

MINUTES OF MEETING
TESORO
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Tesoro Community Development District was held Wednesday, February 23, 2022 at 10:00 a.m. at the Tesoro Club, 3rd Floor, 2000 S.E. Via Tesoro, Port St. Lucie, Florida.

Present and constituting a quorum were:

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| Emily Jones | Chairperson |
| John Vogt | Vice Chairman |
| Allen Borden | Assistant Secretary |
| Roderick O'Conner | Assistant Secretary |

Also present were:

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| Jason Showe | District Manager |
| Bill Capko | District Attorney <i>by telephone</i> |
| Butch Terpening | District Engineer <i>by telephone</i> |
| Alan Scheerer | Field Manager |
| Ron Howell | Native Lands |

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Public Comment Period

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Organizational Matters

A. Acceptance of Resignation of Harold Fenner

On MOTION by Mr. O'Conner seconded by Mr. Vogt with all in favor Harold Fenner's resignation was accepted.

B. Appointment of Individual to Fill Board Vacancy in Seats 4 & 5 with a Term Ending November 2024

Mr. Showe stated that leaves two vacancies, seat 4 and seat 5. You were provided with a letter of interest from Mr. Borden.

On MOTION by Mr. O’Conner seconded by Mr. Vogt with all in favor Allen Borden was appointed to Seat #4.

Mr. Showe being a notary public of the State of Florida administered the oath of office to Mr. Borden.

Mr. Showe stated now that we have a quorum, the Board wanted to do some adjustments.

Mr. Vogt stated I would like to resign from seat 1 and be considered for seat 5.

On MOTION by Mr. O’Conner seconded by Ms. Jones with all in favor John Vogt’s resignation from seat 1 was accepted.

On MOTION by Mr. O’Conner seconded by Ms. Jones with all in favor John Vogt was appointed to fill the vacancy in seat 5.

Ms. Jones stated I would like to resign from seat 3.

On MOTION by Mr. O’Conner seconded by Mr. Vogt with all in favor Ms. Jones resignation from seat 3 was accepted.

On MOTION by Mr. O’Conner seconded by Mr. Vogt with all in favor Ms. Jones was appointed to fill the vacancy of seat 1.

Mr. O’Conner stated I would like to resign from seat 2.

On MOTION by Mr. Vogt seconded by Ms. Jones with all in favor Mr. O’Conner’s resignation from seat 2 was accepted.

On MOTION by Mr. Vogt seconded by Ms. Jones with all in favor Mr. O’Conner was appointed to fill the vacancy in seat 3.

Mr. Showe stated we still have a vacancy in seat 2. Is there an appointment at this time? It is a landowner' seat now but goes to general election in 2022.

On MOTION by Ms. Jones seconded by Mr. O'Conner with all in favor Rosemary Jones was appointed to fill the vacancy in seat #2.

Mr. Showe stated we will administer the oath of office before the next meeting.

C. Administration of Oath of Office to Newly Appointed Board Members

This item taken earlier in the meeting.

D. Consideration of Resolution 2022-01 Electing Officers

On MOTION by Mr. O'Conner seconded by Ms. Jones with all in favor Resolution 2022-01 appointing Allen Borden and Rosemary Jones as assistant secretaries was approved.

FOURTH ORDER OF BUSINESS

Approval of the Minutes of the August 16, 2021 Meeting

On MOTION by Mr. Vogt seconded by Mr. O'Conner with all in favor the minutes of the August 16, 2021 meeting were approved as presented.

FIFTH ORDER OF BUSINESS

Ratification of Agreement with Grau & Associates to Provide Auditing Services for Fiscal Year 2021

Mr. Showe stated because this was received in September our office approved it and it is in line with the agreement with Grau & Associates and the budget. We approved it in order to meet the deadline for submittal.

On MOTION by Mr. O'Conner seconded by Mr. Vogt with all in favor the engagement letter with Grau & Associates to perform the Fiscal Year 2021 audit was ratified.

SIXTH ORDER OF BUSINESS

**Review and Acceptance of Fiscal Year 2021
Audit Report**

Mr. Showe stated the audit is complete and is the next item on the agenda. The report to management is on page 24 and you will see that there are no current year findings, no prior year findings and no recommendation. We are in full compliance and it is a clean audit.

Mr. Capko stated I have reviewed it and it was in good shape.

On MOTION by Mr. Vogt seconded by Mr. O’Conner with all in favor the Fiscal Year 2021 audit was accepted.

SEVENTH ORDER OF BUSINESS

**Discussion of Natural Area Cleaning
Proposals**

Mr. Howell stated we have given a proposal and we started Area 1, which is holes 15 and 16 on the golf course and I’m going to be starting that March 7th. We will be trimming the wax myrtles, cutting down the Carolina Willows, and will climb up any of the other native trees that cannot be cut down.

Mr. Showe stated with the chair’s approval we authorized Area 1 and would ask the Board to ratify that action.

On MOTION by Mr. O’Conner seconded by Mr. Vogt with all in favor the proposal to clean Area 1 of the wax myrtles was ratified.

Mr. Showe stated based on talks with John we wanted to have a plan to go through Areas 2, 3, and 4 and the Board could designate a single Board member to approve moving into another area once they are done with Area 1. You are approving the whole project and a plan to move through it.

Mr. O’Conner stated my thought is to see how the first phase works if it meets the expectations. I would designate John to approve future phases of work.

Mr. Showe asked do you want to wait until another Board meeting?

Mr. O’Conner stated no, we want to get on with it.

On MOTION by Mr. O’Conner seconded by Ms. Jones with all in favor Mr. Vogt was authorized to approve future phases of work upon satisfactory completion of Area 1.

EIGHTH ORDER OF BUSINESS

Discussion of Illegal Connection

Mr. Showe stated in December with the help of District counsel we sent the certified letter that is in your agenda package to the owner of 132/134 Southeast Via Verona. He had a pipe installed and was withdrawing from the lake and we asked that he disconnect that.

Mr. O’Conner stated he disconnected that but the pipe is still in the ground. There are two ways he can put that back in, he can get a bigger pump and put it by his house or he can put one out on the front. I want the thing out. Not only is he in land he shouldn’t be in, but he has also gone through the preserve and our property. What is next? This thing has to come out. He cut a trail.

Mr. Capko stated removal of the pipe is an easy one, the District is authorized to go ahead and do that and then invoice the landowner for any and all costs involved in removing that. You have that option. You could always send another letter and give the landowner more time, but he has already had more than two months to remove it.

Mr. O’Conner stated I don’t think you have to give him any more warnings. If you have the authority to take it out and if you need Board approval, we would like to give that to you.

Mr. Showe stated the challenge is that some of that property belongs to the POA and the developer.

Mr. O’Conner stated you will have whatever access you want. Let the lawyer draw it up and I can sign for both entities.

Mr. Showe stated we can probably do one letter from all entities.

Mr. O’Conner stated the pipe has to come out, the stone has to come out and the organics have to be put back in, it has to be planted.

On MOTION by Mr. O’Conner seconded by Ms. Jones with all in favor District counsel was authorized to send a letter to the resident to remove the illegal connection, the gravel and to restore the area.

Mr. Howell stated I’m going to have my hands full with the wax myrtles and maybe Wellington can do that work.

Mr. Showe stated whatever staff needs to do we will take care of it.

Mr. O’Conner asked does the homeowner get noticed that we are coming in to take it out?

Mr. Capko responded if we have the opportunity to provide notice that is never a bad thing, we are not required to do that, but that is a smart move as long as we have time to do that.

Mr. O’Conner stated let’s give him notice because we should expect him to call the police to try to stop the work.

We think there are four to six other folks doing something similar but not as egregious as what he has done that we will be following up on.

NINTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

Mr. O’Conner asked the pond that is out in front of the clubhouse between 18 Watson and runs along the first hole, is there proper flow from that pond to wherever else it dumps into? I heard something from another engineer that they thought there were some repairs that were going to be needed. It doesn’t hold the water. I don’t know if it is a gate that is broken or a plugged pipe.

Mr. Terpening stated let me look at it. I haven’t made an inspection recently of the structure and will report back next month.

Mr. O’Conner asked the work that is being done by the 17th green of the Palmer Course where they are putting in a new culvert, is that something that you know about? The City of Port St. Lucie is doing the work.

Mr. Scheerer stated that is the 15A pond what is ours and goes into 16, there is a big culvert crossing there. They had a couple pipes there years ago.

Mr. O’Conner stated they still have two but they collapsed.

Mr. Terpening stated I will contact the city engineer and find out what is happening.

Mr. Vogt asked once you talk to him, will you let us know? It looks like they are going to put in three major pipes. Are they going to put back the wall?

Mr. O’Conner stated the contractor alluded to me that this is just the beginning, they have several other projects.

Mr. Terpening stated I will find out.

Mr. O’Conner stated we would have replaced that pipe last year but couldn’t source it. If we could learn who is responsible for repair and maintenance around those sorts of things it would be helpful.

Mr. Terpening stated there were talks before this coming year to make a complete analysis of the system and provide you budgets and I think that is due towards the end of July.

Mr. Vogt stated it would be appreciated as you discover exactly what they are doing if you could establish a communication between them and the owners and perhaps myself so if we have a question we can call.

Mr. Scheerer stated another thing we want to talk to St. Lucie about is that outfall structure on 15A, we used to Board it up to keep the water levels interior Tesoro up as high as we could. That now has become a problem for Native Lands who did that on their own. We would like to see what the possibility is of us putting some sort of a mechanical control structure such as the one on 16 where it can be raised automatically or manually. If Steve is there tell him that Alan Scheerer is back and would like to chat with him that would be great.

Mr. Terpening stated will do.

Mr. Showe asked would you like the Board to authorize the stormwater evaluation?

Mr. Terpening stated yes.

C. Manager

i. Approval of Check Register

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| On MOTION by Mr. O’Conner seconded by Ms. Jones with all in favor the check register was approved. |
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ii. Balance Sheet and Income Statement

A copy of the financials was included in the agenda package.

iii. Field Manager’s Report

Mr. Scheerer stated I have been out here the last 30-days off and on and met with John on some of the projects. There used to be a field report that I did and I'm working on updating that with my inspections. Ron and I inspected the property and there are some minor issues with pennywort and cattails within the wetlands and some alligator weed that he is already working on. The buffers look good and I will put that in the form of a report and make sure you have it. I saw from the previous minutes it is supposed to go on the website so when I'm done with that I will make sure Jason can get it uploaded.

Mr. O'Conner stated there is a bit of a desire in the community to increase the CDD contribution with the thought that with more money the more that can get done. We would like to understand from experts like yourselves what we should be doing that we are not doing now.

Mr. Showe stated that will be part of the process that we will go through as we look at the budget and at the next meeting, we will likely bring a proposed budget to look at. We will include the cost of maintenance of all those items for the cleanup areas so the ongoing maintenance will be included, and it is up to the Board the level of service you want to provide.

Mr. O'Conner stated there are homebuilders who will be here in March and April and all the building will be on the east side. It is important for us to start to look at the east side.

Mr. Vogt stated there are littoral shelves that need plants. Is that done on a yearly basis? Is that a yearly budget item or a reserve budget item?

Mr. Howell stated it would probably be yearly, there are plants you could replace every year.

Mr. Vogt stated I think for the next budget we need to see the west being done that way and we need to see the east. We have to improve it.

Mr. Showe stated you also need to look to replace the capital reserve for other unexpected items that come up. Your assessments are very low and even a \$10 increase would generate a lot.

Mr. Vogt stated you have to tell us what it will cost to fix it and then how much each year to keep it up.

Mr. Showe stated we can run some projections for you.

Mr. Terpening stated we have plans for the backbone drainage system but not the golf course.

Mr. Vogt asked can you provide us with anything you have?

Mr. Terpening stated we will start working on a GIS package that is everything in the system that we have. We worked on this property since 1992. There is a lot of data inside the golf course that we don't have.

TENTH ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

ELEVENTH ORDER OF BUSINESS

Supervisor's Requests

There being none,

TWELTH ORDER OF BUSINESS

Adjournment

There being none,

On MOTION by Mr. O'Conner seconded by Mr. Vogt with all in favor the meeting adjourned at 10:49 a.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman