

**MINUTES OF MEETING  
TESORO  
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Tesoro Community Development District was held Wednesday, **January 13, 2023** at 10:00 a.m. at the Tesoro Club, 3<sup>rd</sup> Floor, 2000 S.E. Via Tesoro, Port St. Lucie, Florida.

Present and constituting a quorum were:

John Vogt	Chairman
Roderick O'Conner	Vice Chairman
Rosemary Jones	Assistant Secretary

Also present were:

Jason Showe	District Manager
Bill Capko	District Attorney <i>by telephone</i>
Stef Matthes	District Engineer <i>by telephone</i>
Roberto Cabrera	District Engineer
Alan Scheerer	Field Manager
Ronnie Howell	Native Lands
Paula Loughlin	HOA Manager

**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**

**Approval of the Minutes of the December 14, 2022 Board of Supervisors Meeting and Acceptance of the December 14, 2022 Audit Committee Meeting Minutes**

Mr. Showe presented the December 14, 2022 meeting minutes and asked for any comments, corrections, or changes. Hearing none,

On MOTION by Mr. O’Conner seconded by Mr. Vogt with all in favor the minutes of the December 14, 2022 board meeting were approved as presented and the audit committee meeting minutes were accepted.

**FOURTH ORDER OF BUSINESS**

**Review and Discussion of Project Proposals for 2023**

Mr. Vogt stated Ronnie proposed nearly \$400,000 worth of work that would basically clean up the entire areas that we had not previously done.

Mr. Howell stated that is the clean-up and then there is the plantings.

Mr. O’Conner stated personally I think the A and B structure is great. What is your timeline to do this work?

Mr. Howell stated to do all the As and Bs I think it would roll into August. We will do some As and Bs then stop and do the plantings and we need to do those in March. The goal is to be done by August 1<sup>st</sup>.

On MOTION by Mr. O’Conner seconded by Ms. Rosemary Jones with all in favor Native Lands Management, Inc. was authorized to move forward with the projects as described in an amount not to exceed \$396,000 and the chair was authorized to approve the projects as they come in.

**FIFTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

There being none, the next item followed.

**B. Engineer**

**i. Discussion of Well Permitting**

Mr. Cabrera stated there was an issue last meeting regarding a residential well and we were researching that and there was a corresponding question of whether the CDD could augment its lakes with wells. Stef and I researched that issue, we reached out to South Florida Water Management District’s water use head regarding the residential well and private wells are not something they look into. She was going to do some research and see if there is any sort of

rule that explicitly prohibits it on their side. They don't have a mechanism to enforce if there were a rule. The POA's rules prohibits residential wells so they thought that might be the route to enforce.

Mr. O'Conner stated that is the route we take, but we were told that when the water management plan was approved for Tesoro it was approved without residential wells.

Mr. Cabrera stated we looked at our water use permit, it doesn't address wells, it is more along the lines of allowing use of surface waters.

Mr. O'Conner asked when you say wells, not wells that are drilled on the property to fill the ponds, these would be residential wells?

Mr. Matthes stated the research we did was to find out if there were in any of the documents that are binding documents with us and the city or the water management district if there was a specific prohibition of wells. There is not a specific prohibition of wells, but we have a specific agreement with both Port St. Lucie Utilities Systems Department that says we shall use surface drainage water and IQ irrigation quality water for our irrigation purposes for both the golf course as well as the landscape areas within the community. That is also backed up in our South Florida Water Management District water withdrawal water use permit. There is no specific prohibition of a well, however by default the ways these are written up, the presumption on both entities is that wells will not be used.

Our water use permit is good through 2028. By 2028 we are going to have to update it and renew it and they are going to look into certain things that they know that have to be adjusted in that water use permit such as current ownership of the permit, things of that nature. They are also going to get back to us and let us know what their thoughts are in using wells to augment the surface water withdrawal. The biggest caveat that is in their rule and it is very clear is that augmenting of well water for a surface water use such as irrigation cannot be used for aesthetic purposes. In other words, to keep a lake level at a certain elevation.

Mr. O'Conner asked how does that get interpreted to a residential property?

Mr. Matthes stated it does not. The district is doing some additional research for me to see if there is something that can hook the POA or CDD to saying to a private individual, no you can't do it. We don't have that answer yet. The head of the district told me upfront yesterday that they typically look towards local enforcement such as a POA to ensure that occurs, so the POA documents you have in two locations it very clearly says, private wells are not allowed.

Mr. O'Conner stated this particular homeowner went to the county, city or whatever and did get a permit.

Mr. Matthes stated that's right, the health department issued a permit. The water management district is also going to coordinate with the health department to see what is going on there and we will follow-up with that also.

Mr. O'Conner stated I don't understand that when a property is inside of a POA, HOA whatever it might be why is it that the county and city don't require a letter or some kind of approval from the POA president and/or management company to move forward. Everybody is wasting time, they are taking money for permits that can't be implemented at the property level. Isn't that an easier way to fix this?

Mr. Matthes stated I am not an attorney and I don't know how policies and procedures and things like that work. It seems to me that having a policy change or a procedural change at a state level is more difficult.

Mr. O'Conner stated I don't understand why they wouldn't want to do it at the city level. The city collects enormous amounts of money from these homeowners for using this water. If they would allow these wells to go in, they are not going to collect that money anymore.

Mr. Matthes stated I didn't see where on that permit that was issued that the city was copied or was it straight to the health department? The way I saw it was just DEP and the health department.

Mr. Vogt stated I think it was the health department but when you look at the fundamental principle there should be a bottom up approval. They can't just issue a permit. If we had 1,000 wells in this place, which is 1,000 homes, the runoff water will make our surface water in our CDD areas more effective.

Mr. Matthes stated I don't disagree. All I'm doing is reporting what we found in all the agreements and binding documents that we have with the different agencies for water use and withdrawal. I would ask for some direction from the board as to what steps you would like your engineer to take, next steps moving forward.

Mr. Vogt stated subject to the rest of the board members, we would love to see some sort of agreement between the South Florida Water Management District saying an oversight with some methodology that is available that permits are not issued without prior consultation with the CDD and/or POA ownership of the properties.

Mr. Matthes asked you want to see a way that we can make the water management district an enforcing agency?

Mr. Vogt responded we need to block them or enforce it.

Mr. Scheerer stated that is the POA, if they don't approve it, you don't get it.

Mr. O'Conner stated this person was very clever in how he wrote it up and Paula and her team are not detectives and we are also trying to put a friendly face on the POA. These are real issues for people who have more than one lot and elaborate landscaping because they are not insignificant charges. It is how we are set up and we want to keep it that way, we just don't want to have to deal with this issue when in fact if you peel back the onion it is not approved. It is semantics the way it is written now but it should just be very black and white. In 2028 if we can address it again, then let's do that.

Mr. Matthes stated I don't think we have wait to 2028, that is when the permit runs out. We can start the renewal process this year and see if there is something we can do to get it written in the agreement. I just don't know the answer right now as to what kind of enforcement ability the water management district has. I do believe we are also going to have to revisit our reuse agreement with the city for the reuse water because nowhere in that document did it say there is a prohibition of the use of wells. It is by default that I think everybody assumed that no wells would be used, but it was not written in those documents. Those documents date back to 2001 and 2008 was the last time that the water use permit was updated.

Mr. Vogt stated there are three things we need to think about. One is we would love to see another approval for wells or if anything goes forward without an approval at the local level. The second thing is we are talking about updating the water use permit due in 2028 but you said we can start looking at it now as well as with Port St. Lucie. Port St. Lucie pays us 75% of all the fees for the handling the water in the northwest section of this property. We have to be careful that we do it with care and consideration. We need to look at how we pursue those two other renewal pieces. We don't want to lose the 75%.

Mr. Matthes stated we won't lose the 75%. My biggest concern is if we have to revisit the reuse agreement I don't want additional requirements put on the CDD over and above what we have already. Let me start with the water management district and we will see where that goes.

Mr. O'Conner stated I know Toby did something to increase our ability to take more water out of the reclaimed for the golf course. We originally were approved for 2 MGD and it slipped down and we wanted to make sure that we still had that placeholder. Does this matter? It is information that I have that I thought you should have.

Mr. Matthes asked can you pass that on to me? I would like to see what he did and with whom and how he processed that. It will help with figuring out how to move forward or if we need to.

Mr. O'Conner stated I may have the wording incorrect but we wanted to make sure we preserved our ability so that it wasn't taken away from us. Obviously, there was a time when we used much less because we didn't have the pumps to pump it out.

Mr. Matthes stated the less water we have to use that is reuse the better off we are, the less money we pay.

Mr. Matthes stated the other thing I suggest is that we can contact the health department and find out what their procedures are in issuing permits to private individuals and if there is a way we could put a restriction on certain areas that are controlled by POAs. I don't know the answer, but I will make a call.

Ms. Rosemary Jones stated if I remember right from the last meeting that the permit from the health department was reached because they really only look at the number in the area and since we have no wells that was their only requirement to say it is fine to do this. Is the problem that we don't want to be the ones enforcing? Is that the issue? He doesn't have permission from us.

Mr. O'Conner stated I think it would be very difficult. Look where you live, think about if every one of your neighbors had a well.

Ms. Loughlin stated we have already sent him a denial letter from the architectural review committee and that is when he started challenging us saying he had gotten a permit from the health department. I may be the who is confused here but even with our signage out front the city requires an approval letter from the POA just to put up the monument sign. What is going on is he went around the city so he knew he was doing this.

Mr. Vogt asked do we want Stef to phone the health department and say did you see the approval letter from the POA because this is a private individual and see what the reaction is.

Mr. Matthes stated I will do that.

**C. Manager**

**i. Approval of Check Register**

On MOTION by Ms. Rosemary Jones seconded by Mr. Vogt with all in favor the check register was approved.

**ii. Balance Sheet and Income Statement**

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

**D. Field Manger’s Report**

Mr. Scheerer stated the place is looking amazing, the progress that was made over the past several months is visible. We continue to meet with Ronnie every two weeks and John as needed. We are getting the blueprints scanned and put on the cloud so if lose the hard copies we will have digital copies now. We will continue to do that as we get more and more blueprints. The fountain is looking good, I would like to see a little more flow and we are working towards that.

Mr. Howell stated in phases 1-4 all the wax myrtles have been retrimmed, we have sprayed all the areas except for the three islands and I plan to get a boat in the water next week and touch those up.

**SIXTH ORDER OF BUSINESS**

**Audience Comments**

There being none, the next item followed.

**SEVENTH ORDER OF BUSINESS**

**Supervisor’s Requests**

There being none, the next item followed.

On MOTION by Ms. Rosemary Jones seconded by Mr. Vogt with all in favor the meeting adjourned at 10:32 a.m.

  
Secretary/Assistant Secretary

  
Chairman/Vice Chairman