FOLLOWING PAGE]***

**IN WITNESS WHEREOF**, the parties hereto have signed this Agreement on the day and year first written above.

ATTEST:

  
\_\_\_\_\_  
Secretary/Assistant Secretary


TESORO COMMUNITY  
DEVELOPMENT DISTRICT

  
\_\_\_\_\_  
Chairman/Vice Chairman

ATTEST:

  
\_\_\_\_\_  
Print: Ami Kirschenhofer

WELLINGTON PRO LAWN CARE

  
\_\_\_\_\_  
Print: Geoffrey Phillips  
Title: President

## **Exhibit A – Overall Scope of Services – Definition**

### **1. GENERAL CONTRACTOR REQUIREMENTS AND PROCEDURES**

The Contractor shall meet the requirements and follow the procedures associated with all items in this Agreement. These general requirements and procedures are as follows:

#### **1.1 Operation Procedures**

The Contractor shall perform the basic services outlined within the Attachment A-Scope of Services between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday unless specified otherwise or directed by the District. The Contractor may submit a request for additional operation time, in response to poor weather conditions, to be reviewed for approval by the District. The District will designate where Contractor's crew will take breaks, lunches, and use restroom facilities. Employee personnel vehicles will be parked only in areas designated by the District.

#### **1.2 Key Personnel**

1.2.1 All Work shall be managed and/or directed by key personnel identified in the proposal. Any changes in the assigned key personnel shall be subject to approval by the District. Where applicable, the Contractor shall require certifications, training, etc. be secured and updated for all employees for the maintenance and technical services performed under this contract.

1.2.2 Contractor shall provide one (1) Manager who is knowledgeable of the Contractor's daily activities when performed at the site. The Manager shall serve as the point of contact between the District, Contractor and any other entity and shall be responsible for coordinating all scheduled services with the District and for the timely scheduling of scheduled or unscheduled environmental services.

1.2.3 Contractor shall provide at least one (1) full-time onsite Field Manager to observe and monitor the daily or routine activities of landscape "clean-up" and maintenance services on wetlands lake banks covered in the contract.

1.2.4 Contractor shall have key personnel office location within St. Lucie County and/or no more than twenty (20) mile from site.

#### **1.3 Personnel Dress Code**

The Contractor shall ensure that employees working on the Project shall wear uniforms or professional attire at all times. Personnel will wear clean uniform shirts of consistent design and color.

#### **1.4 Personnel Conduct**

The Contractor shall enforce strict discipline and good order among its employees on the Project site. The Contractor shall ensure that its employees who communicate and interact with the community and any other customer/party associated with the Project are knowledgeable of the Project and the Services the Contractor is performing.

#### **1.5 Safety Program**

The Contractor shall develop, implement, and maintain a safety program for its operations on the Project. That safety program shall include, at a minimum, a safety policy, safety rules and procedures, safety training, procedures for reinforcing and monitoring safety programs, procedures for accident investigations, providing and maintaining equipment safety features, and safety record keeping.

The Contractor shall comply with all State of Florida and Federal and local regulations, rules and orders, as they pertain to occupational safety and health, the safe operation and security of the facilities.

The Contractor shall provide, at the Contractor's expense, all safety equipment and materials necessary for and related to the work performed by its employees. Such equipment will include, but is not limited to, items necessary to protect its employees and the general public, if applicable.

#### **1.6 Facility Location**

The District shall not provide a facility on the Project Site for the Contractor as part of this Scope of Services. The Contractor shall, upon receipt of written approval from the District, be allowed to temporarily store, if necessary, its materials and equipment on site at a District-selected location. The Contractor shall be responsible for security of its stored materials and equipment, as well as any connections for utilities to the storage site.

#### **1.7 Subcontractors**

If the Contractor, as a part of the performance of its Services, elects to employ Subcontractors, the following shall apply:

- The Contractor shall be responsible for, and coordinate with, the services of any of its Subcontractors.
- The Contractor shall require all of its Subcontractors, as a condition of employment, to agree to the applicable terms and conditions identified in the Contract Documents.
- Current certificates of insurance will be provided.

## **1.8 Consultants**

If the Contractor, as a part of the performance of its Services, elects to employ consultants, the following shall apply:

- The Contractor shall be responsible for, and coordinate with, the services of any of its consultants.
- The Contractor shall require all consultants, as a condition of employment, to agree to the applicable terms and conditions identified in the Contract Documents.
- Current certificates of insurance will be provided.

## **1.9 Document Control and Data Management**

### **1.9.1 Document Control**

The Contractor shall keep accurate records of documents received and, if applicable, issued by this Contractor. A “document log” shall be maintained during the work of this Contractor to provide records on the information available to or from this Contractor. The “log” shall outline document titles and dates, the originator, received dates, and to/from information. This “log” shall be updated monthly and submitted to the Owner when requested.

### **1.9.2 Data Maintenance**

The Contractor shall, after review with the Owner, establish a systematic process for the insertion of revised sets and the integration of that data into the overall Project plan after verification for compatibility and consistency of the information received with existing information.

### **1.9.3 Data Dispersal**

Should the Contractor distribute data to others, the Contractor shall document the distribution of data by completing a letter of transmittal. The Contractor shall propose a format for, and keep a log of, all data transfers for updates to the District. All distribution of data shall be accompanied by a letter of transmittal with a copy provided to the Owner identifying:

- Party to whom the data is being transferred
- Origination of the request for transfer
- Name of data being transferred
- Type(s) of data being transferred
- Date of transfer
- Purpose of transfer or use of information
- Further action necessary

#### **1.10 Verification of Data**

All data provided to the Contractor shall be examined for consistency with its records and work efforts. Any obvious inconsistency shall be reported to the District verbally and in writing, upon discovery.

#### **1.11 Ownership of Data**

It is to be understood that all data transmitted and material/equipment purchased under this contract by the Contractor or provided to the Contractor, either by the District or third parties, are the sole properties of the District. The Contractor shall have temporary charge of the data while performing contracted services for the Project. All data shall be returned to the District at the conclusion of the Project, after which, no copies of the data may be kept by the Contractor without the express written permission of the District.

The District shall retain the right to require that the Contractor transfer all Project data, material, or equipment to the District immediately upon fourteen (14) days' written notice, for any reason. The same procedures shall apply should it become necessary for the Contractor to voluntarily return all Project data to the District.

#### **1.12 Quality Control**

The District will have the right, at any stage of the operation, to reject any or all of the Contractor's services and materials, which in the District's opinion does not meet the requirements of these specifications. The Contractor shall replace or reimburse the District for the cost of replacement or repairs, at the Contractor's own expense, those wetlands lake banks vegetation and plantings that are damaged or lost due to insects, disease, fungus, and/or over watering or insufficient watering from irrigation system, if applicable, as directed by the District. All replacements shall meet the current size, specifications, and quality of surrounding related material. Any other CDD items damaged due to the Contractor's negligence shall be repaired or replaced as directed by the District at the Contractor's own expense. All repairs and replacements shall also occur within two (2) weeks of notice from the District.

If requested by the District, the Contractor will make weekly walk-through reviews of the entire site related to visual observations and the Contractor's performance. The Contractor will make repairs and adjustments, as directed by the District, during these site visits. A monthly Maintenance Report shall be generated by the Contractor and submitted to the District outlining potential problem areas and the Contractor's proposed corrective action, upcoming work approval request, coordination, scheduling, etc. The Contractor shall provide the District with a weekly updated maintenance log addressing all activities occurring in that week.

## **2.0 COORDINATION**

The Contractor shall provide coordination with the District for all items associated with the requirements of this Agreement.

### **2.1 General Coordination**

The Contractor shall meet with the District and its separate consultants as appropriate, on a monthly basis. Those meetings shall serve as forum for the exchange of information, identification of pertinent and critical issues, determination of an action plan and schedule for resolving those issues, review of schedule and budget status, and discussion of other landscape, irrigation and maintenance related issues deemed appropriate by the District of the Contractor. The Contractor shall prepare the agenda for those meetings and submit it to the District two working days prior to the date of each meeting. The Contractor shall record and distribute minutes of each meeting to all attendees within five (5) business days, as well as other parties with a “need-to-know” basis. The District shall provide the meeting location.

In addition, the Contractor shall provide a representative to attend the monthly meeting of the Board of Supervisors if requested to do so by the District. This representative shall be knowledgeable of this Project Scope and Scope of Services and shall be able to respond to any questions the Board may have as to the day-to-day activities at the Project site pursuant to this Agreement.

Coordination of the construction, operation, and general maintenance at the Project is considered one of the many critical activities of the Contractor. Further, coordination of those efforts with all parties involved, or those with the need to know are crucial to the success of the Project. While all parties involved with the Project cannot be identified at this time, a partial list is provided as follows:

- CDD District Manager and/or CDD District Field Manager
- CDD District Engineer
- CDD District Representative
- CDD Environmental Services Provider
- St. Lucie County and its various departments
- Florida Turnpike Authority
- Florida Department of Transportation
- SFWMD
- US Army Corps of Engineers
- Adjacent property owners, as directed by the District
- Tesoro Club operating staff and Golf Course maintenance staff

### **2.2 Contractor’s District Manager and Project Manager**

Contractor shall designate an on-site representative who will be responsible for overall supervision of the Contractor’s work force on the Project and shall act as



the single point of contact, on a daily basis, between the District and the Contractor. This individual shall maintain at all times a means of being contacted by the Owner (pager, cellular phone, or radio) and shall respond to such calls within twenty (20) minutes of contact. This individual shall be responsible for maintaining the Contractor's schedule of activities and notifying the District of this daily schedule for quality control of the Contractor's service and for arranging and supervising unscheduled service requests by District. Contractor will also provide District with a contact list for use in case of emergencies and will have personnel on call after regular business hours to respond accordingly.

### **2.3 Contractor's Vehicles and Equipment**

Contractor service vehicles must be well maintained and clean in appearance. Vehicles must be properly licensed and tagged, and operated only by licensed personnel. All Contractors vehicles must operate in a safe and courteous manner while on site. Pedestrians have the right-of-way, and service vehicles are expected to yield. All trailers, storage facilities, and maintenance equipment must be in good condition and present a clean and neat appearance. Tools and equipment must be properly suited for their purpose and used in a safe manner utilizing the appropriate safety gear when necessary.

### **2.4 Contractor's Additional Provisions**

Property inspections will be conducted weekly by an authorized Contractor representative. Contractor will document and correct any landscape maintenance deficiencies that are identified within one week, or provide a status update for work requiring a longer period to accomplish. Weekly inspections will be conducted in conjunction with a management representative of the District. A monthly report will be provided to the client summarizing activities completed, in progress and planned. Contractor will be proactive in identifying any landscape site conditions that affect long-term plant health and vigor and will advise District, accordingly. While working within the boundaries of Tesoro Community, Contractor shall not display its company name and/or logo. Contractor will be required to have a "Tesoro Landscape Services" magnetic sign located on each side of its vehicle (driver and front passenger doors) while working within the limits of the Tesoro community.

## **3. SCHEDULED OPERATIONS AND MAINTENANCE**

The Contractor shall meet all requirements associated with landscape "clean-up" and maintenance services including trimming of vegetation, weed control, debris removal and trash removal, as required in this Agreement and defined in Attachment A-Scope of Services. The contractor shall make a complete site inspection of Tesoro, specifically the areas of Districts maintenance. **Attachment A – Scope of Services** includes plan identifying the general limits of Districts maintenance by area. All landscaping of wetlands lake banks (from lake edge to top of lake scope as defined in **Attachment A-Scope of**

Services) within the Districts areas shall be maintained by this Contractor in accordance with the following requirements:

**4. UNSCHEDULED MAINTENANCE AND REPAIRS**

The Contractor shall be equipped and organized to provide any unscheduled maintenance and repairs required and any emergency maintenance and repairs as provide in the above noted Performance Specifications on an immediate basis.

**5. ADMINISTRATION/MAINTENANCE/OPERATIONS PROGRAM**

The Contractor shall develop policies and procedures and implement an Administration, Operation, and Maintenance Program. That program shall include, but not be limited to, the following:

**5.1 General**

5.1.1 This program shall be a comprehensive narrative and, where applicable, be a graphic/diagrammatic explanation of policies and procedures, which shall govern the Contractor's Services provided under this Agreement as generally outlined in Attachment A- Scope of Services. The program document shall contain key information relative to the major components described below.

The program document shall be presented in a three-ring binder using standard 8½ x 11 inch pages, single-spaced for text, graphics, and/or diagrams, and with, if necessary, 11 x 17 inch pages for diagrams and/or graphics that fold out if necessary. The document shall include as minimum, a table of contents, section dividers, numbered pages, issuance date on each page, and appendices as required. Each copy shall be numbered and a log shall be kept by the Contractor of document holders (refer to Section 2.9.3, Data dispersal).

5.1.2 The program document shall be kept up-to-date at all times by the Contractor. Revisions to the document shall be indicated by footnote on the revised pages. Revisions shall be distributed by the Contractor to all document holders.

5.1.3 The Contractor shall prepare draft copies of the document for review and comment by the District within thirty (30) calendar days of the notice to proceed with the Services. The Contractor shall anticipate at least two (2) more additional reviews by the District prior to issuance of the final document. All District comments shall be incorporated into the document. The Contractor shall be responsible for preparing and submitting the following number of copies of the program document to the District.

- First draft                      Six (6) bound copies, one (1) unbound copy

- Second draft      Six (6) bound copies, one (1) unbound copy
- Third draft      Six (6) bound copies, one (1) unbound copy
- Final document      Ten (10) bound copies, two (2) digital copies on 3½ diskettes

## **5.2      Administration**

- 5.2.1      The administration section of the program document shall, at a minimum, address those functions that are the responsibility of the Contractor related to all administrative matters generally described in Attachment A- Scope of Services and as outlined below.
- 5.2.2      Organization charts for administrative management functions shall include key personnel names, job titles, and phone numbers.
- 5.2.3      Policies and procedures related to the Contractor's program for communications with the community relative to general maintenance operations, customer services, and irrigation user issues.
- 5.2.4      Policies and procedures related to the coordination and communications with developers, builders, and others who are a part of the continuing development and construction of the community.
- 5.2.5      Personnel policies and procedures related to the Contractor's personnel performing services on the site.

## **5.3      Operations**

- 5.3.1      The operations section of the program document shall, at a minimum, address those functions that are the responsibility of the Contractor related to all operations/customer service matters generally described in Attachment A- Scope of Services and as outlined below.
- 5.3.2      Organization charts for operations and customer service-related functions shall include key personnel names, job titles, and phone numbers.
- 5.3.3      Policies and procedures related to emergency situations including 24-hour notification, emergency phone numbers, Contractor mobilization and response time (refer to Section 6.2, Emergency Response Program for further details), etc.
- 5.3.4      Policies and procedures related to the Contractor's safety program.

## **5.4      Maintenance**

- 5.4.1      The maintenance section of the program document shall, at a minimum, address those functions that are the responsibility of the Contractor related to all wetlands boundary landscape maintenance matters generally described in Attachment A- Scope of Services and as outlined below. The Administration,

Operation and Maintenance Program shall be submitted by the Contractor for review and approval by the District Manager/District Field Manager. The Contractor shall modify the program as required by the District Manager/District Field Manager.

## **6. RESPONSE TIME**

The Contractor shall provide services and repairs within the amount of time indicated in this Agreement. The following is general response time information and requirements for the Emergency Response Program to be developed, implemented, and maintained by the Contractor.

### **6.1 General**

The Contractor shall, on a timely and efficient basis, respond to any and all requests and perform all repairs, inspections, and observations, etc. stipulated in the Project Manual. The Contractor shall provide supervisory, operating and maintenance personnel as required who shall be available on call 24 hours per day, seven (7) days per week to respond to and correct any problems with any of the elements covered by this Agreement.

Response time, unless otherwise directed by the District, required by the Contractor for various maintenance activities is as follows:

- Standard maintenance activity adjustments: varies, as directed by Owner.
- Standard repairs: one week
- Emergency repairs: three (3) hours
- Unscheduled maintenance request: as needed, as soon as four (4) hours
- Plant material replacement: two (2) weeks

Should the Contractor fail to respond to a request for any services addressed in this Project Scope within the required allotted time, the District shall, at the Contractor's sole expense, provide the requested services.

### **6.2 Emergency Response Program**

The Contractor shall develop, implement, and maintain an Emergency Response Program (ERP) for emergency work that must proceed immediately to avoid property damage or result in a public health or safety hazard. The ERP shall address emergency situations including, but not limited to, the following items:

- Equipment failures
- Chemical spills

Additionally, the ERP shall address the following:

- Responsible parties to be notified
- Personnel, equipment, and emergency repair contractors on call and who will respond to each type of emergency
- Procedures for notifying the District, District Manager, the community, and other utility companies affected by the listed emergency
- The Contractor shall prepare, maintain and distribute an ERP manual detailing the procedures and responsibilities for the situations listed above and any other situation deemed appropriate by the District.
- The ERP manual shall be included in the operations section of the Administrative/Maintenance/Operations program.

## **Attachment A- Scope of Services**

### **Wetlands Boundary and Lake Banks Landscape Service Area Requirements**

Scope of Services included under this contract will be the following activities within the areas described in Exhibit B – Map of Service Levels:

- Trimming of Vegetation (Entire Service Area To be Completed 1 time per month)
  - All vegetation is to be trimmed neatly on wetland banks from the lake edge to the top of the lake slope
- Weed Control (Entire Service Area To be Completed 1 time per month)
  - Mechanical Weed Control is to be used on all service areas. The use of Herbicide treatment is permitted if it is deemed necessary by the Contractor and District Representative. All products to be applied using manufacturer's instructions and all state and federal regulations.
- Debris Removal/Trash Clean Up
  - All debris and trash found in the service areas is to be removed and disposed of by Contractor.

The contractor is to provide a crew to work within the Tesoro Community, providing landscape “clean-up” and maintenance services on wetlands lake banks (from lake edge to top of lake slope; See attached Map of Service Areas for service area schedule). The Contractor may adjust this schedule based upon specific District needs. This crew will be equipped with a four wheel drive utility cart including all landscape hand-tools and two-cycle engine equipment required for general work. The Contractor is responsible for having the Field Manager meet with the District Representative twice monthly to review the property and identify any areas not being maintained in accordance with the Scope of Services.

This regular work schedule will be during daylight hours Monday through Friday, for a total of forty (40) hours per week. In the event that the District requires the services of this crew for more than 40 hours in any given week, Contractor will offer these services on an overtime basis. Overtime will have to be authorized by a representative of the District.

See Map of Service Areas for more definition of Areas.

## **Exhibit B- Map of Service Areas**



# LEGEND

DOT

CITY OWNED (SEE REGIONAL OFFICES) = 907 ACRES

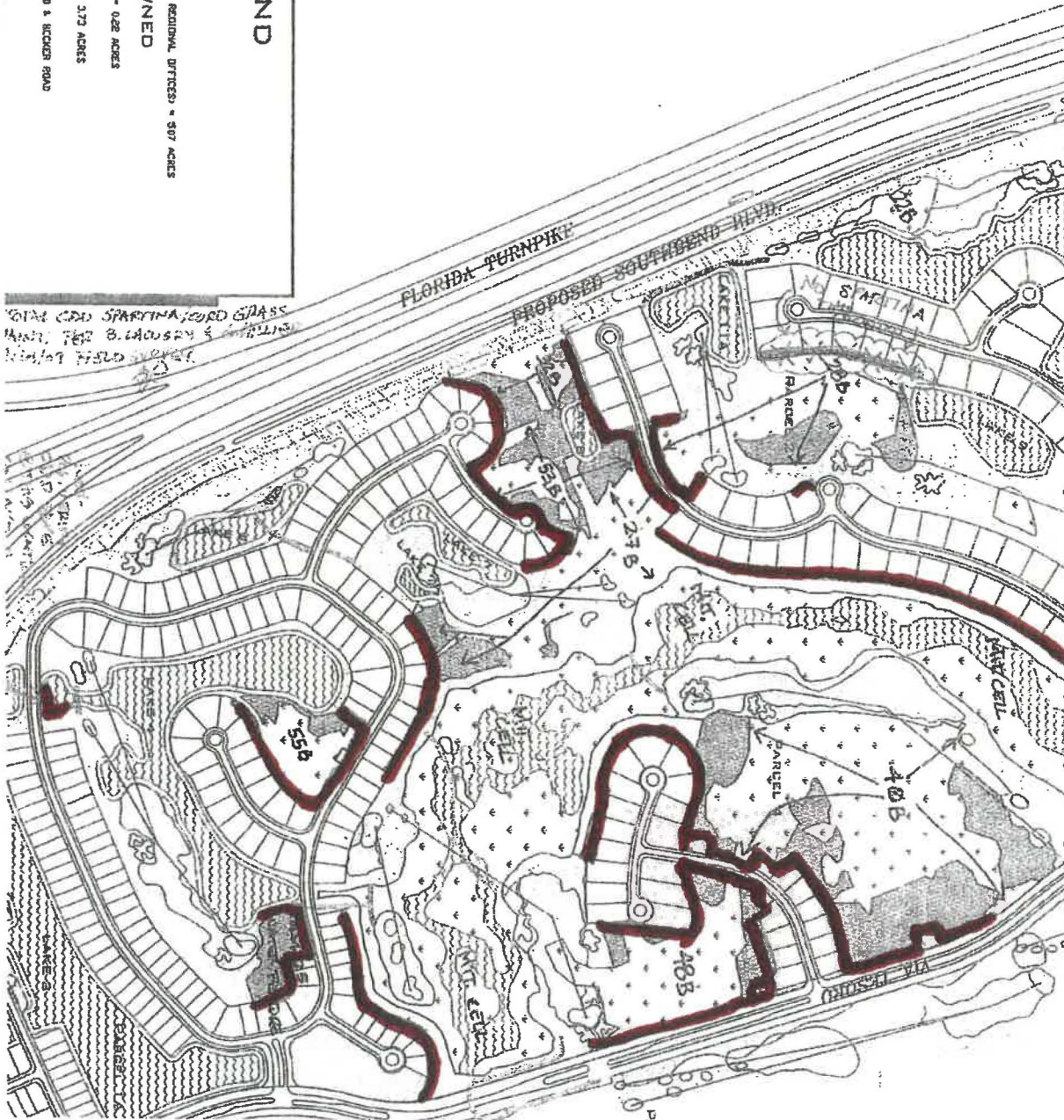
CITY OWNED

LOT STATIONS = 0.22 ACRES

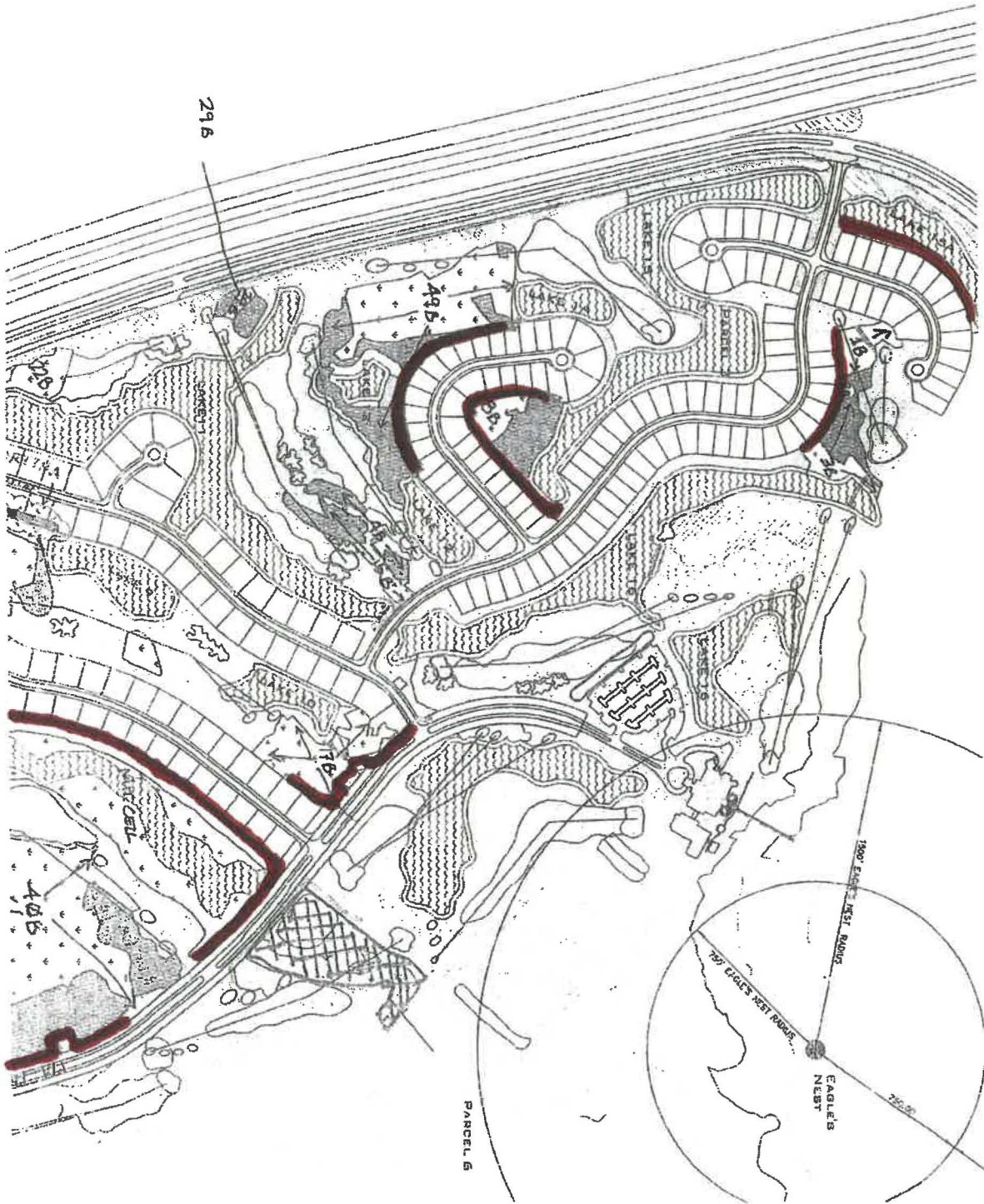
FIRE STATION = 3.73 ACRES

SOUTHERN BLVD & RECOVER ROAD

TOTAL CDD SPARTAN/JORD SPASS  
MAY 1972 B. HOUSEY & ASSOCIATES  
10/1/79 FIELD REPORT







## SECTION VI

**TESORO  
COMMUNITY DEVELOPMENT DISTRICT  
ST. LUCIE COUNTY, FLORIDA  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2018**

**TESORO DEVELOPMENT DISTRICT  
ST. LUCIE COUNTY, FLORIDA**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Supervisors  
Tesoro Community Development District  
St. Lucie County, Florida

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major fund of Tesoro Community Development District, St. Lucie County, Florida ("District") as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District as of September 30, 2018, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*


Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

### **Report on Other Legal and Regulatory Requirements**

We have also issued our report dated May 17, 2019, on our consideration of the District's compliance with the requirements of Section 218.415, Florida Statutes, as required by Rule 10.556(10) of the Auditor General of the State of Florida. The purpose of that report is to provide an opinion based on our examination conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.



May 17, 2019

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Tesoro Community Development District, St. Lucie County, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2018. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

### FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of \$542,800.
- The change in the District's total net position in comparison with the prior fiscal year was (\$20,309), a decrease. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2018, the District's governmental fund reported an ending fund balance of \$542,800, an increase of \$4,202 in comparison with the prior fiscal year. The total fund balance is non-spendable for prepaid items, assigned to subsequent year's expenditures, and the remainder is unassigned fund balance which is available for spending at the District's discretion.

### OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as the introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by special assessment and stormwater fee revenues. The District does not have any business-type activities. The governmental activities of the District include the general government (management) and maintenance functions.

#### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: governmental funds.



## OVERVIEW OF FINANCIAL STATEMENTS (Continued)

### Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one governmental fund for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered a major fund.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets exceeded liabilities at the close of the most recent fiscal year.

Key components of the District's net position are reflected in the following table:

NET POSITION SEPTEMBER 30,		
	2018	2017
Current and other assets	\$ 558,330	\$ 585,281
Total assets	558,330	585,281
Current liabilities	15,530	22,172
Total liabilities	15,530	22,172
Net position		
Unrestricted	542,800	563,109
Total net position	\$ 542,800	\$ 563,109

The balance of unrestricted net position may be used to meet the District's obligations.

The District's net position decreased during the most recent fiscal year. The majority of the decrease represents the extent to which the costs of operations exceeded ongoing program revenues.



## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Key elements of the change in net position are reflected in the following table:

CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED SEPTEMBER 30,			
	2018	2017	
Revenues:			
Program revenues			
Charges for services	\$ 311,312	\$ 303,009	
General revenues	8,251	5,063	
Total revenues	319,563	308,072	
Expenses:			
General government	79,133	51,946	
Maintenance and operations	260,739	263,951	
Total expenses	339,872	315,897	
Change in net position	(20,309)	(7,825)	
Net position - beginning	563,109	570,934	
Net position - ending	\$ 542,800	\$ 563,109	

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2018 was \$339,872. The majority of the costs of the District's activities were paid by program revenues. Program revenues, comprised primarily of assessments and stormwater fees, increased slightly during the fiscal year. The increase in expenses is due to a delinquent receivable being written off during the current fiscal year.

## GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2018.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The District does not anticipate any major projects or significant changes to its infrastructure maintenance program for the subsequent fiscal year. In addition, it is anticipated that the general operations of the District will remain fairly constant.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Tesoro Community Development District's Finance Department at 135 West Central Boulevard, Suite 320, Orlando, Florida, 32801.

**TESORO COMMUNITY DEVELOPMENT DISTRICT  
ST. LUCIE COUNTY, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018**

	Governmental Activities
<b>ASSETS</b>	
Cash	\$ 110,189
Investments	435,712
Assessments receivable	397
Stormwater fees receivable	3,310
Prepays items	8,722
Total assets	<u>558,330</u>
 <b>LIABILITIES</b>	
Accounts payable	15,530
Total liabilities	<u>15,530</u>
 <b>NET POSITION</b>	
Unrestricted	542,800
Total net position	<u>\$ 542,800</u>

See notes to the financial statements

**TESORO COMMUNITY DEVELOPMENT DISTRICT  
ST. LUCIE COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
Primary government:			
Governmental activities:			
General government	\$ 79,133	\$ 79,133	\$ -
Maintenance and operations	260,739	232,179	(28,560)
Total governmental activities	<u>339,872</u>	<u>311,312</u>	<u>(28,560)</u>
General revenues:			
Unrestricted investment earnings			<u>8,251</u>
Total general revenues			<u>8,251</u>
Change in net position			(20,309)
Net position - beginning			563,109
Net position - ending			<u>\$ 542,800</u>

See notes to the financial statements

**TESORO COMMUNITY DEVELOPMENT DISTRICT  
ST. LUCIE COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2018**

	Major Fund General	Total Governmental Funds
<b>ASSETS</b>		
Cash	\$ 110,189	\$ 110,189
Investments	435,712	435,712
Assessments receivable	397	397
Stormwater fees receivable	3,310	3,310
Prepaid items	8,722	8,722
Total assets	<u>\$ 558,330</u>	<u>\$ 558,330</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	\$ 15,530	\$ 15,530
Total liabilities	<u>15,530</u>	<u>15,530</u>
Fund balances:		
Nonspendable:		
Prepaid items	8,722	8,722
Assigned to:		
Subsequent year's expenditures	111,729	111,729
Unassigned	422,349	422,349
Total fund balances	<u>542,800</u>	<u>542,800</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 558,330</u>	<u>\$ 558,330</u>

See notes to the financial statements

**TESORO COMMUNITY DEVELOPMENT DISTRICT  
ST. LUCIE COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Major Fund General	Total Governmental Funds
<b>REVENUES</b>		
Assessments	\$ 70,261	\$ 70,261
Stormwater fees	241,996	241,996
Interest income	8,251	8,251
Total revenues	<u>320,508</u>	<u>320,508</u>
<b>EXPENDITURES</b>		
Current:		
General government	55,567	55,567
Maintenance and operations	260,739	260,739
Total expenditures	<u>316,306</u>	<u>316,306</u>
Excess (deficiency) of revenues over (under) expenditures	4,202	4,202
Fund balances - beginning	<u>538,598</u>	<u>538,598</u>
Fund balances - ending	<u>\$ 542,800</u>	<u>\$ 542,800</u>

See notes to the financial statements

**TESORO COMMUNITY DEVELOPMENT DISTRICT  
ST. LUCIE COUNTY, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

Net change in fund balances - total governmental funds	\$ 4,202
Amounts reported for governmental activities in the statement of activities are different because:	
Certain uncollectible amounts relating to prior year receivables are considered expenses on the statement of activities, but do not affect the governmental fund financial statements.	(23,566)
Certain revenues were unavailable for the governmental fund financial statements in the prior fiscal year. In the current fiscal year, these revenues were recorded in the governmental fund financial statements.	(945)
Change in net position of governmental activities	<u>\$ (20,309)</u>

See notes to the financial statements

**TESORO COMMUNITY DEVELOPMENT DISTRICT  
ST. LUCIE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY**

Tesoro Community Development District ("District") was created by rule 42XX-1.001 of the Florida Land and Water Adjudicatory Commission effective January 10, 2005, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purpose of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Supervisors are elected by the owners of the property within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes. At September 30, 2018, three of the Board members are affiliated with West Coast Investors ("Developer")

The Board has the responsibility for:

1. Assessing and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District is considered to be financially accountable and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Government-Wide and Fund Financial Statements**

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment. Operating-type special assessments for maintenance and debt service are treated as charges for services; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as *general revenues*.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

### **Assessments**

Assessments are non-ad valorem assessments on benefited property within the District. Operating and maintenance assessments are based upon the adopted budget and levied annually at a public hearing of the District. Debt service assessments are levied when Bonds are issued and assessed and collected on an annual basis. The District may collect assessments directly or utilize the uniform method of collection under Florida Statutes. Direct collected assessments are due as determined by the annual assessment resolution adopted by the Board of Supervisors. Assessments collected under the uniform method are mailed by the County Tax Collector on November 1 and are due on or before March 31 of each year. Property owners may prepay a portion or all of the debt service assessments on their property subject to various provisions in the Bond documents.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so are recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The District reports the following major governmental fund:

### **General Fund**

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

### **Assets, Liabilities and Net Position or Equity**

#### **Restricted Assets**

These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions.



## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Assets, Liabilities and Net Position or Equity (Continued)**

#### **Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

The State Board of Administration's ("SBA") Local Government Surplus Funds Trust Fund ("Florida PRIME") is a "2a-7 like" pool. A "2a-7 like" pool is an external investment pool that is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, which comprises the rules governing money market funds. Thus, the pool operates essentially as a money market fund. The District has reported its investment in Florida PRIME at amortized cost for financial reporting purposes.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

#### **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

#### **Capital Assets**

Capital assets which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

The District did not own any capital assets at September 30, 2018.

#### **Unearned Revenue**

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Assets, Liabilities and Net Position or Equity (Continued)**

#### **Long-Term Obligations**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

As of September 30, 2018, there are no long-term obligations.

#### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

#### **Fund Equity/Net Position**

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The District can establish limitations on the use of fund balance as follows:

**Committed fund balance** – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

**Assigned fund balance** – Includes spendable fund balance amounts established by the Board of Supervisors that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Assets, Liabilities and Net Position or Equity (Continued)**

#### **Fund Equity/Net Position (Continued)**

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

### **Other Disclosures**

#### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

## **NOTE 3 – BUDGETARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- a) Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b) Public hearings are conducted to obtain comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriation for annually budgeted funds lapse at the end of the fiscal year.

## **NOTE 4 – DEPOSITS AND INVESTMENTS**

### **Deposits**

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act," requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate Bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

#### NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

##### Investments

The District's investments were held as follows at September 30, 2018:

	Amortized Cost	Credit Risk	Maturities
Local Government Surplus Trust Fund (FL PRIME)	\$ 435,712	S&P AAAm	Weighted average of fund portfolio: 33 days
Total investments	<u>\$ 435,712</u>		

*Credit risk* – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

*Concentration risk* – The District places no limit on the amount the District may invest in any one issuer.

*Interest rate risk* – The District does not have a formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

However, the Bond Indenture limits the type of investments held using unspent proceeds.

*Fair Value Measurement* – When applicable, the District measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- *Level 1:* Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the District has the ability to access;
- *Level 2:* Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3:* Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. For external investment pools that qualify to be measured at amortized cost, the pool's participants should also measure their investments in that external investment pool at amortized cost for financial reporting purposes. Accordingly, the District's investments have been reported at amortized cost above.

*External Investment Pool* – With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

#### **NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)**

##### **Investments (Continued)**

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2018, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

#### **NOTE 5 – MANAGEMENT COMPANY**

The District has contracted with a management company to perform management advisory services, which include financial and accounting services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer and other administrative costs.

#### **NOTE 6 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There were no settled claims during the past three years.

#### **NOTE 7 – INTERLOCAL AGREEMENT**

In April 2006, the District entered into an agreement with the City of Port St. Lucie ("City") whereby the District will be responsible for the provision of stormwater maintenance services for a certain area. Further, the City collects fees for stormwater utility fees for that area and agrees to pay to the District 75% of the fees collected. Such payments began to accrue October 1, 2006 with certain payments annually and certain payments monthly as outlined in the agreement. The agreement will run for perpetuity subject to termination by either party. In the current fiscal year, revenues connected to this agreement totaled \$241,996.

The stormwater system infrastructure was constructed by the predecessor Developer and was conveyed to the City. The District will maintain the stormwater system through interlocal agreement with the City.

**TESORO COMMUNITY DEVELOPMENT DISTRICT  
ST. LUCIE COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Original & Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Assessments	\$ 70,996	\$ 70,261	\$ (735)
Stormwater fees	210,000	241,996	31,996
Interest income	4,000	8,251	4,251
Total revenues	<u>284,996</u>	<u>320,508</u>	<u>35,512</u>
<b>EXPENDITURES</b>			
Current:			
General government	68,175	55,567	12,608
Maintenance and operations	328,875	260,739	68,136
Total expenditures	<u>397,050</u>	<u>316,306</u>	<u>80,744</u>
Excess (deficiency) of revenues over (under) expenditures	(112,054)	4,202	116,256
<b>OTHER FINANCING SOURCES (USES)</b>			
Carryforward surplus	112,054	-	(112,054)
Total other financing sources (uses)	<u>112,054</u>	<u>-</u>	<u>(112,054)</u>
Net change in fund balances	<u>\$ -</u>	<u>4,202</u>	<u>\$ 4,202</u>
Fund balance - beginning		<u>538,598</u>	
Fund balance - ending		<u>\$ 542,800</u>	

See notes to required supplementary information

**TESORO COMMUNITY DEVELOPMENT DISTRICT  
ST. LUCIE COUNTY, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget for the general fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2018.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors  
Tesoro Community Development District  
St. Lucie County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Tesoro Community Development District, St. Lucie County, Florida ("District") as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated May 17, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.*

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Deane & Associates*

May 17, 2019



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE  
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY  
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Supervisors  
Tesoro Community Development District  
St. Lucie County, Florida

We have examined Tesoro Community Development District St. Lucie County, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2018. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2018.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Board of Supervisors of Tesoro Community Development District St. Lucie County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

*Grau & Associates*

May 17, 2019



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**MANAGEMENT LETTER PURSUANT TO THE RULES OF  
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Board of Supervisors  
Tesoro Community Development District  
St. Lucie County, Florida

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of Tesoro Community Development District St. Lucie County, Florida ("District") as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated May 17, 2019.

**Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 17, 2019, should be considered in conjunction with this management letter.

**Purpose of this Letter**

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. **Current year findings and recommendations.**
- II. **Status of prior year findings and recommendations.**
- III. **Compliance with the Provisions of the Auditor General of the State of Florida.**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, as applicable, management, and the Board of Supervisors of Tesoro Community Development District St. Lucie County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Tesoro Community Development District St. Lucie County, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

*Grau & Associates*

May 17, 2019

## **REPORT TO MANAGEMENT**

### **I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS**

None

### **II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

None

### **III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2017.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2018.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2018.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

5. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2018. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

## SECTION VIII

# SECTION C

# SECTION 1

# Tesoro

## Community Development District

### Check Run Summary

November 20, 2018 thru May 23, 2019

Fund	Date	Check No.'s		Amount
General Fund	11/29/19	824-827	\$	20,508.48
	12/6/18	828	\$	103.39
	12/7/18	829	\$	4,023.92
	12/27/18	830-833	\$	14,551.87
	1/8/19	834	\$	3,985.64
	1/10/19	835-836	\$	20,164.83
	1/23/19	837	\$	758.75
	1/29/19	838-840	\$	13,137.87
	2/7/19	841	\$	3,994.90
	2/13/19	842-843	\$	7,875.00
	2/28/19	844	\$	657.00
	3/7/19	845-847	\$	13,056.95
	3/21/19	848	\$	-
	3/26/19	849	\$	28.47
	4/4/19	850	\$	25,332.00
	4/11/19	851-852	\$	5,069.02
	4/18/19	853-854	\$	20,541.00
	4/25/19	855	\$	935.90
	5/9/19	856-857	\$	9,101.45
	5/10/19	858	\$	3,990.59
	5/17/19	859-861	\$	13,796.00
			\$	<b>181,613.03</b>



\*\*\* CHECK DATES 11/20/2018 - 05/23/2019 \*\*\*

TESORO CDD

BANK A TESORO CDD

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK.... AMOUNT #
11/29/18	00008	11/06/18	WGC-1275 201810 310-51300-31500 RVW.SPECIAL DISTRICT FORM	LEWIS, LONGMAN & WALKER, PA	*	94.50	94.50 000824
11/29/18	00017	11/21/18	3788 201811 320-53800-46200 WESTLK/WETLAND MNT-NOV18		*	7,093.00	
		11/21/18	3788 201811 330-53800-46200 EASTLK/WETLAND MNT-NOV18	NATIVE LANDS MANAGEMENT, INC.	*	5,573.00	12,666.00 000825
11/29/18	00005	10/19/18	2144000 201810 310-51300-48000 NOT. OF LNDOWNER/BOS MTG		*	127.05	
		10/19/18	2144009 201810 310-51300-48000 NOT. OF LNDOWNER/BOS MTG	TREASURE COAST NEWSPAPER	*	122.10	249.15 000826
11/29/18	00026	11/04/18	85313 201811 320-53800-47300 MTHLY LNDSCP MAINT-NOV18	WELLINGTON PRO LAWN	*	7,498.83	7,498.83 000827
12/06/18	00007	11/27/18	6-382-34 201811 310-51300-42000 DELIVERY 11/20/18	FEDEX	*	103.39	103.39 000828
12/07/18	00004	12/01/18	286 201812 310-51300-34000 MANAGEMENT FEES-DEC18		*	2,652.25	
		12/01/18	286 201812 310-51300-35100 INFORMATION TECH-DEC18		*	41.67	
		12/01/18	286 201812 310-51300-51000 OFFICE SUPPLIES		*	17.74	
		12/01/18	286 201812 310-51300-42000 POSTAGE		*	3.76	
		12/01/18	286 201812 310-51300-42500 COPIES		*	21.00	
		12/01/18	287 201812 320-53800-12000 FIELD MANAGEMENT-DEC18	GOVERNMENTAL MANAGEMENT SERVICES	*	1,287.50	4,023.92 000829
12/27/18	00006	12/12/18	84651 201811 310-51300-31100 DRAINAGE EASMT PREP.RSRCH		*	4,850.25	
		12/12/18	84652 201811 310-51300-31100 PUBLIC FACILITIES REPORT	CULPEPPER & TERPENING, INC.	*	1,142.55	5,992.80 000830
12/27/18	00008	12/05/18	WGC-1278 201811 310-51300-31500 PREP ATTND MTG/RVW AGDA	LEWIS, LONGMAN & WALKER, PA	*	693.94	693.94 000831

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\*\*\* CHECK DATES 11/20/2018 - 05/23/2019 \*\*\*

TESORO CDD

BANK A TESORO CDD

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK.... AMOUNT #
12/27/18	00005	11/13/18 2157691	201811 310-51300-48000	NOT. OF LNDOWNER/BOS MTG	*	366.30	
				TREASURE COAST NEWSPAPER			366.30 000832
12/27/18	00026	12/02/18 85646	201812 320-53800-47300	MTHLY LNDSCP MNT-DEC18	*	7,498.83	
				WELLINGTON PRO LAWN			7,498.83 000833
1/08/19	00004	1/01/19 288	201901 310-51300-34000	MANAGEMENT FEES-JAN19	*	2,652.25	
		1/01/19 288	201901 310-51300-35100	INFORMATION TECH-JAN19	*	41.67	
		1/01/19 288	201901 310-51300-51000	OFFICE SUPPLIES	*	.39	
		1/01/19 288	201901 310-51300-42000	POSTAGE	*	3.83	
		1/01/19 289	201901 320-53800-12000	FIELD MANAGEMENT-JAN19	*	1,287.50	
				GOVERNMENTAL MANAGEMENT SERVICES			3,985.64 000834
1/10/19	00017	12/26/18 3805	201812 320-53800-46200	WESTLK/WETLAND MNT-DEC18	*	7,093.00	
		12/26/18 3805	201812 330-53800-46200	EASTLK/WETLAND MNT-DEC18	*	5,573.00	
				NATIVE LANDS MANAGEMENT, INC.			12,666.00 000835
1/10/19	00026	1/04/19 85972	201901 320-53800-47300	MTHLY LNDSCP MAINT-JAN19	*	7,498.83	
				WELLINGTON PRO LAWN			7,498.83 000836
1/23/19	00035	1/10/19 2016 862	201901 300-36300-10100	2018 TAX ROLL FEE	*	758.75	
				MICHELLE FRANKLIN, PROP APPRAISER			758.75 000837
1/29/19	00008	1/08/19 WGC-1285	201812 310-51300-31500	RVW.NATIVE LANDS AGREE.	*	95.70	
				LEWIS, LONGMAN & WALKER, PA			95.70 000838
1/29/19	00017	1/23/19 3818	201901 320-53800-46200	WESTLK/WETLAND MNT-JAN19	*	7,093.00	
		1/23/19 3818	201901 330-53800-46200	EASTLK/WETLAND MNT-JAN19	*	5,573.00	
				NATIVE LANDS MANAGEMENT, INC.			12,666.00 000839
1/29/19	00026	1/17/19 86085	201901 320-53800-47300	MTHLY LDSCP MNT-PRORATE	*	376.17	
				WELLINGTON PRO LAWN			376.17 000840

TES -- TESORO -- TVISCARRA

CHECK DATE	VEND#	INVOICE DATE	EXPENSED TO INVOICE	YRMO	DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	...
2/07/19	00004	2/01/19	290	201902	310-51300-34000					*	2,652.25		
			MANAGEMENT FEES-FEB19										
2/01/19		290	201902	310-51300-35100						*	41.67		
			INFORMATION TECH-FEB19										
2/01/19		290	201902	310-51300-51000						*	.78		
			OFFICE SUPPLIES										
2/01/19		290	201902	310-51300-42000						*	12.70		
			POSTAGE										
2/01/19		291	201902	320-53800-12000						*	1,287.50		
			FIELD MANAGEMENT-FEB19										
			GOVERNMENTAL MANAGEMENT SERVICES									3,994.90	000841
2/13/19	00006	12/31/18	84856	201812	310-51300-31100					*	4,851.40		
			DRAINAGE EASEMENTS PREP.										
12/31/18		84868	201812	310-51300-31100						*	1,076.20		
			PUBLIC FACILITIES REPORT										
12/31/18		84856	201812	310-51300-31100						V	4,851.40-		
			DRAINAGE EASEMENTS PREP.										
12/31/18		84868	201812	310-51300-31100						V	1,076.20-		
			PUBLIC FACILITIES REPORT										
			CULPEPPER & TERPENING, INC.									.00	000842
2/13/19	00026	2/04/19	86281	201902	320-53800-47300					*	7,875.00		
			MTHLY LNDSCP MNT-FEB19										
			WELLINGTON PRO LAWN									7,875.00	000843
2/28/19	00038	2/20/19	348803	201901	310-51300-31500					*	219.00		
			REV.DRAFT/EASEMNT/PERMITS										
2/20/19		348803A	201902	310-51300-31500						*	438.00		
			PHONE MTG/REV.EXHIBIT										
			DEAN, MEAD, EGERTON, BLOODWORTH,									657.00	000844
3/07/19	00004	3/01/19	292	201903	310-51300-34000					*	2,652.25		
			MANAGEMENT FEES-MAR19										
3/01/19		292	201903	310-51300-35100						*	41.67		
			INFORMATION TECH-MAR19										
3/01/19		292	201903	310-51300-51000						*	.03		
			OFFICE SUPPLIES										
3/01/19		292	201903	310-51300-42000						*	.50		
			POSTAGE										
3/01/19		293	201903	320-53800-12000						*	1,287.50		
			FIELD MANAGEMENT-MAR19										
			GOVERNMENTAL MANAGEMENT SERVICES									3,981.95	000845
3/07/19	00042	1/17/19	1178	201901	310-51300-35200					*	1,200.00		
			ADA COMPLIANCE/UPDT/REBLD										
			VGLOBALTECH									1,200.00	000846
TES -- TESORO -- TVISCARRA													

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK.... AMOUNT #
3/07/19	00026	3/02/19 86574	201903 320-53800-47300	MTHLY LANDSCAPE MNT-MAR19	*	7,875.00	
				WELLINGTON PRO LAWN			7,875.00 000847
3/21/19	00006	3/11/19 85301	201902 310-51300-31100	DRAINAGE EASEMENTS PREP.	*	1,226.45	
		3/11/19 85301	201902 310-51300-31100	DRAINAGE EASEMENTS PREP.	V	1,226.45-	
				CULPEPPER & TERPENING, INC.			.00 000848
3/26/19	00007	3/19/19 6-494-13	201903 310-51300-42000	DELIVERY 03/06-11/19	*	28.47	
				FEDEX			28.47 000849
4/04/19	00017	2/20/19 3839	201902 320-53800-46200	WESTLK/WETLAND MNT-FEB19	*	7,093.00	
		2/20/19 3839	201902 330-53800-46200	EASTLK/WETLAND MNT-FEB19	*	5,573.00	
		3/20/19 3860	201903 320-53800-46200	WESTLK/WETLAND MNT-MAR19	*	7,093.00	
		3/20/19 3860	201903 330-53800-46200	EASTLK/WETLAND MNT-MAR19	*	5,573.00	
				NATIVE LANDS MANAGEMENT, INC.			25,332.00 000850
4/11/19	00004	4/01/19 294	201904 310-51300-34000	MANAGEMENT FEES-APR19	*	2,652.25	
		4/01/19 294	201904 310-51300-35100	INFORMATION TECH-APR19	*	41.67	
		4/01/19 294	201904 310-51300-51000	OFFICE SUPPLIES	*	.39	
		4/01/19 294	201904 310-51300-42000	POSTAGE	*	4.70	
		4/01/19 294	201904 310-51300-41000	TELEPHONE	*	6.31	
		4/01/19 295	201904 320-53800-12000	FIELD MANAGEMENT-APR19	*	1,287.50	
				GOVERNMENTAL MANAGEMENT SERVICES			3,992.82 000851
4/11/19	00006	12/31/18 84868	201812 310-51300-31100	PUBLIC FACILITIES REPORT	*	1,076.20	
				CULPEPPER & TERPENING, INC.			1,076.20 000852
4/18/19	00017	4/15/19 3875	201904 320-53800-46200	WESTLK/WETLAND MNT-APR19	*	7,093.00	
		4/15/19 3875	201904 330-53800-46200	EASTLK/WETLAND MNT-APR19	*	5,573.00	
				NATIVE LANDS MANAGEMENT, INC.			12,666.00 000853

TES -- TESORO -- TVISCARRA

\*\*\* CHECK DATES 11/20/2018 - 05/23/2019 \*\*\*

TESORO CDD

BANK A TESORO CDD

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
4/18/19	00026	4/07/19 86898	201904 320-53800-47300	MTHLY LANDSCAPE MNT-APR19	*	7,875.00	
				WELLINGTON PRO LAWN			7,875.00 000854
4/25/19	00006	4/10/19 85557	201903 310-51300-31100	DRAINAGE EASEMENTS PREP.	*	935.90	
				CULPEPPER & TERPENING, INC.			935.90 000855
5/09/19	00006	3/11/19 85301	201902 310-51300-31100	DRAIN EASEMNT PREP-FEB19	*	1,226.45	
				CULPEPPER & TERPENING, INC.			1,226.45 000856
5/09/19	00026	5/01/19 87163	201905 320-53800-47300	MTHLY LANDSCAPE MNT-MAY19	*	7,875.00	
				WELLINGTON PRO LAWN			7,875.00 000857
5/10/19	00004	5/01/19 296	201905 310-51300-34000	MANAGEMENT FEES-MAY19	*	2,652.25	
		5/01/19 296	201905 310-51300-35100	INFORMATION TECH-MAY19	*	41.67	
		5/01/19 296	201905 310-51300-51000	OFFICE SUPPLIES	*	.21	
		5/01/19 296	201905 310-51300-42000	POSTAGE	*	3.56	
		5/01/19 296	201905 310-51300-42500	COPIES	*	5.40	
		5/01/19 297	201905 320-53800-12000	FIELD MANAGEMENT-MAY19	*	1,287.50	
				GOVERNMENTAL MANAGEMENT SERVICES			3,990.59 000858
5/17/19	00014	5/02/19 18180	201905 310-51300-32200	FY18 AUDIT SERVICES	*	1,000.00	
				GRAU AND ASSOCIATES			1,000.00 000859
5/17/19	00008	5/07/19 WGC-1302	201904 310-51300-31500	REV.REQUEST FROM AUDITORS	*	130.00	
				LEWIS, LONGMAN & WALKER, PA			130.00 000860
5/17/19	00017	5/16/19 3895	201905 320-53800-46200	WESTLK/WETLAND MNT-MAY19	*	7,093.00	
		5/16/19 3895	201905 330-53800-46200	EASTLK/WETLAND MNT-MAY19	*	5,573.00	
				NATIVE LANDS MANAGEMENT, INC.			12,666.00 000861
				TOTAL FOR BANK A		181,613.03	

TES -- TESORO -- TVISCARRA

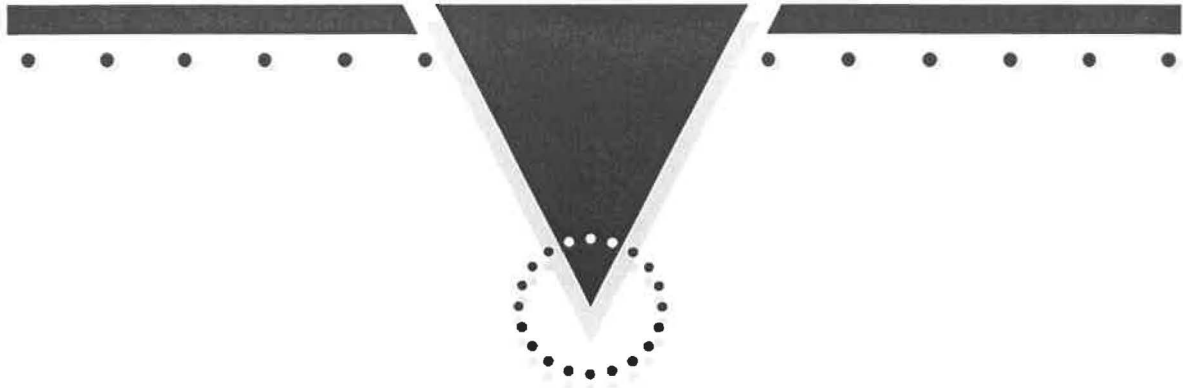
AP300R  
 \*\*\* CHECK DATES 11/20/2018 - 05/23/2019 \*\*\*  
 YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 5/23/19  
 TESORO CDD  
 BANK A TESORO CDD

PAGE 6

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
TOTAL FOR REGISTER							181,613.03	

TES -- TESORO -- TVISCARRA

## SECTION 2



# Tesoro

## Community Development District

Unaudited Financial Reporting  
April 30, 2019





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2	<u>General Fund</u>
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**Tesoro**  
**COMMUNITY DEVELOPMENT DISTRICT**  
**BALANCE SHEET**  
**April 30, 2019**

	<u>General</u>
<b><u>Assets:</u></b>	
Cash	\$204,723
Stormwater Fees Recievable	\$23,566
Investment - Custody Account	\$442,249
	<hr/>
<b>Total Assets</b>	<b><u><u>\$670,538</u></u></b>
<b><u>Liabilities:</u></b>	
Accounts Payable	\$6,208
Deferred Revenue	\$23,566
<b><u>Fund Equity:</u></b>	
Fund Balances:	
Unassigned	\$528,711
Assigned	\$112,054
	<hr/>
<b>Total Liabilites, Fund Equity &amp; Other Credits</b>	<b><u><u>\$670,538</u></u></b>

**Tesoro**  
**COMMUNITY DEVELOPMENT DISTRICT**

**General Fund**  
**Statement of Revenues & Expenditures**

For The Period Ending April 30, 2019

	Adopted Budget	Prorated Thru 04/30/19	Actual Thru 04/30/19	Variance
<b><u>Revenues:</u></b>				
Stormwater Fees	\$210,000	\$210,000	\$224,110	\$14,110
Assessments	\$70,996	\$70,996	\$65,487	(\$5,509)
Interest	\$5,000	\$2,917	\$6,537	\$3,621
<b>Total Revenues</b>	<b>\$285,996</b>	<b>\$283,913</b>	<b>\$296,135</b>	<b>\$12,222</b>
<b><u>Expenditures:</u></b>				
<b><u>Administrative</u></b>				
Supervisor Fees	\$4,000	\$2,000	\$600	\$1,400
FICA Expense	\$306	\$153	\$46	\$107
Engineering	\$5,000	\$2,917	\$14,083	(\$11,166)
Attorney	\$10,000	\$5,833	\$1,671	\$4,162
Annual Audit	\$2,800	\$0	\$0	\$0
Assessment Roll Administration	\$2,500	\$2,500	\$2,500	\$0
Management Fees	\$31,827	\$18,566	\$18,566	\$0
Information Technology	\$500	\$292	\$1,492	(\$1,200)
Telephone	\$150	\$88	\$6	\$81
Postage	\$1,000	\$583	\$173	\$410
Insurance	\$6,844	\$6,844	\$6,222	\$622
Printing & Binding	\$1,000	\$583	\$33	\$550
Legal Advertising	\$1,600	\$933	\$615	\$318
Other Current Charges	\$750	\$438	\$219	\$219
Office Supplies	\$200	\$117	\$21	\$96
Dues, Licenses & Subscriptions	\$175	\$175	\$175	\$0
<b>Total Administrative</b>	<b>\$68,652</b>	<b>\$42,021</b>	<b>\$46,421</b>	<b>(\$4,400)</b>
<b><u>Maintenance</u></b>				
<b><u>Field Operations</u></b>				
Field Management Fees	\$15,450	\$9,013	\$9,013	\$0
<b><u>West Side</u></b>				
Mitigation Maintenance	\$85,116	\$49,651	\$49,651	\$0
Landscaping	\$89,986	\$52,492	\$53,996	(\$1,505)
Electric	\$10,000	\$5,833	\$78	\$5,756
Plant Replacement	\$5,000	\$2,917	\$0	\$2,917
Fountain Repairs	\$5,000	\$2,917	\$0	\$2,917
Contingency	\$26,095	\$15,222	\$0	\$15,222
<b><u>East Side</u></b>				
Mitigation Monitoring	\$7,500	\$4,375	\$0	\$4,375
Mitigation Maintenance	\$66,876	\$39,011	\$39,011	\$0
Plant Replacement	\$5,000	\$2,917	\$0	\$2,917
Contingency	\$13,375	\$7,802	\$0	\$7,802
<b>Total Maintenance</b>	<b>\$329,398</b>	<b>\$192,149</b>	<b>\$151,749</b>	<b>\$40,400</b>
<b>Total Expenditures</b>	<b>\$398,050</b>		<b>\$198,170</b>	
<b>Excess Revenues (Expenditures)</b>	<b>(\$112,054)</b>		<b>\$97,964</b>	
<b>Fund Balance - Beginning</b>	<b>\$112,054</b>		<b>\$542,801</b>	
<b>Fund Balance - Ending</b>	<b>\$0</b>		<b>\$640,765</b>	

**Tesoro CDD**  
**Month to Month**

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
<b><u>Revenues:</u></b>													
Stormwater Fees	\$0	\$0	\$0	\$0	\$0	\$222,898	\$1,212	\$0	\$0	\$0	\$0	\$0	\$224,110
Assessments	\$0	\$3,174	\$59,308	\$899	\$718	\$404	\$985	\$0	\$0	\$0	\$0	\$0	\$65,487
Interest	\$877	\$874	\$953	\$996	\$897	\$993	\$948	\$0	\$0	\$0	\$0	\$0	\$6,537
<b>Total Revenues</b>	<b>\$877</b>	<b>\$4,048</b>	<b>\$60,261</b>	<b>\$1,895</b>	<b>\$1,616</b>	<b>\$224,294</b>	<b>\$3,145</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$296,135</b>
<b><u>Expenditures:</u></b>													
Supervisor Fees	\$0	\$600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$600
FICA Expense	\$0	\$46	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$46
Engineering	\$0	\$5,993	\$5,928	\$0	\$1,226	\$936	\$0	\$0	\$0	\$0	\$0	\$0	\$14,083
Attorney	\$95	\$694	\$96	\$219	\$438	\$0	\$130	\$0	\$0	\$0	\$0	\$0	\$1,671
Annual Audit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Assessment Roll Administration	\$2,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500
District Management Fees	\$2,652	\$2,652	\$2,652	\$2,652	\$2,652	\$2,652	\$2,652	\$0	\$0	\$0	\$0	\$0	\$18,566
Information Technology	\$42	\$42	\$42	\$1,242	\$42	\$42	\$42	\$0	\$0	\$0	\$0	\$0	\$1,492
Telephone	\$0	\$0	\$0	\$0	\$0	\$0	\$6	\$0	\$0	\$0	\$0	\$0	\$6
Postage	\$12	\$107	\$4	\$4	\$13	\$29	\$5	\$0	\$0	\$0	\$0	\$0	\$173
Insurance	\$6,222	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,222
Printing & Binding	\$11	\$2	\$21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$33
Legal Advertising	\$249	\$366	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$615
Other Current Charges	\$29	\$30	\$29	\$29	\$29	\$29	\$44	\$0	\$0	\$0	\$0	\$0	\$219
Office Supplies	\$1	\$0	\$18	\$0	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21
Dues, Licenses & Subscriptions	\$175	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$175
<b>Total Administrative</b>	<b>\$11,987</b>	<b>\$10,532</b>	<b>\$8,788</b>	<b>\$4,146</b>	<b>\$4,401</b>	<b>\$3,688</b>	<b>\$2,879</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$46,421</b>
<b><u>Field Operations</u></b>													
Field Management Fees	\$1,288	\$1,288	\$1,288	\$1,288	\$1,288	\$1,288	\$1,288	\$0	\$0	\$0	\$0	\$0	\$9,013
<b><u>West Side</u></b>													
Mitigation Maintenance	\$7,093	\$7,093	\$7,093	\$7,093	\$7,093	\$7,093	\$7,093	\$0	\$0	\$0	\$0	\$0	\$49,651
Landscaping	\$7,499	\$7,499	\$7,499	\$7,875	\$7,875	\$7,875	\$7,875	\$0	\$0	\$0	\$0	\$0	\$53,996
Plant Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Electric	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$0	\$0	\$0	\$0	\$0	\$78
Contingency	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b><u>East Side</u></b>													
Mitigation Monitoring	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mitigation Maintenance	\$5,573	\$5,573	\$5,573	\$5,573	\$5,573	\$5,573	\$5,573	\$0	\$0	\$0	\$0	\$0	\$39,011
Maintenance Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Maintenance</b>	<b>\$21,463</b>	<b>\$21,463</b>	<b>\$21,463</b>	<b>\$21,840</b>	<b>\$21,840</b>	<b>\$21,840</b>	<b>\$21,840</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$151,749</b>
<b>Total Expenditures</b>	<b>\$33,451</b>	<b>\$31,995</b>	<b>\$30,252</b>	<b>\$25,986</b>	<b>\$26,241</b>	<b>\$25,527</b>	<b>\$24,719</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$198,170</b>
<b>Excess Revenues (Expenditures)</b>	<b>(\$32,573)</b>	<b>(\$27,947)</b>	<b>\$30,009</b>	<b>(\$24,091)</b>	<b>(\$24,625)</b>	<b>\$198,767</b>	<b>(\$21,574)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$97,964</b>

**TESORO  
COMMUNITY DEVELOPMENT DISTRICT**

**SPECIAL ASSESSMENT RECEIPTS - FY2019**

**TAX COLLECTOR**

Gross Assessments	\$	75,985	\$	75,873
Net Assessments	\$	71,321	\$	71,321

Date Received	Dist.	Gross Assessments Received	Discounts/ Penalties	Commissions Paid	Interest Income	Net Amount Received	General Fund 100.00%	Total 100%
11/9/18	ACH	\$ 93.76	\$ -	\$ 1.88	\$ -	\$ 91.88	\$ 91.88	\$ 91.88
11/19/18	ACH	\$ 664.10	\$ -	\$ 13.29	\$ -	\$ 650.81	\$ 650.81	\$ 650.81
11/27/18	ACH	\$ 1,513.68	\$ -	\$ 30.26	\$ -	\$ 1,483.42	\$ 1,483.42	\$ 1,483.42
11/30/18	ACH	\$ 966.80	\$ -	\$ 19.34	\$ -	\$ 947.46	\$ 947.46	\$ 947.46
12/7/18	ACH	\$ 57,482.06	\$ -	\$ 1,149.64	\$ -	\$ 56,332.42	\$ 56,332.42	\$ 56,332.42
12/14/18	ACH	\$ 2,642.68	\$ -	\$ 52.85	\$ -	\$ 2,589.83	\$ 2,589.83	\$ 2,589.83
12/21/18	ACH	\$ 334.26	\$ -	\$ 6.69	\$ -	\$ 327.57	\$ 327.57	\$ 327.57
12/31/18	ACH	\$ 59.20	\$ -	\$ 1.18	\$ -	\$ 58.02	\$ 58.02	\$ 58.02
1/7/19	ACH	\$ 473.62	\$ -	\$ 9.47	\$ -	\$ 464.15	\$ 464.15	\$ 464.15
1/9/19	ACH	\$ 636.94	\$ -	\$ 12.74	\$ -	\$ 624.20	\$ 624.20	\$ 624.20
1/10/19	ACH	\$ 36.98	\$ -	\$ 0.74	\$ -	\$ 36.24	\$ 36.24	\$ 36.24
1/10/19	AP	\$ -	\$ -	\$ 758.75	\$ -	\$ (758.75)	\$ (758.75)	\$ (758.75)
1/11/19	ACH	\$ 345.35	\$ -	\$ 6.91	\$ -	\$ 338.44	\$ 338.44	\$ 338.44
1/18/19	ACH	\$ 88.80	\$ -	\$ 1.78	\$ -	\$ 87.02	\$ 87.02	\$ 87.02
1/28/19	ACH	\$ 109.67	\$ -	\$ 2.19	\$ -	\$ 107.48	\$ 107.48	\$ 107.48
2/1/19	ACH	\$ 388.83	\$ -	\$ 7.78	\$ -	\$ 381.05	\$ 381.05	\$ 381.05
2/8/19	ACH	\$ 284.16	\$ -	\$ 5.68	\$ -	\$ 278.48	\$ 278.48	\$ 278.48
2/15/19	ACH	\$ 29.91	\$ -	\$ 0.60	\$ -	\$ 29.31	\$ 29.31	\$ 29.31
2/22/19	ACH	\$ 30.22	\$ -	\$ 0.61	\$ -	\$ 29.61	\$ 29.61	\$ 29.61
3/1/19	ACH	\$ 30.22	\$ -	\$ 0.61	\$ -	\$ 29.61	\$ 29.61	\$ 29.61
3/8/19	ACH	\$ 55.62	\$ -	\$ 1.11	\$ -	\$ 54.51	\$ 54.51	\$ 54.51
3/14/19	ACH	\$ 111.90	\$ -	\$ 2.24	\$ -	\$ 109.66	\$ 109.66	\$ 109.66
3/22/19	ACH	\$ 30.93	\$ -	\$ 0.62	\$ -	\$ 30.31	\$ 30.31	\$ 30.31
3/29/19	ACH	\$ 183.11	\$ -	\$ 3.66	\$ -	\$ 179.45	\$ 179.45	\$ 179.45
4/5/19	ACH	\$ 712.12	\$ -	\$ 14.24	\$ -	\$ 697.88	\$ 697.88	\$ 697.88
4/8/19	ACH	\$ 9.03	\$ -	\$ 0.18	\$ -	\$ 8.85	\$ 8.85	\$ 8.85
4/8/19	ACH	\$ 47.17	\$ -	\$ 0.94	\$ -	\$ 46.23	\$ 46.23	\$ 46.23
4/12/19	ACH	\$ 204.93	\$ -	\$ 4.10	\$ -	\$ 200.83	\$ 200.83	\$ 200.83
4/19/19	ACH	\$ 31.44	\$ -	\$ 0.63	\$ -	\$ 30.81	\$ 30.81	\$ 30.81
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Totals</b>		\$ 67,597.49	\$ -	\$ 2,110.71	\$ -	\$ 65,486.78	\$ 65,486.78	\$ 65,486.78

**Tesoro**  
**COMMUNITY DEVELOPMENT DISTRICT**  
Stormwater Fee Schedule  
Fiscal Year 2019

Date	Check #	Net Receipts
3/15/19	WIRE	\$222,897.90
4/26/19	282557	\$1,212.39
4/26/19	WIRE	\$0.09
Total		\$224,110.38

## SECTION 3



*Gertrude Walker*  
Supervisor of Elections  
St. Lucie County

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4132 Okeechobee Road • Fort Pierce, FL 34947-5412 • (772) 462-1500 • Fax (772) 462-1439

April 15, 2019

Lauren Vanderveer  
135 W. Central Blvd., Suite 320  
Orlando, FL 32801

Dear Lauren Vanderveer:

This letter is in response to your request for the number of registered voters as of April 15, 2019, in the Community Development District listed below. Based on the information provided in your letter of request, our office staff has researched the mapping system and voter record files and found the following:

<u>NAME</u>	<u>VOTERS</u>
Tesoro	251

Please contact Judith Durogene, Candidate Coordinator, at 772-462-1504 if you have any questions or need additional information.

Sincerely,

Gertrude Walker  
St. Lucie County Supervisor of Elections



## SECTION 4



Dean, Mead, Minton & Zwemer  
1903 South 25th Street, Suite 200  
P.O. Box 2757 (ZIP 34954)  
Fort Pierce, FL 34947

(772) 464-7700  
(772) 464-7877 Fax  
[www.deanmead.com](http://www.deanmead.com)

Attorneys and Counselors at Law  
Orlando  
Fort Pierce  
Tallahassee  
Tampa  
Viera/Melbourne

**W. LEE DOBBINS**  
[LDobbins@deanmead.com](mailto:LDobbins@deanmead.com)

January 28, 2019

**VIA EMAIL: [gflint@gmscfl.com](mailto:gflint@gmscfl.com)**  
Governmental Management Services - Central Florida, LLC  
Attn: George S. Flint, District Manager  
135 West Central Blvd, Suite 320  
Orlando, FL 32801

Re: Tesoro Community Development District ("Tesoro CDD") / Real Property Issues

Dear George:

We are pleased to have this opportunity to be of assistance to Tesoro CDD. You have asked us to represent Tesoro CDD in connection with entering into agreements between Tesoro CDD, West Coast Investors, LLC and Tesoro Property Owner's Association, Inc. addressing maintenance responsibilities for various properties and improvements in the Tesoro development, and access to those properties.

This will confirm that the terms and conditions of our representation are the same as those set forth in the engagement letter dated March 30, 2016 (a copy of which is attached). Although the attached engagement letter may reflect a different billing rate, my current rate is \$365.00 per hour. Of course, when possible, I will have the paralegals in our firm handle certain aspects of this matter. These rates are subject to change annually (usually in January).

Thank you for giving us the opportunity to work with you again.

Best regards,

  
W. Lee Dobbins

WLD:sh  
Enclosure



Dean, Mead, Minton & Zwemer  
1903 South 25th Street, Suite 200  
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Tallahassee  
Tampa  
Viera/Melbourne

W. LEE DOBBINS  
[LDobbins@deanmead.com](mailto:LDobbins@deanmead.com)

March 30, 2016

**VIA EMAIL: [gflint@gmsecfl.com](mailto:gflint@gmsecfl.com)**  
Governmental Management Services - Central Florida, LLC  
Attn: George S. Flint, District Manager  
135 West Central Blvd, Suite 320  
Orlando, FL 32801

Re: Tesoro Community Development District / Real Property Issues

Dear Mr. Flint:

We are pleased to have the opportunity to be of service to Tesoro Community Development District (the "CDD"). We look forward to working with you and will do our best to provide you with the highest quality legal services in a responsive, efficient manner.

Fundamental to a sound relationship is a clear understanding of the terms and conditions upon which we will be providing legal services. The purpose of this letter is to explain and confirm these terms and conditions.

#### **Scope of Services**

You asked us to represent the CDD in connection with correcting inconsistencies between the boundaries of the properties that the CDD is responsible for maintaining, and the boundaries of the properties which the CDD owns or over which the CDD holds easement rights. You acknowledge that our representation does not entail a continuing obligation to give advice concerning legal developments that might have a bearing on your affairs generally, nor, after completion of our representation in this matter, subsequent legal developments which relate to or could have a bearing on that matter. When we finish work on this matter, our attorney-client relationship with you will end unless you and we expressly agree to the continuation of this relationship for other matters. Either you or we can terminate the attorney-client relationship before the work is completed, subject to certain ethical restraints.

To enable us to render these services, you agree to fully and accurately disclose to us all facts that may be relevant to the matter or that we may otherwise request and to keep us apprised of developments relating to the matter as they occur. You also will assist and cooperate with us in such other ways as may be required to provide timely and efficient representation. This includes timely responses to our requests for information and documents.

From time to time, we may express our opinions or beliefs concerning the matter or various courses of action and the results that might be anticipated. Any such statement made by any attorney in our firm is intended to be an expression of opinion only, based on information available to us at the time, and must not be construed by you as a promise or guarantee of any particular result.

#### **Fees and Costs**

Our fees will be based on the amount of time spent by attorneys and paralegals on your matter. Each lawyer and paralegal has an hourly billing rate based generally on his or her experience and any special expertise. The rate multiplied by the time spent on your behalf, measured in tenths of an hour, will be evaluated by the billing attorney as the basis for determining the fee.

My billing rate is currently \$350.00 an hour. My rate and the rates of other lawyers and paralegals are adjusted from time to time to reflect increased experience and special expertise of the attorneys and paralegals and inflationary cost increases affecting our practice, and the adjusted rates will apply to all services performed thereafter. In addition to our fees, we will expect payment for disbursements and other charges as described in the General Provisions enclosed with this letter. You agree that our fees and costs are protected by liens available under Florida law as described in the General Provisions below.

Each month we will furnish you with a statement describing our services rendered and separately showing disbursements and other charges in a format and with such detail as you and we may agree. There often is an unavoidable delay in reporting disbursements and other charges, and therefore not all disbursements and charges may be billed at the same time as the related legal services.

You agree to deposit \$2,500.00 with us as an advance toward our fees, costs, disbursements and other charges in connection with our representation which will be deposited in our trust account and regularly applied to pay or reduce our monthly invoices for fees, costs, disbursements and other charges incurred in your representation. In the event our fees, costs, disbursements and other charges exceed the advance deposited with us, we will invoice you for the excess. Any unused portion of the advance will be returned to you at the conclusion of our services. You agree that we may request additional deposits from time to time based on our estimates of continuing or future work to be undertaken as this advance is diminished. If you fail

### General Provisions

Except as modified by the accompanying engagement letter, the following provisions will apply to the relationship between us and our clients:

1. The time for which a client will be charged will include, but will not be limited to, telephone and office conferences with a client and counsel, witnesses, consultants, court personnel, and others; conferences among our personnel; factual investigation; legal research; responding to clients' requests to provide information to auditors in connection with reviews or audits of financial statements; drafting of letters, pleadings, briefs, and other documents; travel time; waiting time in court or elsewhere; and time in depositions and other discovery proceedings.

2. In addition to our fees, we will be entitled to payment or reimbursement for disbursements and other charges incurred in performing services. This may include, by way of example, charges incurred by Dean Mead for photocopying, messenger and delivery, air freight, videotape recording, travel (including mileage, parking, tolls, airfare, lodging, meals, and ground transportation), long distance telephone, telecopying, computerized legal research (such as through Westlaw or other legal research engine), court costs and filing fees. Unless special arrangements are made in advance, fees and expenses of others (such as experts, investigators, witnesses, consultants, and court reporters) and other large disbursements will not be paid by our firm and will be the responsibility of, and billed directly to, the client.

3. Although we may from time to time for a client's convenience furnish estimates of fees or charges that we anticipate will be incurred on a client's behalf, these estimates are subject to unforeseen circumstances and are by their nature inexact. We therefore will not be bound by any estimates.

4. Fees, disbursements, and other charges will be billed monthly and are payable upon presentation. We expect payment of our statements within thirty (30) days after they are rendered. Interest will be charged at the rate of twelve percent (12%) per annum on all accounts remaining unpaid after thirty (30) days from the date the invoice is rendered.

5. You agree that, as security for attorneys' fees, costs, disbursements or any other amounts owed to this firm pursuant to its representation herein, the firm is hereby granted a security interest in, and may impose a charging lien on, any and all assets and things of value which

any challenge of such denial, and you agree in such event to seek and use separate counsel to pursue such challenge.

10. You authorize us to communicate by cell phone, e-mail or facsimile transmission notwithstanding the inherent risk that such communications may be intercepted or unintentionally misdirected.

11. This agreement may be executed in a number of identical counterparts which, taken together, shall constitute collectively one (1) agreement; but in making proof of this agreement, it shall not be necessary to produce or account for more than one such counterpart executed by the party to be charged. A copy of this agreement, including a copy transmitted by facsimile transmission, shall be treated for all purposes as an original.

12. The accompanying engagement letter supersedes any prior engagement letters that may have been entered into.

# AUDIT COMMITTEE MEETING

## SECTION III



# SECTION A

**TESORO COMMUNITY DEVELOPMENT DISTRICT  
REQUEST FOR PROPOSALS**

**Annual Audit Services for Fiscal Year 2019**  
St. Lucie County, Florida

**INSTRUCTIONS TO PROPOSE**

**SECTION 1. DUE DATE.** Sealed proposals must be received no later than **Friday, August 9, 2019, at 2:00 P.M.**, at the offices of District Manager, located 135 W. Central Blvd., Suite 320, Orlando, FL 32801. Proposals will be publicly opened at that time.

**SECTION 2. FAMILIARITY WITH THE LAW.** By submitting a proposal, the Proposer is assumed to be familiar with all federal, state, and local laws, ordinances, rules, and regulations that in any manner affect the work. Ignorance on the part of the Proposer will in no way relieve it from responsibility to perform the work covered by the proposal in compliance with all such laws, ordinances and regulations.

**SECTION 3. QUALIFICATIONS OF PROPOSER.** The contract, if awarded, will only be awarded to a responsible Proposer who is qualified by experience and licensing to do the work specified herein. The Proposer shall submit with its proposal satisfactory evidence of experience in similar work and show that it is fully prepared to complete the work to the satisfaction of the District.

**SECTION 4. SUBMISSION OF ONLY ONE PROPOSAL.** Proposers shall be disqualified and their proposals rejected if the District has reason to believe that collusion may exist among the Proposers, the Proposer has defaulted on any previous contract or is in arrears on any previous or existing contract, or for failure to demonstrate proper licensure and business organization.

**SECTION 5. SUBMISSION OF PROPOSAL.** Submit seven (7) copies and one (1) electronic copy of the Proposal Documents, and other requested attachments at the time and place indicated herein, which shall be enclosed in an opaque sealed envelope, marked with the title "Auditing Services - Tesoro Community Development District" on the face of it.

**SECTION 6. MODIFICATION AND WITHDRAWAL.** Proposals may be modified or withdrawn by an appropriate document duly executed and delivered to the place where proposals are to be submitted at any time prior to the time and date the proposals are due. No proposal may be withdrawn after opening for a period of ninety (90) days.

**SECTION 7. PROPOSAL DOCUMENTS.** The proposal documents shall consist of the notice announcing the request for proposals, these instructions, the Evaluation Criteria Sheet and a proposal with all required documentation pursuant to Section 12 of these instructions (the "Proposal Documents").

**SECTION 8. PROPOSAL.** In making its proposal, each Proposer represents that it has read and understands the Proposal Documents and that the proposal is made in accordance therewith.

**SECTION 9. BASIS OF AWARD/RIGHT TO REJECT.** The District reserves the right to reject any and all proposals, make modifications to the work, and waive any informalities or irregularities in proposals as it is deemed in the best interests of the District.

**SECTION 10. CONTRACT AWARD.** Within fourteen (14) days of receipt of the Notice of Award from the District, the Proposer shall enter into and execute a Contract (engagement letter) with the District.

**SECTION 11. LIMITATION OF LIABILITY.** Nothing herein shall be construed as or constitute a waiver of District's limited waiver of liability contained in section 768.28, Florida Statutes, or any other statute or law.

**SECTION 12. MISCELLANEOUS.** All proposals shall include the following information in addition to any other requirements of the proposal documents.

- A. List position or title of all personnel to perform work on the District audit. Include resumes for each person listed: list years of experience in present position for each party listed and years of related experience.
- B. Describe proposed staffing levels, including resumes with applicable certifications.
- C. Three references from projects of similar size and scope. The Proposer should include information relating to the work it conducted for each reference as well as a name, address and phone number of a contact person.
- D. The lump sum cost of the provision of the services under the proposal for Fiscal Year 2019, 2020, 2021. The District intends to enter into three (3) separate one-year agreements.
- E. Provide a proposed schedule for performance of the audit.

**SECTION 13. PROTESTS.** Any protest regarding the Proposal Documents, must be filed in writing, at the offices of the District Manager, within seventy-two (72) hours after the receipt of the documents. The formal protest setting forth with particularity the facts and law upon which the protest is based shall be filed within seven (7) calendar days after the initial notice of protest was filed. Failure to timely file a notice of protest or failure to timely file a formal written protest shall constitute a waiver of any right to object or protest with respect to aforesaid plans, specifications or contract documents.

**SECTION 14. EVALUATION OF PROPOSALS.** The criteria to be used in the evaluation of proposals are presented in the Evaluation Criteria Sheet, contained within the Proposal Documents.

## **AUDITOR SELECTION EVALUATION CRITERIA**

### **1. *Ability of Personnel.***

**(20 Points)**

(E.g., geographic locations of the firm's headquarters or permanent office in relation to the project; capabilities and experience of key personnel; present ability to manage this project; evaluation of existing work load; proposed staffing levels, etc.)

### **2. *Proposer's Experience.***

**(20 Points)**

(E.g. past record and experience of the Proposer in similar projects; volume of work previously performed by the firm; past performance for other Community Development Districts in other contracts; character, integrity, reputation, of respondent, etc.)

### **3. *Understanding of Scope of Work.***

**(20 Points)**

Extent to which the proposal demonstrates an understanding of the District's needs for the services requested.

### **4. *Ability to Furnish the Required Services.***

**(20 Points)**

Extent to which the proposal demonstrates the adequacy of Proposer's financial resources and stability as a business entity necessary to complete the services required (E.g. the existence of any natural disaster plan for business operations).

### **5. *Price.***

**(20 Points)**

Points will be awarded based upon the price bid for the rendering of the services and reasonableness of the price to the services.

## SECTION B

## **TESORO COMMUNITY DEVELOPMENT DISTRICT REQUEST FOR PROPOSALS FOR ANNUAL AUDIT SERVICES**

The Tesoro Community Development District hereby requests proposals for annual financial auditing services. The proposal must provide for the auditing of the District's financial records for the Fiscal Year ending September 30, 2019, with an option for two additional annual renewals. The District is a local unit of special-purpose government created under Chapter 190, Florida Statutes, for the purpose of financing, constructing, and maintaining public infrastructure. The District is located in St. Lucie County and has a general administrative operating fund.

The Auditing entity submitting a proposal must be duly licensed under Chapter 173, Florida Statutes and be qualified to conduct audits in accordance with "Government Auditing Standards," as adopted by the Florida Board of Accountancy. Audits shall be conducted in accordance with Florida Law and particularly Section 218.39, Florida Statutes, and the rules of the Florida Auditor General.

Proposal packages, which include evaluation criteria and instructions to proposers, are available from the District Manager at the address and telephone number listed below.

Proposers must provide seven (7) copies and one (1) electronic copy of their proposal to GMS - CF, LLC, District Manager, 135 W. Central Blvd., Suite 320, Orlando, FL 32801, telephone (407) 841-5524, in an envelope marked on the outside "**Auditing Services - Tesoro Community Development District.**" Proposals must be received by **Friday, August 9, 2019, 2:00 P.M.**, at the office of the District Manager. Please direct all questions regarding this Notice to the District Manager.

George S. Flint  
Governmental Management Services - Central Florida, LLC  
District Manager