

***Tesoro
Community Development District***

Agenda

February 27, 2025

AGENDA

Tesoro
Community Development District

219 East Livingston Street, Orlando, FL 32801
Phone: 407-841-5524 – Fax: 407-839-1526

February 20, 2025

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 **Thursday, February 27, 2025, at 10:00 a.m.** at **125 SE Via Tesoro Blvd., Port St. Lucie, Florida.** Following is the advance agenda for the meeting:

1. Roll Call
2. Public Comment Period
3. Organizational Matters
 - A. Administration of Oaths of Office to Newly Elected Supervisors
 - B. Consideration of Resolution 2025-01 Electing Officers
4. Approval of Minutes of the September 23, 2024, Board of Supervisors Meeting
5. Review of CDD Areas of Responsibility
6. Discussion of Transfer of District Management to GMS, South Florida
7. Staff Reports
 - A. Attorney
 - B. Engineer
 - C. District Manager's Report
 - i. Approval of Check Register
 - ii. Balance Sheet and Income Statement
 - D. Field Manager's Report
 - i. Consideration of Agreement for Environmental Consulting Services
8. Supervisor's Requests
9. Adjournment

SECTION III

SECTION B

RESOLUTION 2025-01

A RESOLUTION ELECTING THE OFFICERS OF THE TESORO COMMUNITY DEVELOPMENT DISTRICT, ST. LUCIE COUNTY, FLORIDA.

WHEREAS, the Tesoro Community Development District (the “District”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*; and

WHEREAS, the Board of Supervisors of the District (“Board”) desires to elect the Officers of the District.

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

SECTION 1. The following persons are elected to the offices shown:

- Chairperson _____
- Vice Chairperson _____
- Secretary _____
- Assistant Secretary _____
- Assistant Secretary _____
- Assistant Secretary _____
- Treasurer _____
- Assistant Treasurer _____
- Assistant Treasurer _____
- Assistant Treasurer _____
- Assistant Treasurer _____

PASSED AND ADOPTED this 27th day of February 2025.

ATTEST:

TESORO COMMUNITY DEVELOPMENT DISTRICT

Secretary/Assistant Secretary

Chairperson, Board of Supervisors

MINUTES

**MINUTES OF MEETING
TESORO
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Tesoro Community Development District was held Monday, **September 23, 2024** 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:

| | |
|-------------------|---------------------|
| John Vogt | Chairman |
| Roderick O’Conner | Vice Chairman |
| Allen Borden | Assistant Secretary |
| Emily Jones | Assistant secretary |

Also present were:

| | |
|-----------------|---------------------------------------|
| Jason Showe | District Manager |
| Bill Capko | District Attorney <i>by telephone</i> |
| Roberto Cabrera | District Engineer <i>by telephone</i> |
| Alan Scheerer | Field Manager |
| Matt Hans | GMS |
| Jeremy LeBrun | GMS |
| Ronnie 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 no comments, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the June 12, 2024 Meeting

| |
|---|
| On MOTION by Mr. Vogt seconded by Mr. O’Conner with all in favor the minutes of the June 12, 2024 meeting were approved as presented. |
|---|

FOURTH ORDER OF BUSINESS

**Consideration of Resolution 2024-04
Resetting the Date, Time and Location of the
Fiscal Year 2025 Budget Adoption Public
Hearing**

Mr. Showe stated this changes the public hearing date from your last scheduled meeting to today.

On MOTION by Mr. O’Conner seconded by Mr. Vogt with all in favor Resolution 2024-04 Resetting the Date, Time and Location of the Fiscal Year 2025 Budget Adoption Public Hearing was approved.

FIFTH ORDER OF BUSINESS

Public Hearing

On MOTION by Mr. Vogt seconded by Mr. O’Conner with all in favor the public hearing was opened.

A. Consideration of Resolution 2024-05 Adopting the Fiscal Year 2025 Budget and Relating to Annual Appropriations

Mr. Showe stated attached to the resolution is the draft budget as exhibit A and I will note there is no proposed assessment increase.

On MOTION by Mr. O’Conner seconded by Mr. Borden with all in favor Resolution 2024-05 Adopting the Fiscal Year 2025 Budget and Relating to Annual Appropriations was approved.

B. Consideration of Resolution 2024-06 Imposing Special Assessments and Certifying an Assessment Roll

Mr. Showe stated Resolution 2024-06 imposes the special assessments and certifies the assessment roll. Attached to the resolution will be the adopted budget and the assessment roll.

On MOTION by Mr. Vogt seconded by Mr. Borden with all in favor Resolution 2024-06 Imposing Special Assessments and Certifying an Assessment Roll was approved.

On MOTION by Mr. O’Conner seconded by Ms. Emily Jones with all in favor the public hearing was closed.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being no comments, the next item followed.

B. Engineer

Mr. Vogt stated ask the engineer to look at the walls because I have reports that the cap is off and the wall is starting to peel and it has become a major issue. We need to go back to John Dunton and the City of Port St. Lucie and say this is now off and is an emergency.

Mr. Showe stated we will keep pushing. I know John has contacted Mr. Dunton and we will push the engineer to get us a response.

Mr. Vogt stated we need to keep ahead of it so that it cannot fail.

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

Mr. Vogt stated the discussion is the A-25 structure wall that was inspected earlier this week. What does the inspection look like?

Mr. Cabrera stated I haven’t had a chance to check with Stef on that.

Mr. Vogt stated Stef needs to give me an answer today so I can go back and discuss it with the City of Port St. Lucie. We consider this to be a priority.

Mr. Cabrera stated I will meet with Stef as soon as we are done with this call and provide a response.

Mr. Vogt stated Stef needs to give me an answer and he said was going to talk to John Dunton and that needs to take place today. We cannot afford to have that wall fail.

Mr. Cabrera asked did Stef send you an inspection report on this?

Mr. Vogt stated Tom Terpening was out earlier this week.

Mr. Cabrera stated I will get with both of them and we will issue an inspection report on that too.

Mr. Vogt stated I need to get this to John Dunton before the end of this month because his budget starts on October 1st and he needs to be very clear that this is part of his major budget.

You were going to give us an exhibit and write up to enable us to put it in front of the ownership to look at the two small portions of land just north of Hole 10 where the water is coming out of the 824 structure.

Mr. Cabrera stated we put together two sketches in support of a possible easement. The next bet would be to make contact with the two property owners and I would be more than glad to do that if you want us to.

Mr. Vogt asked can you send that to me today or tomorrow and I can get in touch with the owners?

Mr. Cabrera stated I thought you already had that.

Mr. Vogt stated I'm assuming there is a drawing. You gave me drawings last meeting. I don't have copies of those drawings and we need a brief statement in the front saying they give us authority.

Mr. Cabrera stated okay, I can do that.

Mr. Vogt stated we need to make sure we record it so that Jason's query is answered correctly.

Mr. Cabrera stated I will prioritize the structure first then I will work on the specs.

C. Manager

i. Approval of Check Register

On MOTION by Mr. Vogt seconded by Mr. O'Conner 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.

iii. Adoption of District Goals and Objectives

Mr. Showe stated the next item is in response to house bill 7013 that requires the district to develop some goals and performance measures. We put together a draft set of performance measures and standards that are things that we are required to do anyway. In December we have to report on whether or not we achieved these goals and put that on the website.

On MOTION by Mr. O’Conner seconded by Mr. Vogt with all in favor the goals and objectives were approved.

iv. Review of Fiscal Year 2025 Meeting Schedule

On MOTION by Mr. O’Conner seconded by Mr. Borden with all in favor the notice indicating that the board will meet on an as needed basis in fiscal year 2025 was approved.

v. Delegation of Authority to Approve Projects

On MOTION by Ms. Emily Jones seconded by Mr. O’Conner with all in favor Mr. Vogt was delegated the authority to approve the 2025 projects within the budget guidelines.

D. Field Manger’s Report

- i. Consideration of 2024/2025 Wetland Preserve Maintenance Renewal**
- ii. Consideration of 2024/2025 Landscape Maintenance Renewal**

On MOTION by Mr. O’Conner seconded by Mr. Vogt with all in favor the agreements for wetland preserve maintenance with Native Lands and landscape maintenance with Wellington were approved.

SEVENTH ORDER OF BUSINESS

Audience Comments

There being no comments, the next item followed.

EIGHTH ORDER OF BUSINESS

Supervisor’s Requests

There being no comments, the next item followed.

NINTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. O’Conner seconded by Mr. Borden with all in favor the meeting adjourned at 10:32 a.m.

Secretary/Assistant Secretary

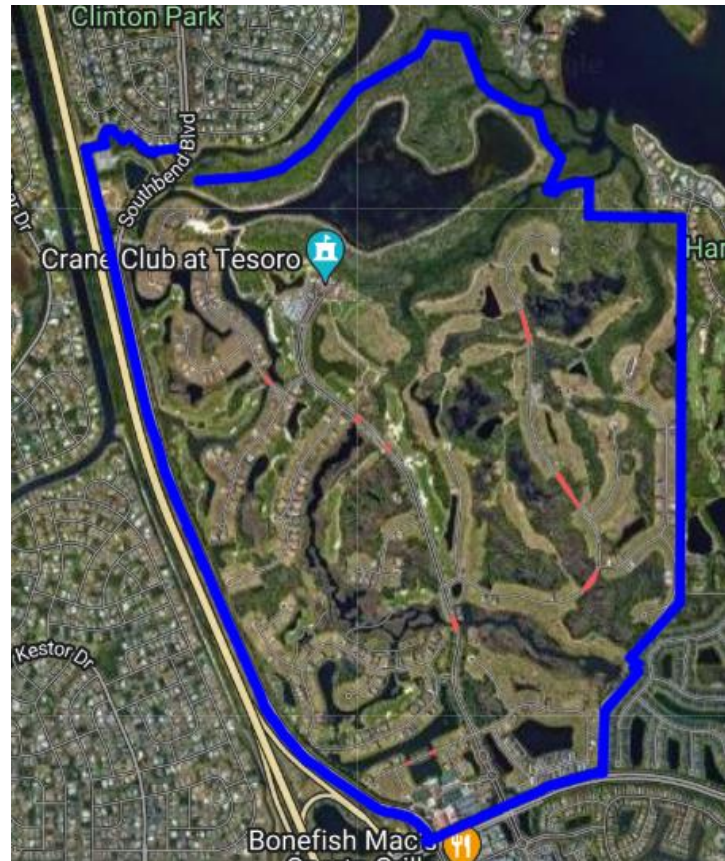
Chairman/Vice Chairman

SECTION V

Tesoro CDD Responsibilities

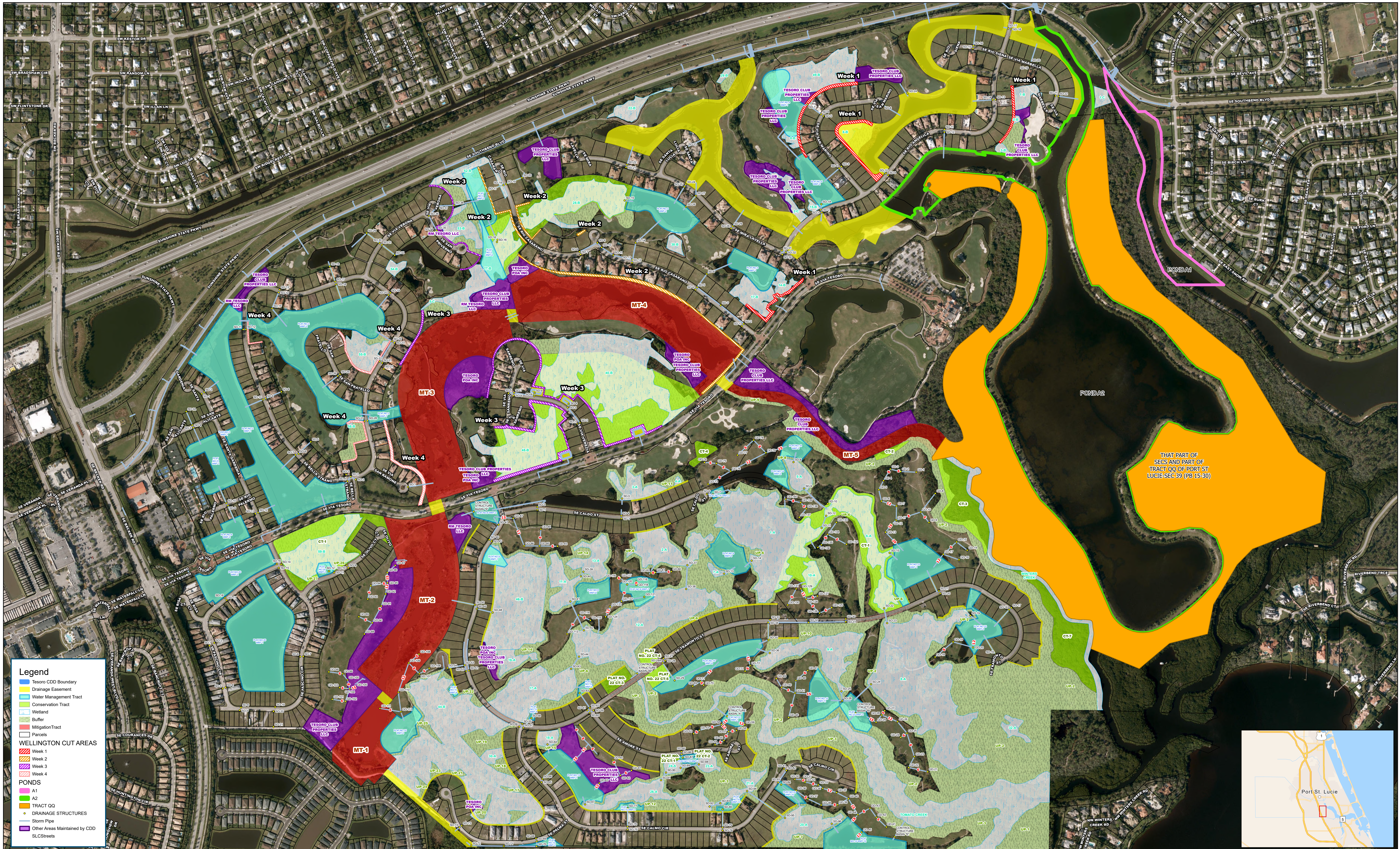
To clarify the responsibilities for the CDD the following has been agreed by the Chair of the Board of Supervisors, the CDD Engineers and District Management.

- 1) The legal boundary of the CDD is the entire Tesoro, from Becker Road to the north side of the large lake behind the main clubhouse, excluding the **waters** of the Winters Creek and Blakesley Creek. This implies that the areas around these creeks are CDD responsibilities, but not the water itself which belongs to the City of Port St Lucie.
 - a) By permits and design, roads, common areas and home lots are excluded, as is golf course areas. The main clubhouse / parking area was segregated by a permit as well.
 - b) A permit actually records a structure spanning the preserve areas crossing Winters Creek (north), which specifies either side of it as conservation areas.



- 2) Land plot boundaries were established before Tesoro was fully developed and the CDD was established. Plots were NOT shaped to suit the future needs as we see today to depict the CDD, POA and Club correctly.
 - a) To highlight these anomalies the conservation area immediately downstream of the A-25 structure (retention wall for the mitigation area located near Via Tesoro and Ria Casarano) is the start of the Winters Creek south fork. But the part where most of the water flows is within a Golf Club lot boundary. This is a conservation area and the golf course itself has adopted the logic that the course layout stops on the boundary of the conservation area.
- 3) The ownership of the properties recorded at the St Lucie Property Appraiser (PA) is NOT the determinant as there are multiple exceptions and anomalies. The size and shapes were decided from history, not from a CDD responsibility area.

- 4) The principles spelt out in the 2010 East side permit, which was amended after the CDD came into existence, should hold for the entire Tesoro community. It specifies that all roads and home water flows / drains belong to the POA administration, but the flow from these drains into ponds, conservation areas and creeks are CDD responsibility. Golf course areas are those developed for the course but drain into the CDD responsibility.
- 5) A map has been evolved to record these conclusions and will be continuously updated to provide clarity.



- Legend**
- Tesoro CDD Boundary
 - Drainage Easement
 - Water Management Tract
 - Conservation Tract
 - Wetland
 - Buffer
 - Mitigation Tract
 - Parcels
- WELLINGTON CUT AREAS**
- Week 1
 - Week 2
 - Week 3
 - Week 4
- PONDS**
- A1
 - A2
 - TRACT QO
 - DRAINAGE STRUCTURES
 - Storm Pipe
 - Other Areas Maintained by CDD
 - SLC Streets

SECTION VII

SECTION C

SECTION 1

Tesoro
COMMUNITY DEVELOPMENT DISTRICT

Fiscal Year 2025
Check Register

| <i>Date</i> | <i>check #'s</i> | <i>Amount</i> |
|-------------------------------|------------------|---------------------|
| <u>General Fund</u> | | |
| 10/01 - 01/31 | 1207 - 1229 | \$182,561.19 |
| <u>Capital Reserve</u> | | |
| 10/01 - 01/31 | - | \$0.00 |
| TOTAL | | \$182,561.19 |

| CHECK DATE | VEND# |INVOICE..... DATE INVOICE | ...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS | VENDOR NAME | STATUS | AMOUNT |CHECK..... AMOUNT # | |
|---------------|-------|-----------------------------------|--|---------------------------|--------|----------|-------------------------------|------------------|
| 10/25/24 | 00053 | 9/30/24 6704202 | 202409 310-51300-48000 | NOT PH ADPT FY25 BUDGET | * | 262.64 | | |
| | | 9/30/24 6704202 | 202409 310-51300-48000 | NOTICE OF FY25 MEETINGS | * | 107.84 | | |
| | | | | | | | GANNETT FLORIDA LOCALIQ | 370.48 001207 |
| 10/25/24 | 00004 | 10/01/24 436 | 202410 310-51300-34000 | MANAGEMENT FEES - OCT 24 | * | 3,222.92 | | |
| | | 10/01/24 436 | 202410 310-51300-35200 | WEBSITE ADMIN - OCT 24 | * | 83.58 | | |
| | | 10/01/24 436 | 202410 310-51300-35100 | INFORMATION TECH - OCT 24 | * | 93.42 | | |
| | | 10/01/24 436 | 202410 310-51300-51000 | OFFICE SUPPLIES - OCT 24 | * | .06 | | |
| | | 10/01/24 436 | 202410 310-51300-42000 | POSTAGE - OCT 24 | * | 1.38 | | |
| | | 10/01/24 436 | 202410 310-51300-42500 | COPIES - OCT 24 | * | 138.60 | | |
| | | 10/01/24 437 | 202410 320-53800-12000 | FIELD MANAGEMENT - OCT 24 | * | 1,564.58 | | |
| | | | | | | | GMS-CENTRAL FLORIDA, LLC | 5,104.54 001208 |
| 10/25/24 | 00008 | 10/03/24 WGC-1601 | 202409 310-51300-31500 | GENERAL COUNSEL - SEP 24 | * | 1,377.00 | | |
| | | | | | | | LEWIS, LONGMAN & WALKER, PA | 1,377.00 001209 |
| 10/25/24 | 00017 | 10/03/24 5064 | 202410 320-53800-46200 | WETLAND/LAKE MAINT OCT24 | * | 7,000.00 | | |
| | | 10/03/24 5064 | 202410 320-53800-46200 | WETLAND/LAKE MAINT OCT24 | * | 9,350.00 | | |
| | | 10/03/24 5064 | 202410 320-53800-46201 | PHASE 1-4 ANNUAL TRIM | * | 9,687.50 | | |
| | | | | | | | NATIVE LANDS MANAGEMENT, INC. | 26,037.50 001210 |
| 11/19/24 | 00006 | 10/23/24 100458 | 202409 310-51300-31100 | ENGINEER SERVICES SEP24 | * | 2,400.00 | | |
| | | | | | | | CULPEPPER & TERPENING, INC. | 2,400.00 001211 |
| 11/19/24 | 00028 | 10/01/24 90872 | 202410 310-51300-54000 | SPECIAL DISTRICT FEE FY25 | * | 175.00 | | |
| | | | | | | | FLORIDACOMMERCE | 175.00 001212 |
| 11/19/24 | 00004 | 11/01/24 438 | 202411 310-51300-34000 | MANAGEMENT FEES - NOV 24 | * | 3,222.92 | | |
| | | 11/01/24 438 | 202411 310-51300-35200 | WEBSITE ADMIN - NOV 24 | * | 83.58 | | |

| CHECK DATE | VEND# | INVOICE DATE | INVOICE | YRMO | DPT | ACCT# | SUB | SUBCLASS | VENDOR NAME | STATUS | AMOUNT | CHECK AMOUNT | CHECK # |
|------------|-------|--------------|----------|--------|-------|-------|-------|----------|-------------------------------|--------|-----------|--------------|---------|
| 11/01/24 | 438 | | 202411 | 310 | 51300 | 35100 | | | | * | 93.42 | | |
| | | | | | | | | | INFORMATION TECH - NOV 24 | | | | |
| 11/01/24 | 439 | | 202411 | 320 | 53800 | 12000 | | | | * | 1,564.58 | | |
| | | | | | | | | | FIELD MANAGEMENT - NOV 24 | | | | |
| | | | | | | | | | GMS-CENTRAL FLORIDA, LLC | | | 4,964.50 | 001213 |
| 11/19/24 | 00008 | 11/04/24 | WGC-1604 | 202410 | 310 | 51300 | 31500 | | | * | 162.00 | | |
| | | | | | | | | | GENERAL COUNSEL - OCT 24 | | | | |
| | | | | | | | | | LEWIS, LONGMAN & WALKER, PA | | | 162.00 | 001214 |
| 11/19/24 | 00017 | 11/04/24 | 5091 | 202411 | 320 | 53800 | 46200 | | | * | 7,000.00 | | |
| | | | | | | | | | WETLAND/LAKE MAINT NOV24 | | | | |
| 11/04/24 | 5091 | | 202411 | 320 | 53800 | 46200 | | | | * | 9,350.00 | | |
| | | | | | | | | | WETLAND/LAKE MAINT NOV24 | | | | |
| 11/04/24 | 5091 | | 202411 | 320 | 53800 | 46201 | | | | * | 9,687.50 | | |
| | | | | | | | | | PHASE 1-4 ANNUAL TRIM | | | | |
| | | | | | | | | | NATIVE LANDS MANAGEMENT, INC. | | | 26,037.50 | 001215 |
| 11/19/24 | 00026 | 11/01/24 | 112993 | 202411 | 320 | 53800 | 47300 | | | * | 8,773.00 | | |
| | | | | | | | | | LANDSCAPE MAINT - NOV 24 | | | | |
| | | | | | | | | | WELLINGTON PRO LAWN | | | 8,773.00 | 001216 |
| 12/13/24 | 00006 | 11/26/24 | 100640 | 202410 | 310 | 51300 | 31100 | | | * | 840.20 | | |
| | | | | | | | | | ENGINEER SERVICES OCT24 | | | | |
| | | | | | | | | | CULPEPPER & TERPENING, INC. | | | 840.20 | 001217 |
| 12/13/24 | 00004 | 12/01/24 | 440 | 202412 | 310 | 51300 | 34000 | | | * | 3,222.92 | | |
| | | | | | | | | | MANAGEMENT FEES - DEC 24 | | | | |
| 12/01/24 | 440 | | 202412 | 310 | 51300 | 35200 | | | | * | 83.58 | | |
| | | | | | | | | | WEBSITE ADMIN - DEC 24 | | | | |
| 12/01/24 | 440 | | 202412 | 310 | 51300 | 35100 | | | | * | 93.42 | | |
| | | | | | | | | | INFORMATION TECH - DEC 24 | | | | |
| 12/01/24 | 441 | | 202412 | 320 | 53800 | 12000 | | | | * | 1,564.58 | | |
| | | | | | | | | | FIELD MANAGEMENT - DEC 24 | | | | |
| | | | | | | | | | GMS-CENTRAL FLORIDA, LLC | | | 4,964.50 | 001218 |
| 12/13/24 | 00008 | 12/04/24 | WGC-1608 | 202411 | 310 | 51300 | 31500 | | | * | 931.50 | | |
| | | | | | | | | | GENERAL COUNSEL - NOV 24 | | | | |
| | | | | | | | | | LEWIS, LONGMAN & WALKER, PA | | | 931.50 | 001219 |
| 12/13/24 | 00017 | 12/02/24 | 5100 | 202412 | 320 | 53800 | 49100 | | | * | 17,500.00 | | |
| | | | | | | | | | WAX MYRTLE TRIM 44-B 30-A | | | | |
| 12/02/24 | 5105 | | 202412 | 320 | 53800 | 46200 | | | | * | 7,000.00 | | |
| | | | | | | | | | WETLAND/LAKE MAINT DEC24 | | | | |
| 12/02/24 | 5105 | | 202412 | 320 | 53800 | 46200 | | | | * | 9,350.00 | | |
| | | | | | | | | | WETLAND/LAKE MAINT DEC24 | | | | |

| CHECK DATE | VEND# | INVOICE DATE | INVOICE | EXPENSED TO YRMO | DPT ACCT# | SUB SUBCLASS | VENDOR NAME | STATUS | AMOUNT | CHECK AMOUNT | CHECK # |
|------------|-------|--------------|-----------------|------------------|-----------------|--------------|--|--------|-----------|--------------|---------|
| 12/02/24 | 5105 | 202412 | 320-53800-46201 | | | | PHASE 1-4 ANNUAL TRIM NATIVE LANDS MANAGEMENT, INC. | * | 9,687.50 | 43,537.50 | 001220 |
| 12/13/24 | 00026 | 12/01/24 | 113194 | 202412 | 320-53800-47300 | | LANDSCAPE MAINT - DEC 24 WELLINGTON PRO LAWN | * | 8,773.00 | 8,773.00 | 001221 |
| 1/13/25 | 00006 | 7/24/24 | 9994005 | 202406 | 310-51300-31100 | | ENGINEER SERVICES JUN24 | * | 1,073.14 | | |
| | | 12/30/24 | 100772 | 202411 | 310-51300-31100 | | ENGINEER SERVICES NOV24 CULPEPPER & TERPENING, INC. | * | 1,240.00 | 2,313.14 | 001222 |
| 1/13/25 | 00004 | 1/01/25 | 443 | 202501 | 320-53800-12000 | | FIELD MANAGEMENT - JAN 25 GMS-CENTRAL FLORIDA, LLC | * | 1,564.58 | 1,564.58 | 001223 |
| 1/13/25 | 00008 | 1/06/25 | WGC-1613 | 202412 | 310-51300-31500 | | GENERAL COUNSEL - DEC 24 LEWIS, LONGMAN & WALKER, PA | * | 202.50 | 202.50 | 001224 |
| 1/13/25 | 00035 | 12/01/24 | INV-1283 | 202412 | 300-36300-10100 | | 2024 TAX ROLL TRIM NOTICE | * | 5,822.33 | | |
| | | 12/01/24 | INV-1283 | 202412 | 300-36300-10100 | | 2024 TAX ROLL TRIM NOTICE MICHELLE FRANKLIN, PROP APPRAISER | V | 5,822.33- | .00 | 001225 |
| 1/13/25 | 00017 | 1/02/25 | 5121 | 202501 | 320-53800-46200 | | WETLAND/LAKE MAINT JAN25 | * | 7,000.00 | | |
| | | 1/02/25 | 5121 | 202501 | 320-53800-46200 | | WETLAND/LAKE MAINT JAN25 | * | 9,350.00 | | |
| | | 1/02/25 | 5121 | 202501 | 320-53800-46201 | | PHASE 1-4 ANNUAL TRIM NATIVE LANDS MANAGEMENT, INC. | * | 9,687.50 | 26,037.50 | 001226 |
| 1/13/25 | 00026 | 1/01/25 | 113574 | 202501 | 320-53800-47300 | | LANDSCAPE MAINT - JAN 25 WELLINGTON PRO LAWN | * | 8,773.00 | 8,773.00 | 001227 |
| 1/30/25 | 00004 | 1/01/25 | 442 | 202501 | 310-51300-34000 | | JAN 25 - MGMT FEES | * | 3,222.92 | | |
| | | 1/01/25 | 442 | 202501 | 310-51300-35200 | | JAN 25 - WEBSITE ADMIN | * | 83.58 | | |
| | | 1/01/25 | 442 | 202501 | 310-51300-35100 | | JAN 25 - IT GMS-CENTRAL FLORIDA, LLC | * | 93.42 | 3,399.92 | 001228 |

| CHECK DATE | VEND# |INVOICE..... DATE INVOICE | ...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS | VENDOR NAME | STATUS | AMOUNT |CHECK..... AMOUNT # |
|---------------|-------|-----------------------------------|--|-----------------------------------|--------|--------------------|----------------------------|
| 1/30/25 | 00035 | 12/01/24 | INV-1283 202412 300-36300-10100 2024 TAX ROLL TRIM NOTICE | MICHELLE FRANKLIN, PROP APPRAISER | * | 5,822.33 | 5,822.33 001229 |
| ----- | | | | | | TOTAL FOR BANK A | 182,561.19 |
| | | | | | | TOTAL FOR REGISTER | 182,561.19 |

SECTION 2

Tesoro
Community Development District

Unaudited Financial Reporting
January 31, 2025



Table of Contents

| | | |
|-----|-------|-----------------------------|
| 1 | <hr/> | Balance Sheet |
| 2-3 | <hr/> | General Fund |
| 4 | <hr/> | Capital Reserve Fund |
| 5 | <hr/> | Month to Month |
| 6 | <hr/> | Assessment Receipt Schedule |

Tesoro
Community Development District
Combined Balance Sheet
January 31, 2025

| | <i>General Fund</i> | <i>Capital Reserve Fund</i> | <i>Totals Governmental Funds</i> |
|---|-------------------------|---------------------------------|--------------------------------------|
| Assets: | | | |
| <u>Cash:</u> | | | |
| Operating Account | \$ 194,644 | \$ 325,636 | \$ 520,280 |
| <u>Investments:</u> | | | |
| State Board of Administration (SBA) | 339,056 | - | 339,056 |
| Total Assets | \$ 533,699 | \$ 325,636 | \$ 859,336 |
| Liabilities: | | | |
| Accounts Payable | \$ 14,000 | \$ - | \$ 14,000 |
| Total Liabilities | \$ 14,000 | \$ - | \$ 14,000 |
| Fund Balance: | | | |
| Assigned for: | | | |
| Capital Reserves | \$ - | \$ 325,636 | \$ 325,636 |
| Unassigned | 519,699 | - | 519,699 |
| Total Fund Balances | \$ 519,699 | \$ 325,636 | \$ 845,336 |
| Total Liabilities & Fund Balance | \$ 533,699 | \$ 325,636 | \$ 859,336 |

Tesoro
Community Development District
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For The Period Ending January 31, 2025

| | Adopted Budget | Prorated Budget Thru 01/31/25 | Actual Thru 01/31/25 | Variance |
|--|-------------------|----------------------------------|-------------------------|-----------------|
| <u>Revenues:</u> | | | | |
| Special Assessments - Tax Roll | \$ 546,425 | \$ 529,065 | \$ 529,065 | \$ - |
| Stormwater Fees | 250,000 | - | - | - |
| Interest Income | 1,966 | 655 | 305 | (351) |
| Total Revenues | \$ 798,391 | \$ 529,720 | \$ 529,370 | \$ (351) |
| <u>Expenditures:</u> | | | | |
| <u>General & Administrative:</u> | | | | |
| Supervisor Fees | \$ 5,000 | \$ - | \$ - | \$ - |
| PR-FICA | 383 | - | - | - |
| Engineering | 7,000 | 2,333 | 2,080 | 253 |
| Attorney | 15,000 | 5,000 | 1,296 | 3,704 |
| Annual Audit | 3,150 | - | - | - |
| Assessment Administration | 2,650 | 2,650 | 2,650 | - |
| Management Fees | 38,675 | 12,892 | 12,892 | 0 |
| Information Technology | 1,121 | 374 | 374 | 0 |
| Website Maintenance | 1,003 | 334 | 334 | 0 |
| Telephone | 100 | 33 | - | 33 |
| Postage & Delivery | 500 | 167 | 1 | 165 |
| Insurance General Liability/Public Officials | 8,238 | 8,238 | 8,355 | (117) |
| Printing & Binding | 600 | 200 | 139 | 61 |
| Legal Advertising | 1,000 | 333 | - | 333 |
| Other Current Charges | 1,000 | 333 | - | 333 |
| Office Supplies | 100 | 33 | 0 | 33 |
| Dues, Licenses & Subscriptions | 175 | 175 | 175 | - |
| Total General & Administrative | \$ 85,696 | \$ 33,096 | \$ 28,296 | \$ 4,800 |

Tesoro
Community Development District
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For The Period Ending January 31, 2025

| | Adopted Budget | Prorated Budget Thru 01/31/25 | Actual Thru 01/31/25 | Variance |
|--|---------------------|----------------------------------|-------------------------|--------------------|
| <i>Operations & Maintenance</i> | | | | |
| Field Operation | | | | |
| Field Management Fees | \$ 18,775 | \$ 6,258 | \$ 6,258 | \$ 0 |
| Trim-Phase 1-4 | 116,250 | 38,750 | 38,750 | - |
| Property Insurance | 375 | - | - | - |
| West Side | | | | |
| Mitigation Maintenance | 112,200 | 37,400 | 51,400 | (14,000) |
| Landscaping | 102,221 | 34,074 | 35,092 | (1,018) |
| Electric | 8,750 | 2,917 | 2,231 | 686 |
| Plant Replacement | 5,000 | - | - | - |
| Fountain Repairs | 5,000 | 1,667 | - | 1,667 |
| Contingency | 2,500 | 833 | 17,500 | (16,667) |
| East Side | | | | |
| Mitigation Maintenance | 84,000 | 28,000 | 28,000 | - |
| Plant Replacement | 5,000 | 1,667 | - | 1,667 |
| Contingency | 2,500 | 833 | - | 833 |
| Total Field Operation | \$ 462,571 | \$ 152,399 | \$ 179,231 | \$ (26,832) |
| Total Expenditures | \$ 548,267 | \$ 185,495 | \$ 207,527 | \$ (22,032) |
| Excess (Deficiency) of Revenues over Expenditures | \$ 250,124 | \$ 344,225 | \$ 321,843 | \$ (22,382) |
| <i>Other Financing Sources/(Uses):</i> | | | | |
| Transfer Out to Capital Reserve | \$ (250,124) | \$ (250,124) | (250,124) | \$ - |
| Total Other Financing Sources/(Uses) | \$ (250,124) | \$ (250,124) | \$ (250,124) | \$ - |
| Net Change in Fund Balance | \$ - | \$ 94,101 | \$ 71,719 | \$ (22,382) |
| Fund Balance - Beginning | \$ - | | \$ 447,981 | |
| Fund Balance - Ending | \$ - | | \$ 519,699 | |

Tesoro
Community Development District
Capital Reserve Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For The Period Ending January 31, 2025

| | Adopted Budget | Prorated Budget Thru 01/31/25 | Actual Thru 01/31/25 | Variance |
|--|---------------------|----------------------------------|-------------------------|---------------|
| Revenues | | | | |
| Interest Income | \$ - | - | \$ 213 | \$ 213 |
| Total Revenues | \$ - | \$ - | \$ 213 | \$ 213 |
| Expenditures: | | | | |
| Miscellaneous Expenses | \$ 34,000 | \$ - | \$ - | \$ - |
| Natural Area Cleanup | 260,900 | - | - | - |
| Plant Installation | 500 | - | - | - |
| Total Expenditures | \$ 295,400 | \$ - | \$ - | \$ - |
| Excess (Deficiency) of Revenues over Expenditures | \$ (295,400) | \$ - | \$ 213 | \$ 213 |
| Other Financing Sources/(Uses) | | | | |
| Transfer In Capital Reserve | \$ 250,124 | \$ 250,124 | \$ 250,124 | \$ - |
| Total Other Financing Sources (Uses) | \$ 250,124 | \$ 250,124 | \$ 250,124 | \$ - |
| Net Change in Fund Balance | \$ (45,276) | \$ 250,124 | \$ 250,337 | \$ 213 |
| Fund Balance - Beginning | \$ 74,984 | | \$ 75,299 | |
| Fund Balance - Ending | \$ 29,708 | | \$ 325,636 | |

Tesoro
Community Development District
Month to Month

| | Oct | Nov | Dec | Jan | Feb | March | April | May | June | July | Aug | Sept | Total |
|--|---------------------|--------------------|---------------------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------|
| Revenues: | | | | | | | | | | | | | |
| Special Assessments - Tax Roll | \$ 2,678 | 17,018 | 499,080 | 10,288 | - | - | - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 529,065 |
| Stormwater Fees | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Income | 119 | 47 | 19 | 119 | - | - | - | - | - | - | - | - | 305 |
| Interest Income | \$ 550 | \$ 17,065 | \$ 499,100 | \$ 10,408 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 529,370 |
| Expenditures: | | | | | | | | | | | | | |
| General & Administrative: | | | | | | | | | | | | | |
| Supervisor Fees | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| PR-FICA | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Engineering | 840 | 1,240 | - | - | - | - | - | - | - | - | - | - | 2,080 |
| Attorney | 162 | 932 | 203 | - | - | - | - | - | - | - | - | - | 1,296 |
| Annual Audit | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Assessment Administration | 2,650 | - | - | - | - | - | - | - | - | - | - | - | 2,650 |
| Arbitrage Rebate | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Dissemination Agent | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Trustee Fees | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Management Fees | 3,223 | 3,223 | 3,223 | 3,223 | - | - | - | - | - | - | - | - | 12,892 |
| Information Technology | 93 | 93 | 93 | 93 | - | - | - | - | - | - | - | - | 374 |
| Website Maintenance | 84 | 84 | 84 | 84 | - | - | - | - | - | - | - | - | 334 |
| Telephone | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Postage & Delivery | 1 | - | - | - | - | - | - | - | - | - | - | - | 1 |
| Insurance General Liability/Public Officials | 8,355 | - | - | - | - | - | - | - | - | - | - | - | 8,355 |
| Printing & Binding | 139 | - | - | - | - | - | - | - | - | - | - | - | 139 |
| Legal Advertising | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Current Charges | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Office Supplies | 0 | - | - | - | - | - | - | - | - | - | - | - | 0 |
| Dues, Licenses & Subscriptions | 175 | - | - | - | - | - | - | - | - | - | - | - | 175 |
| Total General & Administrative | \$ 15,722 | \$ 5,571 | \$ 3,602 | \$ 3,400 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 28,296 |
| Operations & Maintenance | | | | | | | | | | | | | |
| Field Operation | | | | | | | | | | | | | |
| Field Management Fees | 1,565 | 1,565 | 1,565 | 1,565 | - | - | - | - | - | - | - | - | 6,258 |
| Trim-Phase 1-4 | 9,688 | 9,688 | 9,688 | 9,688 | - | - | - | - | - | - | - | - | 38,750 |
| Property Insurance | - | - | - | - | - | - | - | - | - | - | - | - | - |
| West Side | | | | | | | | | | | | | |
| Mitigation Maintenance | 9,350 | 9,350 | 16,350 | 16,350 | - | - | - | - | - | - | - | - | 51,400 |
| Landscaping | 8,773 | 8,773 | 8,773 | 8,773 | - | - | - | - | - | - | - | - | 35,092 |
| Electric | 524 | 504 | 600 | 603 | - | - | - | - | - | - | - | - | 2,231 |
| Plant Replacement | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fountain Repairs | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Contingency | - | - | 17,500 | - | - | - | - | - | - | - | - | - | 17,500 |
| East Side | | | | | | | | | | | | | |
| Mitigation Maintenance | 7,000 | 7,000 | 7,000 | 7,000 | - | - | - | - | - | - | - | - | 28,000 |
| Plant Replacement | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Contingency | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditures | \$ 36,899 | \$ 36,879 | \$ 61,475 | \$ 43,978 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 179,231 |
| Excess (Deficiency) of Revenues over Expenditures | \$ (52,071) | \$ (25,386) | \$ 434,022 | \$ (36,970) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 321,843 |
| Other Financing Sources/Uses: | | | | | | | | | | | | | |
| Transfer In/(Out) | - | - | (250,124) | - | - | - | - | - | - | - | - | - | (250,124) |
| Transfer Out to Capital Reserve | \$ (230,124) | \$ - | \$ (250,124) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (250,124) |
| Net Change in Fund Balance | \$ (282,195) | \$ (25,386) | \$ 183,898 | \$ (36,970) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 71,719 |

Tesoro
COMMUNITY DEVELOPMENT DISTRICT
Special Assessment Receipts - St Lucie County
Fiscal Year 2025

Gross Assessments \$ 578,280.20 \$ 578,280.20
 Net Assessments \$ 543,583.39 \$ 543,583.39

ON ROLL ASSESSMENTS

allocation in % 100.00% 100.00%

| <i>Date</i> | <i>Gross Amount</i> | <i>Discount/ (Penalty)</i> | <i>Commission</i> | <i>Interest</i> | <i>Property Appraiser</i> | <i>Net Receipts</i> | <i>O&M Portion</i> | <i>Total</i> |
|-------------|----------------------|--------------------------------|---------------------|------------------|-------------------------------|----------------------|------------------------|----------------------|
| 10/31/24 | \$ 2,678.27 | \$ - | \$ - | \$ - | \$ - | \$ 2,678.27 | \$ 2,678.27 | \$ 2,678.27 |
| 11/12/24 | 1,206.60 | 60.44 | 22.92 | - | - | 1,123.24 | 1,123.24 | 1,123.24 |
| 11/15/24 | 5,735.00 | 229.40 | 110.12 | - | - | 5,395.48 | 5,395.48 | 5,395.48 |
| 11/21/24 | 11,160.00 | 446.40 | 214.27 | - | - | 10,499.33 | 10,499.33 | 10,499.33 |
| 12/03/24 | 9,842.50 | 393.70 | 188.97 | - | - | 9,259.83 | 9,259.83 | 9,259.83 |
| 12/09/24 | 296,874.60 | 11,875.01 | 5,699.99 | - | - | 279,299.60 | 279,299.60 | 279,299.60 |
| 12/13/24 | 223,857.20 | 8,951.18 | 4,298.13 | - | - | 210,607.89 | 210,607.89 | 210,607.89 |
| 12/20/24 | 6,091.50 | 239.00 | 117.05 | - | - | 5,735.45 | 5,735.45 | 5,735.45 |
| 01/03/25 | 2,015.00 | 60.45 | 39.10 | - | - | 1,915.45 | 1,915.45 | 1,915.45 |
| 01/09/25 | 2,015.00 | 60.46 | 39.09 | - | - | 1,915.45 | 1,915.45 | 1,915.45 |
| 01/08/25 | 721.63 | 19.55 | 14.03 | - | - | 688.05 | 688.05 | 688.05 |
| 01/08/25 | - | - | - | 449.75 | - | 449.75 | 449.75 | 449.75 |
| 01/09/25 | 2,790.00 | 83.69 | 54.13 | - | - | 2,652.18 | 2,652.18 | 2,652.18 |
| 01/13/25 | - | - | - | - | (5,822.33) | (5,822.33) | (5,822.33) | (5,822.33) |
| 01/16/25 | 1,550.00 | 43.40 | 30.13 | - | - | 1,476.47 | 1,476.47 | 1,476.47 |
| 01/24/25 | 310.00 | 6.20 | 6.07 | - | - | 297.73 | 297.73 | 297.73 |
| 01/30/25 | 930.00 | 18.60 | 18.23 | - | - | 893.17 | 893.17 | 893.17 |
| | \$ 567,777.30 | \$ 22,487.48 | \$ 10,852.23 | \$ 449.75 | \$ (5,822.33) | \$ 529,065.01 | \$ 529,065.01 | \$ 529,065.01 |

| | |
|---------------------|-------------------------------------|
| 97% | Percent Collected |
| \$ 14,518.38 | Balance Remaining to Collect |

SECTION D

SECTION 1

AGREEMENT FOR ENVIRONMENTAL CONSULTING SERVICES

THIS AGREEMENT is made by and between the TESORO COMMUNITY DEVELOPMENT DISTRICT, a local special purpose governmental entity created pursuant to Chapter 190, Florida Statutes (hereinafter referred to as “District”), with offices located at 219 E. Livingston St., Orlando, FL 32801 and HOBE SOUND ENVIRONMENTAL CONSULTANTS, INC., a Florida corporation, located at 9512 SE Duncan Street, Hobe Sound, FL 33455 (hereinafter referred to as “Consultant”), this ____ day of _____, 2025.

RECITALS

WHEREAS, the Consultant submitted a proposal to provide environmental consulting services required to review any and all projects within the preserve area at the Tesoro Club to ensure that such projects are completed within the permitted guidelines (“Services”). The preserve area is located at 200 SE Via Tesoro, Port St. Lucie, FL 34984; and

WHEREAS, the Board of Supervisors desires to enter into an Agreement with Consultant for the provision of the Services on an as-needed basis.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration of which the parties hereto acknowledge, the parties agree as follows:

1 **Recitals.** The above recitals are true and correct and are incorporated herein by reference.

2 **Scope of Services.** The Consultant shall provide the Services as directed by the District on an as-needed basis in accordance with the Consultant's Proposal attached as Exhibit A.

3 **Compensation.** The District agrees to compensate the Consultant in accordance with the Fee Schedule in Consultant's Proposal attached as Exhibit A. Consultant shall provide the District with an invoice on the first of the month on a monthly basis stating the services provided in the preceding month.

4 **Term.** The term of this Agreement shall be for one (1) year from the Effective Date, with the option to renew for two (2) additional one-year terms. The District Manager is hereby authorized to exercise the renewal options on behalf of the District.

5 **Termination for Convenience.** The District shall have the right to terminate this Agreement for any reason with thirty (30) days written notice to the Consultant. Upon receipt of such notice, the Consultant shall immediately cease performance of all services or obligations under this Agreement, except as otherwise directed by the District. In the event of termination under this clause, the District shall compensate the Consultant for all work performed and expenses incurred up to the effective date of termination, provided that such work and expenses are documented and reasonably necessary.

6 **Insurance.** The Consultant shall maintain the following insurance coverage during the term of this Agreement. The Insurance must remain in force for so long as is necessary to cover any occurrence relating to, resulting from, or arising out of the Consultant's Services under this Agreement.

The Consultant shall provide to the District a Certificate of Insurance (“COI”) naming the District as “Additional Insured” within seven (7) days of execution of this Agreement.

- a. Comprehensive General Liability insurance covering all operations, including legal liability and completed operations/products liability, within minimum limits of \$1,000,000 combined single limit per occurrence;
- b. Comprehensive Automobile Liability insurance covering owned, non-owned, or rented automotive equipment to be used in performance of the Work with minimum limits of \$500,000 combined single limit per occurrence; and
- c. Workers Compensation insurance in a form and in amounts prescribed by the state of Florida.

7 **Indemnification.** Consultant agrees to indemnify and hold harmless the District, its officers, agents, servants, and employees from and against any and all liability, claims, actions suits or demands by any person, corporation or other entity for injuries, death, property damage of any kind arising out of, or in connection with, the work to be performed by Consultant, including litigation and any appellate proceedings with respect thereto. The obligations of this section shall survive the expiration or earlier termination of this Agreement. Nothing in this section shall be deemed a waiver of the District’s rights to sovereign immunity under F.S § 768.28.

8 **Applicable Law.** This Agreement shall be construed in accordance with the District’s Enabling Act and the laws of the State of Florida. Any dispute relating to this Agreement shall only be filed in a court of competent jurisdiction in St. Lucie County, Florida, and each of the parties to this Agreement submits itself to the jurisdiction of such court.

9 **Miscellaneous.**

a. *Headings.* The headings contained in this Agreement are for convenience of reference only and shall not limit or otherwise affect in any way the meaning or interpretation of this Agreement.

b. *Effective Date.* The effective date of this Agreement shall be as of the date it has been executed by both the parties hereto.

c. *Assignment.* Neither this Agreement nor any right or interest herein shall be assigned, transferred, or encumbered without the written consent of the other Party.

d. *Severability.* If any part of this Agreement shall be declared unlawful or invalid, the remainder of the Agreement will continue to be binding upon the parties.

e. *Entire Agreement.* This Agreement constitutes the entire agreement between the parties with respect to the subject matter herein. No amendment, modification, or waiver of any provision of this Agreement shall be effective unless in writing and signed by both parties. In the event of any conflict between this Agreement and any attachments, exhibits, or other incorporated documents, the terms of this Agreement shall control unless expressly stated otherwise.

f. *Attorney's fees.* In the event of any dispute, claim, or legal action arising out of or relating to this Agreement, the prevailing party shall be entitled to recover its reasonable attorney’s fees, court costs, and expenses incurred in enforcing or defending its rights under this Agreement.

- g. **Public records.** Consultant shall comply with public records laws, specifically to:
- i. Keep and maintain public records required by the District to perform the service.
 - ii. Upon request from the District's custodian of public records, provide the District with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Florida Statute or as otherwise provided by law.
 - iii. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Agreement term and following completion of the Agreement if the Consultant does not transfer the records to the District.
 - iv. Upon completion of the Agreement, transfer, at no cost, to the District all public records in possession of the Consultant or keep and maintain public records required by the District to perform the service. If the Consultant transfers all public records to the District upon completion of the Agreement, the Consultant shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Consultant keeps and maintains public records upon completion of the Agreement, the Consultant shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the District, upon request from the District's custodian of public records, in a format that is compatible with the information technology systems of the District.
 - v. If the Consultant does not comply with this section, the District shall enforce the Agreement provisions in accordance with the Agreement and may unilaterally cancel this Agreement in accordance with state law.

IF THE CONSULTANT HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONSULTANT'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (407) 841-5524; 219 E. Livingston St., Orlando, FL 32801; or via email at jshowe@gmscfl.com

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by the appropriate officials, as of the date first entered above.

TESORO COMMUNITY DEVELOPMENT DISTRICT

HOBE SOUND ENVIRONMENTAL CONSULTANTS, INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

HOBE SOUND
ENVIRONMENTAL CONSULTANTS, INC.
9512 S.E. DUNCAN STREET
HOBE SOUND, FLORIDA 33455
PHONE: (772) 545-3676 CELL (772) 260-0857
E-MAIL: bobhsenv@gmail.com

Table 1. Hourly Billing Rate Schedule (2020)

| | |
|-------------------------------------|-----------|
| Principal | \$ 125.00 |
| Project Manager/ Env. Scientist III | \$ 115.00 |
| Env. Scientist II | \$ 95.00 |
| Env. Scientist I | \$ 85.00 |
| Env Field Tech | \$ 80.00 |
| CADD Technician | \$ 75.00 |
| Clerical | \$ 70.00 |

Materials and Printing cost will be billed at actual cost to HSE plus a 10% administrative fee.

Travel expenses -

Mileage will be billed at actual mileage incurred by HSE at a rate of \$0.70 per mile. If towing of equipment is incurred, mileage will be billed at actual mileage incurred by HSE at a rate of \$0.95 per mile.

Mileage will be separately compensated at a rate of \$0.70 per mile for trips where meetings are requested/approved by the CLIENT. HSE will not agree to, or participate in, such trips/meetings until said trips are approved beforehand by the CLIENT. Any trips requiring travel by means other than a car will be fully reimbursed by the CLIENT after a travel invoice is submitted.

For trips that exceed 6 hours:

If the schedule for any trips/meetings prevents HSE from returning to his residence/office by 9pm, overnight lodging is agreed to. All lodging costs will be fully compensated by the CLIENT. In all cases, CLIENT will reimburse HSE for all costs associated with travel to include meals, lodging and miscellaneous expenses documented with receipts