

FRONTERRA COMMUNITY DEVELOPMENT DISTRICT
Suite 100, 707 Orchid Drive
Naples, FL 34102

August 20, 2020

Board of Supervisors
Fronterra Community Development District

Dear Board Members:

The Public Hearings and Regular Meeting of the Board of Supervisors of the Fronterra Community Development District will be held on **August 20, 2020** at **1:30 p.m.**, via Zoom conferencing. The Public Hearings and Regular Board Meeting agenda is as follows:

GENERAL DISTRICT ITEMS

1. Call to Order/Roll Call
2. Public Comment Period

ADMINISTRATIVE MATTERS

- | | |
|--|-----------|
| 3. Consideration of the May 21, 2020 Regular Meeting Minutes | Exhibit 1 |
| 4. EGIS Insurance Proposal (Forthcoming) | Exhibit 2 |

Public Hearing on Amended and Restated Rules of Procedure

- | | |
|--|-----------|
| 5. OPEN PUBLIC HEARING | |
| 6. Public Comment | |
| 7. Consideration of Resolution 2020-5. A resolution of the Board of Supervisors of the Fronterra Community Development District adopting amended and restated rules of procedure; providing a severability clause; and providing an effective date. | Exhibit 3 |
| 8. Affidavit of Publication | |
| | Exhibit 4 |
| 9. CLOSE PUBLIC HEARING | |

ORGANIZATIONAL MATTERS

10. **Consideration of Resolution 2020-6.** A resolution of the Board of Supervisors of the Fronterra Community Development District designating the officers of the District for fiscal year 2020-2021 and providing for an effective date.

Exhibit 5

11. **Consideration of Resolution 2020-7.** A resolution of the Board of Supervisors of the Fronterra Community Development District adopting the annual meeting schedule for fiscal year 2020-2021; and providing for an effective date.

Exhibit 6

CONSTRUCTION RELATED MATTERS

12. Update on utility transfer process

13. Update on traffic signal conveyance

BUDGETARY MATTERS

14. OPEN PUBLIC HEARINGS

15. Public Comment

16. **Consideration of Resolution 2020-8.** The Annual Appropriation Resolution of the Fronterra Community Development District (“District”) relating to the Annual Appropriations and Adopting the Budgets for the Fiscal Year beginning October 1, 2020 and ending September 30, 2021; Authorizing Budget Amendments; and Providing an Effective Date.

Exhibit 7

17. Budget Letter to Collier County

Exhibit 8

18. **Consideration of Resolution 2020-9.** A Resolution of the Board of Supervisors of the Fronterra Community Development District making a determination of Benefit and Imposing Special Assessment for Fiscal Year 2020/2021; Providing for the Collection and Enforcement of Special Assessments, including but not limited to Penalties and Interest Thereon; Certifying an Assessment Roll; Providing a Severability Clause; and Providing an Effective Date.

Exhibit 9

- | | |
|---|------------|
| 19. Affidavit of Publication | Exhibit 10 |
| 20. CLOSE PUBLIC HEARINGS | |
| 21. Consideration of July 31, 2020 Financial Statements | Exhibit 11 |
| 22. Ratification of FY 2018-2019 Audit | Exhibit 12 |
| 23. Ratification of District Management Representation Letter | Exhibit 13 |
| 24. Consideration of Amended Accounting Procedures | Exhibit 14 |

FINANCING MATTERS

None to be considered at this time

OTHER MATTERS

- 25. Staff Reports
 - A. District Manager
 - B. District Counsel
 - C. District Engineer
- 26. Board Member Comments/Requests
- 27. Public Comments
- 28. Adjournment

EXHIBIT 1

1 **THIRD ORDER OF BUSINESS**

General District Items

2
3 Mr. Weyer presented proof of publication showing that the ad for the meeting had run in the Naples
4 Daily News.

5
6 **FOURTH ORDER OF BUSINESS**

Administrative Matters

7
8 **Consideration of the August 15, 2019 Regular Meeting Minutes.**

9
10 There was no discussion or changes suggested.

11
12 On MOTION by Mr. Goguen and seconded by Mr. Lopez with all in favor, the Board of
13 Supervisors of the Fronterra Community Development District approved the minutes of the August
14 15, 2019 Fronterra Community Development District Regular Meeting.

15
16 **Consideration of Resolution 2020-1. A RESOLUTION OF THE BOARD OF**
17 **SUPERVISORS OF THE FRONTERRA COMMUNITY DEVELOPMENT**
18 **DISTRICT ADOPTING AN INTERNAL CONTROLS POLICY CONSISTENT**
19 **WITH SECTION 218.33, FLORIDA STATUTES/ PROVIDING AN EFFECTIVE**
20 **DATE.**

21
22 Mrs. Whelan explained that a law was passed in the last legislative session that required
23 special districts to adopt a formal internal controls policy. The policy provides for
24 minimum internal controls, provide oversight, training and communication of the controls
25 to staff who are involved with any of the District financial information. It is more of a
26 record keeping item and not in response to anything specific and vetted by our auditors.

27
28 On MOTION by Mr. Lopez and seconded by Mr. Goguen with all in favor, the Board of
29 Supervisors of the Fronterra Community Development District approved Resolution 2020-1 that
30 adopts the District’s Internal Control Policy.

31
32 **Consideration of Resolution 2020-2. A RESOLUTION OF THE BOARD OF**
33 **SUPERVISORS OF THE FRONTERRA COMMUNITY DEVELOPMENT**
34 **DISTRICT DESIGNATING A DATE, TIME AND LOCALITY FOR A**
35 **LANDOWNER’S MEETING AND ELECTION; PROVIDING FOR**
36 **PUBLICATION; ESTABLISHING FORMS FOR THE LANDOWNER**
37 **ELECTION; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE**
38 **DATE.**

39
40 Mr. Weyer said that Seats 1 (Mr. Genson), 3 (Mr. Goguen) and 4 (Mr. Levak) are up for
41 election this year and that the Landowner Meeting will take place in November and be
42 advertised according to the resolution. Mrs. Whelan pointed out that we are suggesting the
43 November 19th normal meeting date be the date for the Landowner Election Meeting.
44

1 On MOTION by Mr. Lopez and seconded by Mr. English with all in favor, the Board of
2 Supervisors of the Fronterra Community Development District approved Resolution 2020-2 that
3 set the date, time, documents and procedure for the 2020 Landowner’s Election Meeting.

4
5 **Consideration of Resolution 2020-3. A RESOLUTION OF THE BOARD OF**
6 **SUPERVISORS OF THE FRONTERRA COMMUNITY DEVELOPMENT**
7 **DISTRICT TO DESIGNATE DATE, TIME AND PLACE OF PUBLIC HEARING**
8 **AND AUTHORIZATION TO PUBLISH NOTICE OF SUCH HEARING FOR THE**
9 **PURPOSE OF ADOPTING AMENDED AND RESTATED RULES OF**
10 **PROCEDURE AND PROVIDING AN EFFECTIVE DATE.**

11
12 Mr. Weyer said that we adopted the rules of procedure a few years back. Mrs. Whelan
13 pointed out that the rules of procedure need to be updated occasionally to capture any
14 changes in best practices and changes in legislation that affect the rules of procedure. She
15 said that amending the rules of procedure requires notice of public hearing, which we are
16 scheduling for the August 20th budget adoption meeting.

17
18 On MOTION by Mr. Goguen and seconded by Mr. Lopez with all in favor, the Board of
19 Supervisors of the Fronterra Community Development District approved Resolution 2020-3 that
20 designates a date, time and place for the public hearing to adopt amended and restated rules of
21 procedure.

22
23 **Ratification of the Grau & Associates audit engagement letter.**

24
25 Mr. Weyer pointed out that our last meeting was in August of last year and that we needed
26 to get last fiscal year’s audit underway prior to the next Board meeting. Mr. Weyer had
27 Chairman Genson sign the letter in order to proceed and noted that the proposed fee is
28 within the budget.

29
30 On MOTION by Mr. Lopez and seconded by Mr. Goguen with all in favor, the Board of
31 Supervisors of the Fronterra Community Development District ratified the Grau & Associates
32 audit engagement letter.

33
34
35 **FIFTH ORDER OF BUSINESS**

Budgetary Matters

36
37 **Consideration of Resolution 2020-4 A RESOLUTION OF THE BOARD OF**
38 **SUPERVISORS OF THE FRONTERRA COMMUNITY DEVELOPMENT**
39 **DISTRICT APPROVING PROPOSED BUDGETS FOR FISCAL YEAR 2020/2021;**
40 **AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA**
41 **LAW; ADDRESSING TRANSMITTAL, POSTING AND PUBLICAITON**
42 **REQUIEMENT; ADDRESSING SEVERABILITY; AND PROVIDING AN**
43 **EFFECTIVE DATE.**

1 Mr. Weyer said the time and date for public hearing will be the regular August 20th meeting
2 at 1:30 p.m. He pointed out that the proposed budget has been reduced from last year,
3 which is reducing the assessments by \$3.51. All of the homesites have been platted so all
4 of the assessments will be on the property tax bill as special assessments. He indicated that
5 the Board will be able to move monies within the budget but we can't exceed the cap of
6 \$64,135.
7

8 On MOTION by Mr. Goguen and seconded by Mr. Lopez, with all in favor, the Board of
9 Supervisors of the Fronterra Community Development District approved Resolution 2020-4 which
10 approves the proposed budgets for FY 2020-2021 and sets Thursday, August 20th at 1:30 p.m. at
11 the Barron Collier Company offices for a public hearing to formally adopt the budget and levy
12 assessments.

13
14 **Consideration of the April 30, 2020 Financial Statements.**
15

16 Mr. Weyer presented the District financial statements through April 2020. He said that the
17 District cash flow is at \$40,000 in the account at the moment because all of the on-roll and
18 off-roll assessments have been deposited and we still have 5 months of expenses to account
19 for through fiscal year end. Current estimates indicate that the District will have almost
20 \$10,000 in the general fund at fiscal year-end. He noted that the balance sheet is in good
21 shape. The District will have significant assets in the balance sheet once the auditors work
22 through the valuation of those assets and generate the journal entries to reflect that valuation.
23

24 Mr. Lopez asked what made up the negative accounts payable amount in the balance sheet.
25 Mr. Weyer said that there was an erroneous deposit made in to the District's general fund at
26 the bank that should have been deposited into another District's account so that is showing
27 that money movement.
28

29 Mr. Weyer also noted that there is still about \$100,000 in the construction account.
30

31 There was no further discussion.
32

33 On MOTION by Mr. Goguen and seconded by Mr. Lopez, with all in favor, the Board of
34 Supervisors of the Fronterra Community Development District accepted the District financial
35 statements through April 30, 2020.

36
37
38
39 **SEVENTH ORDER OF BUSINESS**

Financing Matters

40
41 There were no financing matters to be considered.
42
43
44

1 **EIGHTH ORDER OF BUSINESS**

Staff Reports

2
3 **6. Staff Reports**

4
5 **A. Manager’s Report –**

6
7
8 He reported that the audit has been underway and is still scheduled to be completed
9 before the June 30th deadline. The Board will need to authorize the Chairman to
10 sign the Board authorization letter and have it ratified at the August meeting.
11

12 On MOTION by Mr. English and seconded by Mr. Lopez, with all in favor, the Board of
13 Supervisors of the Fronterra Community Development District authorized the Chairman to sign
14 the Board authorization letter and have it ratified at the August meeting.
15

16 Mr. Weyer advised the Board that the number of voters in Fronterra is 48 according
17 to the Collier County Supervisor of Elections. He also said that the magic number
18 for the start of putting residents on the Board is 250 registered voters.
19

20 **B. Attorney’s Report –**

21
22 Ms. Whelan had nothing further to report.
23

24 **C. Interim Engineer’s Report –**

25
26 Mr. Burford was not present.
27

28
29 **NINTH ORDER OF BUSINESS**

Supervisors’ Requests

30 There were no supervisors’ requests.
31
32 .
33

34 **TENTH ORDER OF BUSINES**

Public Comments

35
36 There were no public comments.
37
38
39

1 **ELEVENTH ORDER OF BUSINESS**

Adjournment

2
3 On MOTION by Mr. Lopez and seconded by Mr. English with all in favor, the meeting of the
4 Board of Supervisors of the Fronterra Community Development District was adjourned.

5
6
7
8
9 _____
Secretary/Assistant Secretary

10
11
12 _____
13 Print Name

EXHIBIT 2

EGIS INSURANCE PROPOSAL IS FORTHCOMING

EXHIBIT 3

RESOLUTION 2020-5

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE FRONTERRA COMMUNITY DEVELOPMENT DISTRICT ADOPTING AMENDED AND RESTATED RULES OF PROCEDURE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Fronterra Community Development District (“**District**”) is a local unit of special purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, being situated entirely within Collier County, Florida; and

WHEREAS, Chapter 190, *Florida Statutes*, authorizes the District to adopt rules to govern the administration of the District and to adopt resolutions as may be necessary for the conduct of District business; and

WHEREAS, the District has previously adopted Rules of Procedure to govern the administration of the District; and

WHEREAS, to provide for efficient and effective District operations and to maintain compliance with recent changes to Florida law, the Board of Supervisors finds that it is in the best interests of the District to adopt by resolution the Amended and Restated Rules of Procedure attached hereto as **Exhibit A** for immediate use and application; and

WHEREAS, the Board of Supervisors has complied with applicable Florida law concerning rule development and adoption.

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

SECTION 1. The attached Amended and Restated Rules of Procedure are hereby adopted pursuant to this resolution as necessary for the conduct of District business. These Amended and Restated Rules of Procedure replace all prior versions of the Rules of Procedure, and shall stay in full force and effect until such time as the Board of Supervisors may amend these rules in accordance with Chapter 190, *Florida Statutes*.

SECTION 2. If any provision of this resolution is held to be illegal or invalid, the other provisions shall remain in full force and effect.

SECTION 3. This resolution shall become effective upon its passage and shall remain in effect unless rescinded or repealed.

PASSED AND ADOPTED this 20th day of August, 2020.

ATTEST:

**FRONTERRA COMMUNITY
DEVELOPMENT DISTRICT**

Secretary

Chairman, Board of Supervisors

Exhibit A: Amended and Restated Rules of Procedure

EXHIBIT A

AMENDED AND RESTATED RULES OF PROCEDURE

**AMENDED AND RESTATED
RULES OF PROCEDURE
FRONTERRA COMMUNITY DEVELOPMENT DISTRICT**

EFFECTIVE AS OF AUGUST 20, 2020

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Rule 1.0 General.

- (1) The Fronterra Community Development District (the “District”) was created pursuant to the provisions of Chapter 190 of the Florida Statutes, and was established to provide for the ownership, operation, maintenance, and provision of various capital facilities and services within its jurisdiction. The purpose of these rules (the “Rules”) is to describe the general operations of the District.
- (2) Definitions located within any section of these Rules shall be applicable within all other sections, unless specifically stated to the contrary.
- (3) Unless specifically permitted by a written agreement with the District, the District does not accept documents filed by electronic mail or facsimile transmission. Filings are only accepted during normal business hours.
- (4) A Rule of the District shall be effective upon adoption by affirmative vote of the District Board. After a Rule becomes effective, it may be repealed or amended only through the rulemaking procedures specified in these Rules. Notwithstanding, the District may immediately suspend the application of a Rule if the District determines that the Rule conflicts with Florida law. In the event that a Rule conflicts with Florida law and its application has not been suspended by the District, such Rule should be interpreted in the manner that best effectuates the intent of the Rule while also complying with Florida law. If the intent of the Rule absolutely cannot be effectuated while complying with Florida law, the Rule shall be automatically suspended.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 190.011(5), 190.011(15), Fla. Stat.

Rule 1.1 Board of Supervisors; Officers and Voting.

- (1) Board of Supervisors. The Board of Supervisors of the District (the “Board”) shall consist of five (5) members. Members of the Board (“Supervisors”) appointed by ordinance or rule or elected by landowners must be citizens of the United States of America and residents of the State of Florida. Supervisors elected or appointed by the Board to elector seats must be citizens of the United States of America, residents of the State of Florida and of the District and registered to vote with the Supervisor of Elections of the county in which the District is located and for those elected, shall also be qualified to run by the Supervisor of Elections. The Board shall exercise the powers granted to the District under Florida law.
 - (a) Supervisors shall hold office for the term specified by Section 190.006 of the Florida Statutes. If, during the term of office, any Board member(s) vacates their office, the remaining member(s) of the Board shall fill the vacancies by appointment for the remainder of the term(s). If three or more vacancies exist at the same time, a quorum, as defined herein, shall not be required to appoint replacement Board members.
 - (b) Three (3) members of the Board shall constitute a quorum for the purposes of conducting business, exercising powers and all other purposes. A Board member shall be counted toward the quorum if physically present at the meeting, regardless of whether such Board member is prohibited from, or abstains from, participating in discussion or voting on a particular item.
 - (c) Action taken by the Board shall be upon a majority vote of the members present, unless otherwise provided in the Rules or required by law. Subject to Rule 1.3(10), a Board member participating in the Board meeting by teleconference or videoconference shall be entitled to vote and take all other action as though physically present.
 - (d) Unless otherwise provided for by an act of the Board, any one Board member may attend a mediation session on behalf of the Board. Any agreement resulting from such mediation session must be approved pursuant to subsection (1)(c) of this Rule.
- (2) Officers. At the first Board meeting held after each election where the newly elected members take office, the Board shall select a Chairperson, Vice-Chairperson, Secretary, Assistant Secretary, and Treasurer.
 - (a) The Chairperson must be a member of the Board. If the Chairperson resigns from that office or ceases to be a member of the Board, the Board shall select a Chairperson. The Chairperson serves at the pleasure of the Board. The Chairperson shall be authorized to execute resolutions and contracts on the District’s behalf. The Chairperson shall convene and conduct all meetings of the Board. In the event the Chairperson is unable to attend a

meeting, the Vice-Chairperson shall convene and conduct the meeting. The Chairperson or Vice-Chairperson may delegate the responsibility of conducting the meeting to the District's manager ("District Manager") or District Counsel, in whole or in part.

- (b) The Vice-Chairperson shall be a member of the Board and shall have such duties and responsibilities as specifically designated by the Board from time to time. The Vice-Chairperson has the authority to execute resolutions and contracts on the District's behalf in the absence of the Chairperson. If the Vice-Chairperson resigns from office or ceases to be a member of the Board, the Board shall select a Vice-Chairperson. The Vice-Chairperson serves at the pleasure of the Board.
- (c) The Secretary of the Board serves at the pleasure of the Board and need not be a member of the Board. The Secretary shall be responsible for maintaining the minutes of Board meetings and may have other duties assigned by the Board from time to time. An employee of the District Manager may serve as Secretary. The Secretary shall be bonded by a reputable and qualified bonding company in at least the amount of one million dollars (\$1,000,000), or have in place a fidelity bond, employee theft insurance policy, or a comparable product in at least the amount of one million dollars (\$1,000,000) that names the District as an additional insured.
- (d) The Treasurer need not be a member of the Board but must be a resident of the State of Florida. The Treasurer shall perform duties described in Section 190.007(2) and (3) of the Florida Statutes, as well as those assigned by the Board from time to time. The Treasurer shall serve at the pleasure of the Board. The Treasurer shall either be bonded by a reputable and qualified bonding company in at least the amount of one million dollars (\$1,000,000), or have in place a fidelity bond, employee theft insurance policy, or a comparable product in at least the amount of one million dollars (\$1,000,000) that names the District as an additional insured.
- (e) In the event that both the Chairperson and Vice-Chairperson are absent from a Board meeting and a quorum is present, the Board may designate one of its members or a member of District staff to convene and conduct the meeting. In such circumstances, any of the Board members present are authorized to execute agreements, resolutions, and other documents approved by the Board at such meeting. In the event that the Chairperson and Vice-Chairperson are both unavailable to execute a document previously approved by the Board, the Secretary or any Assistant Secretary may execute such document.
- (f) The Board may assign additional duties to District officers from time to time, which include, but are not limited to, executing documents on behalf of the District.

- (g) The Chairperson, Vice-Chairperson, and any other person authorized by District Resolution may sign checks and warrants for the District, countersigned by the Treasurer or other persons authorized by the Board.
- (3) Committees. The Board may establish committees of the Board, either on a permanent or temporary basis, to perform specifically designated functions. Committees may include individuals who are not members of the Board. Such functions may include, but are not limited to, review of bids, proposals, and qualifications, contract negotiations, personnel matters, and budget preparation.
- (4) Record Book. The Board shall keep a permanent record book entitled “Record of Proceedings,” in which shall be recorded minutes of all meetings, resolutions, proceedings, certificates, and corporate acts. The Records of Proceedings shall be located at a District office and shall be available for inspection by the public.
- (5) Meetings. For each fiscal year, the Board shall establish a schedule of regular meetings, which shall be published in a newspaper of general circulation in the county in which the District is located and filed with the local general-purpose governments within whose boundaries the District is located. All meetings of the Board and Committees serving an advisory function shall be open to the public in accord with the provisions of Chapter 286 of the Florida Statutes.
- (6) Voting Conflict of Interest. The Board shall comply with Section 112.3143 of the Florida Statutes, so as to ensure the proper disclosure of conflicts of interest on matters coming before the Board for a vote. For the purposes of this section, "voting conflict of interest" shall be governed by the Florida Constitution and Chapters 112 and 190 of the Florida Statutes, as amended from time to time. Generally, a voting conflict exists when a Board member is called upon to vote on an item which would inure to the Board member’s special private gain or loss or the Board member knows would inure to the special private gain or loss of a principal by whom the Board member is retained, the parent organization or subsidiary of a corporate principal, a business associate, or a relative including only a father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law.
 - (a) When a Board member knows the member has a conflict of interest on a matter coming before the Board, the member should notify the Board’s Secretary prior to participating in any discussion with the Board on the matter. The member shall publicly announce the conflict of interest at the meeting. This announcement shall appear in the minutes.

If the Board member was elected at a landowner’s election or appointed to fill a vacancy of a seat last filled at a landowner’s election, the Board member may vote or abstain from voting on the matter at issue. If the Board member was elected by electors residing within the District, the Board

member is prohibited from voting on the matter at issue. In the event that the Board member intends to abstain or is prohibited from voting, such Board member shall not participate in the discussion on the item subject to the vote.

The Board's Secretary shall prepare a Memorandum of Voting Conflict (Form 8B) which shall then be signed by the Board member, filed with the Board's Secretary, and provided for attachment to the minutes of the meeting within fifteen (15) days of the meeting.

- (b) If a Board member inadvertently votes on a matter and later learns he or she has a conflict on the matter, the member shall immediately notify the Board's Secretary. Within fifteen (15) days of the notification, the member shall file the appropriate Memorandum of Voting Conflict, which will be attached to the minutes of the Board meeting during which the vote on the matter occurred. The Memorandum of Voting Conflict shall immediately be provided to other Board members and shall be read publicly at the next meeting held subsequent to the filing of the Memorandum of Voting Conflict. The Board member's vote is unaffected by this filing.
- (c) It is not a conflict of interest for a Board member, the District Manager, or an employee of the District to be a stockholder, officer or employee of a landowner or of an entity affiliated with a landowner.
- (d) In the event that a Board member elected at a landowner's election or appointed to fill a vacancy of a seat last filled at a landowner's election, has a continuing conflict of interest, such Board member is permitted to file a Memorandum of Voting Conflict at any time in which it shall state the nature of the continuing conflict. Only one such continuing Memorandum of Voting Conflict shall be required to be filed for each term the Board member is in office.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 112.3143, 190.006, 190.007, Fla. Stat.

Rule 1.2 District Offices; Public Information and Inspection of Records; Policies; Service Contract Requirements; Financial Disclosure Coordination.

- (1) District Offices. Unless otherwise designated by the Board, the official District office shall be the District Manager's office identified by the District Manager. If the District Manager's office is not located within the county in which the District is located, the Board shall designate a local records office within such county which shall at a minimum contain, but not be limited to, the following documents:
- (a) Agenda packages for prior 24 months and next meeting;
 - (b) Official minutes of meetings, including adopted resolutions of the Board;
 - (c) Names and addresses of current Board members and District Manager, unless such addresses are protected from disclosure by law;
 - (d) Adopted engineer's reports;
 - (e) Adopted assessment methodologies/reports;
 - (f) Adopted disclosure of public financing;
 - (g) Limited Offering Memorandum for each financing undertaken by the District;
 - (h) Proceedings, certificates, bonds given by all employees, and any and all corporate acts;
 - (i) District policies and rules;
 - (j) Fiscal year end audits; and
 - (k) Adopted budget for the current fiscal year.

The District Manager shall ensure that each District records office contains the documents required by Florida law.

- (2) Public Records. District public records include all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received in connection with the transaction of official business of the District. All District public records not otherwise restricted by law may be copied or inspected at the District Manager's office during regular business hours. Certain District records can also be inspected and copied at the District's local records office during regular business hours. All written public records requests shall be directed to the Secretary who by these rules is appointed as the

District's records custodian. Regardless of the form of the request, any Board member or staff member who receives a public records request shall immediately forward or communicate such request to the Secretary for coordination of a prompt response. The Secretary, after consulting with District Counsel as to the applicability of any exceptions under the public records laws, shall be responsible for responding to the public records request. At no time can the District be required to create records or summaries of records, or prepare opinions regarding District policies, in response to a public records request.

- (3) Service Contracts. Any contract for services, regardless of cost, shall include provisions required by law that require the contractor to comply with public records laws. The District Manager shall be responsible for initially enforcing all contract provisions related to a contractor's duty to comply with public records laws.
- (4) Fees; Copies. Copies of public records shall be made available to the requesting person at a charge of \$0.15 per page for one-sided copies and \$0.20 per page for two-sided copies if not more than 8 ½ by 14 inches. For copies of public records in excess of the sizes listed in this section and for outside duplication services, the charge shall be equal to the actual cost of reproduction. Certified copies of public records shall be made available at a charge of one dollar (\$1.00) per page. If the nature or volume of records requested requires extensive use of information technology resources or extensive clerical or supervisory assistance, the District may charge, in addition to the duplication charge, a special service charge that is based on the cost the District incurs to produce the records requested. This charge may include, but is not limited to, the cost of information technology resource, employee labor, and fees charged to the District by consultants employed in fulfilling the request. In cases where the special service charge is based in whole or in part on the costs incurred by the District due to employee labor, consultant fees, or other forms of labor, those portions of the charge shall be calculated based on the lowest labor cost of the individual(s) who is/are qualified to perform the labor, taking into account the nature or volume of the public records to be inspected or copied. The charge may include the labor costs of supervisory and/or clerical staff whose assistance is required to complete the records request, in accordance with Florida law. For purposes of this Rule, the word "extensive" shall mean that it will take more than 15 minutes to locate, review for confidential information, copy and re-file the requested material. In cases where extensive personnel time is determined by the District to be necessary to safeguard original records being inspected, the special service charge provided for in this section shall apply. If the total fees, including but not limited to special service charges, are anticipated to exceed twenty-five dollars (\$25.00), then, prior to commencing work on the request, the District will inform the person making the public records request of the estimated cost, with the understanding that the final cost may vary from that estimate. If the person making the public records request decides to proceed with the request, payment of the estimated cost is required in advance. Should the person fail to pay the estimate, the District is under no duty to produce the requested records. After the request has been fulfilled, additional payments or credits may be

due. The District is under no duty to produce records in response to future records requests if the person making the request owes the District for past unpaid duplication charges, special service charges, or other required payments or credits.

- (5) Records Retention. The Secretary of the District shall be responsible for retaining the District's records in accordance with applicable Florida law.
- (6) Policies. The Board may adopt policies related to the conduct of its business and the provision of services either by resolution or motion.
- (7) Financial Disclosure Coordination. Unless specifically designated by Board resolution otherwise, the Secretary shall serve as the Financial Disclosure Coordinator ("Coordinator") for the District as required by the Florida Commission on Ethics ("Commission"). The Coordinator shall create, maintain and update a list of the names, e-mail addresses, physical addresses, and names of the agency of, and the office or position held by, all Supervisors and other persons required by Florida law to file a statement of financial interest due to his or her affiliation with the District ("Reporting Individual"). The Coordinator shall provide this list to the Commission by February 1 of each year, which list shall be current as of December 31 of the prior year. Each Supervisor and Reporting Individual shall promptly notify the Coordinator in writing if there are any changes to such person's name, e-mail address, or physical address. Each Supervisor and Reporting Individual shall promptly notify the Commission in the manner prescribed by the Commission if there are any changes to such person's e-mail address.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 112.31446(3), 112.3145(8)(a)1., 119.07, 119.0701, 190.006, Fla. Stat.

Rule 1.3 Public Meetings, Hearings, and Workshops.

- (1) Notice. Except in emergencies, or as otherwise required by statute or these Rules, at least seven (7) days, but no more than thirty (30) days public notice shall be given of any public meeting, hearing or workshop of the Board. Public notice shall be given by publication in a newspaper of general circulation in the District and in the county in which the District is located. “General circulation” means a publication that is printed and published at least once a week for the preceding year, offering at least 25% of its words in the English language, qualifies as a periodicals material for postal purposes in the county in which the District is located, is for sale to the public generally, is available to the public generally for the publication of official or other notices, and is customarily containing information of a public character or of interest or of value to the residents or owners of property in the county where published, or of interest or of value to the general public. The annual meeting notice required to be published by Section 189.015 of the Florida Statutes, shall be published in a newspaper not of limited subject matter, which is published at least five days a week, unless the only newspaper in the county is published less than five days a week. Each Notice shall state, as applicable:
- (a) The date, time and place of the meeting, hearing or workshop;
 - (b) A brief description of the nature, subjects, and purposes of the meeting, hearing, or workshop;
 - (c) The District office address for the submission of requests for copies of the agenda, as well as a contact name and telephone number for verbal requests for copies of the agenda; and
 - (d) The following or substantially similar language: “Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting/hearing/workshop is asked to advise the District Office at least forty-eight (48) hours before the meeting/hearing/workshop by contacting the District Manager at (239) 269-1341. If you are hearing or speech impaired, please contact the Florida Relay Service at 1 (800) 955-8770 or 1 (800) 955-8771, who can aid you in contacting the District Office.”
 - (e) The following or substantially similar language: “A person who decides to appeal any decision made at the meeting/hearing/workshop with respect to any matter considered at the meeting/hearing/workshop is advised that person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made including the testimony and evidence upon which the appeal is to be based.”

- (f) The following or substantially similar language: “The meeting [or hearing or workshop] may be continued in progress without additional notice to a time, date, and location stated on the record.”
- (2) Mistake. In the event that a meeting is held under the incorrect assumption that notice required by law and these Rules has been given, the Board at its next properly noticed meeting shall cure such defect by considering the agenda items from the prior meeting individually and anew.
- (3) Agenda. The District Manager, under the guidance of District Counsel and the Chairperson or Vice-Chairperson, shall prepare an agenda of the meeting/hearing/workshop. The agenda and any meeting materials available in an electronic format, excluding any confidential and any confidential and exempt information, shall be available to the public at least seven days before the meeting/hearing/workshop, except in an emergency. Meeting materials shall be defined as, and limited to, the agenda, meeting minutes, resolutions, and agreements of the District that District staff deems necessary for Board approval. Inclusion of additional materials for Board consideration other than those defined herein as “meeting materials” shall not convert such materials into “meeting materials.” For good cause, the agenda may be changed after it is first made available for distribution, and additional materials may be added or provided under separate cover at the meeting. The requirement of good cause shall be liberally construed to allow the District to efficiently conduct business and to avoid the expenses associated with special meetings.

The District may, but is not required to, use the following format in preparing its agenda for its regular meetings:

- Call to order
- Roll call
- Public comment
- Organizational matters
- Review of minutes
- Specific items of old business
- Specific items of new business
- Staff reports
 - (a) District Counsel
 - (b) District Engineer
 - (c) District Manager
 - 1. Financial Report
 - 2. Approval of Expenditures
- Supervisor’s requests and comments
- Public comment
- Adjournment

- (4) Minutes. The Secretary shall be responsible for preparing and keeping the minutes of each meeting of the Board. Minutes shall be corrected and approved by the Board at a subsequent meeting. The Secretary may work with other staff members in preparing draft minutes for the Board's consideration.
- (5) Special Requests. Persons wishing to receive, by mail, notices or agendas of meetings, may so advise the District Manager or Secretary at the District Office. Such persons shall furnish a mailing address in writing and shall be required to pre-pay the cost of the copying and postage.
- (6) Emergency Meetings. The Chairperson, or Vice-Chairperson if the Chairperson is unavailable, upon consultation with the District Manager and District Counsel, if available, may convene an emergency meeting of the Board without first having complied with sections (1) and (3) of this Rule, to act on emergency matters that may affect the public health, safety, or welfare. Whenever possible, the District Manager shall make reasonable efforts to provide public notice and notify all Board members of an emergency meeting twenty-four (24) hours in advance. Reasonable efforts may include telephone notification. Notice of the emergency meeting must be provided both before and after the meeting on the District's website, if it has one. Whenever an emergency meeting is called, the District Manager shall be responsible for notifying at least one newspaper of general circulation in the District. After an emergency meeting, the Board shall publish in a newspaper of general circulation in the District, the time, date and place of the emergency meeting, the reasons why an emergency meeting was necessary, and a description of the action taken. Actions taken at an emergency meeting may be ratified by the Board at a regularly noticed meeting subsequently held.
- (7) Public Comment. The Board shall set aside a reasonable amount of time at each meeting for public comment and members of the public shall be permitted to provide comment on any proposition before the Board. The portion of the meeting generally reserved for public comment shall be identified in the agenda. Policies governing public comment may be adopted by the Board in accordance with Florida law.
- (8) Budget Hearing. Notice of hearing on the annual budget(s) shall be in accord with Section 190.008 of the Florida Statutes. Once adopted in accord with Section 190.008 of the Florida Statutes, the annual budget(s) may be amended from time to time by action of the Board. Approval of invoices by the Board in excess of the funds allocated to a particular budgeted line item shall serve to amend the budgeted line item.
- (9) Public Hearings. Notice of required public hearings shall contain the information required by applicable Florida law and by these Rules applicable to meeting notices and shall be mailed and published as required by Florida law. The District Manager shall ensure that all such notices, whether mailed or published, contain the information required by Florida law and these Rules and are mailed and published

as required by Florida law. Public hearings may be held during Board meetings when the agenda includes such public hearing.

- (10) Participation by Teleconference/Videoconference. District staff may participate in Board meetings by teleconference or videoconference. Board members may also participate in Board meetings by teleconference or videoconference if in the good judgment of the Board extraordinary circumstances exist; provided however, at least three Board members must be physically present at the meeting location to establish a quorum. Such extraordinary circumstances shall be presumed when a Board member participates by teleconference or videoconference, unless a majority of the Board members physically present determines that extraordinary circumstances do not exist.
- (11) Board Authorization. The District has not adopted Robert's Rules of Order. For each agenda item, there shall be discussion permitted among the Board members during the meeting. Unless such procedure is waived by the Board, approval or disapproval of resolutions and other proposed Board actions shall be in the form of a motion by one Board member, a second by another Board member, and an affirmative vote by the majority of the Board members present. Any Board member, including the Chairperson, can make or second a motion.
- (12) Continuances. Any meeting or public hearing of the Board may be continued without re-notice or re-advertising provided that:
 - (a) The Board identifies on the record at the original meeting a reasonable need for a continuance;
 - (b) The continuance is to a specified date, time, and location publicly announced at the original meeting; and
 - (c) The public notice for the original meeting states that the meeting may be continued to a date and time and states that the date, time, and location of any continuance shall be publicly announced at the original meeting and posted at the District Office immediately following the original meeting.
- (13) Attorney-Client Sessions. An Attorney-Client Session is permitted when the District's attorneys deem it necessary to meet in private with the Board to discuss pending litigation to which the District is a party before a court or administrative agency or as may be authorized by law. The District's attorney must request such session at a public meeting. Prior to holding the Attorney-Client Session, the District must give reasonable public notice of the time and date of the session and the names of the persons anticipated to attend the session. The session must commence at an open meeting in which the Chairperson or Vice-Chairperson announces the commencement of the session, the estimated length of the session, and the names of the persons who will be attending the session. The discussion during the session is confined to settlement negotiations or strategy related to

litigation expenses or as may be authorized by law. Only the Board, the District's attorneys (including outside counsel), the District Manager, and the court reporter may attend an Attorney-Client Session. During the session, no votes may be taken and no final decisions concerning settlement can be made. Upon the conclusion of the session, the public meeting is reopened, and the Chairperson or Vice-Chairperson must announce that the session has concluded. The session must be transcribed by a court-reporter and the transcript of the session filed with the District Secretary within a reasonable time after the session. The transcript shall not be available for public inspection until after the conclusion of the litigation.

- (14) Security and Firesafety Board Discussions. Portions of a meeting which relate to or would reveal a security or firesafety system plan or portion thereof made confidential and exempt by section 119.071(3)(a), Florida Statutes, are exempt from the public meeting requirements and other requirements of section 286.011, Florida Statutes, and section 24(b), Article 1 of the State Constitution. Should the Board wish to discuss such matters, members of the public shall be required to leave the meeting room during such discussion. Any records of the Board's discussion of such matters, including recordings or minutes, shall be maintained as confidential and exempt records in accordance with Florida law.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 189.069(2)(a)16, 190.006, 190.007, 190.008, 286.0105, 286.011, 286.0113, 286.0114, Fla. Stat.

Rule 1.4 Internal Controls to Prevent Fraud, Waste and Abuse

- (1) Internal Controls. The District shall establish and maintain internal controls designed to:
- (a) Prevent and detect “fraud,” “waste” and “abuse” as those terms are defined in section 11.45(1), Florida Statutes; and
 - (b) Promote and encourage compliance with applicable laws, rules contracts, grant agreements, and best practices; and
 - (c) Support economical and efficient operations; and
 - (d) Ensure reliability of financial records and reports; and
 - (e) Safeguard assets.
- (2) Adoption. The internal controls to prevent fraud, waste and abuse shall be adopted and amended by the District in the same manner as District policies.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.
Law Implemented: § 218.33(3), Fla. Stat.

Rule 2.0 Rulemaking Proceedings.

- (1) Commencement of Proceedings. Proceedings held for adoption, amendment, or repeal of a District rule shall be conducted according to these Rules. Rulemaking proceedings shall be deemed to have been initiated upon publication of notice by the District. A “rule” is a District statement of general applicability that implements, interprets, or prescribes law or policy, or describes the procedure or practice requirements of the District (“Rule”). Nothing herein shall be construed as requiring the District to consider or adopt rules unless required by Chapter 190 of the Florida Statutes. Policies adopted by the District which do not consist of rates, fees, rentals or other monetary charges may be, but are not required to be, implemented through rulemaking proceedings.
- (2) Notice of Rule Development.
 - (a) Except when the intended action is the repeal of a Rule, the District shall provide notice of the development of a proposed rule by publication of a Notice of Rule Development in a newspaper of general circulation in the District before providing notice of a proposed rule as required by section (3) of this Rule. Consequently, the Notice of Rule Development shall be published at least twenty-nine (29) days prior to the public hearing on the proposed Rule. The Notice of Rule Development shall indicate the subject area to be addressed by rule development, provide a short, plain explanation of the purpose and effect of the proposed rule, cite the specific legal authority for the proposed rule, and include a statement of how a person may promptly obtain, without cost, a copy of any preliminary draft, if available.
 - (b) All rules as drafted shall be consistent with Sections 120.54(1)(g) and 120.54(2)(b) of the Florida Statutes.
- (3) Notice of Proceedings and Proposed Rules.
 - (a) Prior to the adoption, amendment, or repeal of any rule other than an emergency rule, the District shall give notice of its intended action, setting forth a short, plain explanation of the purpose and effect of the proposed action, a reference to the specific rulemaking authority pursuant to which the rule is adopted, and a reference to the section or subsection of the Florida Statutes being implemented, interpreted, or made specific. The notice shall include a summary of the District’s statement of the estimated regulatory costs, if one has been prepared, based on the factors set forth in Section 120.541(2) of the Florida Statutes, and a statement that any person who wishes to provide the District with a lower cost regulatory alternative as provided by Section 120.541(1), must do so in writing within twenty-one (21) days after publication of the notice. The notice shall additionally include a statement that any affected person may request a public hearing by submitting a written request within twenty-one (21) days after the date

of publication of the notice. Except when intended action is the repeal of a rule, the notice shall include a reference to both the date on which and the place where the Notice of Rule Development required by section (2) of this Rule appeared.

- (b) The notice shall be published in a newspaper of general circulation in the District and each county in which the District is located not less than twenty-eight (28) days prior to the intended action. The proposed rule shall be available for inspection and copying by the public at the time of the publication of notice.
 - (c) The notice shall be mailed to all persons named in the proposed rule and to all persons who, at least fourteen (14) days prior to such mailing, have made requests of the District for advance notice of its rulemaking proceedings. Any person may file a written request with the District Manager to receive notice by mail of District proceedings to adopt, amend, or repeal a rule. Such persons must furnish a mailing address and may be required to pay the cost of copying and mailing.
- (4) Rule Development Workshops. Whenever requested in writing by any affected person, the District must either conduct a rule development workshop prior to proposing rules for adoption or the Chairperson must explain in writing why a workshop is unnecessary. The District may initiate a rule development workshop but is not required to do so.
- (5) Petitions to Initiate Rulemaking. All Petitions to Initiate Rulemaking proceedings must contain the name, address, and telephone number of the petitioner, the specific action requested, the specific reason for adoption, amendment, or repeal, the date submitted, the text of the proposed rule, and the facts showing that the petitioner is regulated by the District or has a substantial interest in the rulemaking. Not later than sixty (60) calendar days following the date of filing a petition, the Board shall initiate rulemaking proceedings or deny the petition with a written statement of its reasons for the denial. If the petition is directed to an existing policy that the District has not formally adopted as a rule, the District may, in its discretion, notice and hold a public hearing on the petition to consider the comments of the public directed to the policy, its scope and application, and to consider whether the public interest is served adequately by the application of the policy on a case-by-case basis, as contrasted with its formal adoption as a rule. However, this section shall not be construed as requiring the District to adopt a rule to replace a policy.
- (6) Rulemaking Materials. After the publication of the notice referenced in section (3) of this Rule, the Board shall make available for public inspection and shall provide, upon request and payment of the cost of copies, the following materials:
- (a) The text of the proposed rule, or any amendment or repeal of any existing rules;

- (b) A detailed written statement of the facts and circumstances justifying the proposed rule;
 - (c) A copy of the statement of estimated regulatory costs if required by Section 120.541 of the Florida Statutes; and
 - (d) The published notice.
- (7) Hearing. The District may, or, upon the written request of any affected person received within twenty-one (21) days after the date of publication of the notice described in section (3) of this Rule, shall, provide a public hearing for the presentation of evidence, argument, and oral statements, within the reasonable conditions and limitations imposed by the District to avoid duplication, irrelevant comments, unnecessary delay, or disruption of the proceedings. The District shall publish notice of the public hearing in a newspaper of general circulation within the District either in the text of the notice described in section (3) of this Rule or in a separate publication at least seven (7) days before the scheduled public hearing. The notice shall specify the date, time, and location of the public hearing, and the name, address, and telephone number of the District contact person who can provide information about the public hearing. Written statements may be submitted by any person prior to or at the public hearing. All timely submitted written statements shall be considered by the District and made part of the rulemaking record.
- (8) Emergency Rule Adoption. The Board may adopt an emergency rule if it finds that immediate danger to the public health, safety, or welfare exists which requires immediate action. Prior to the adoption of an emergency rule, the District Manager shall make reasonable efforts to notify a newspaper of general circulation in the District. Notice of emergency rules shall be published as soon as possible in a newspaper of general circulation in the District. The District may use any procedure which is fair under the circumstances in the adoption of an emergency rule as long as it protects the public interest as determined by the District and otherwise complies with these provisions.
- (9) Negotiated Rulemaking. The District may use negotiated rulemaking in developing and adopting rules pursuant to Section 120.54(2)(d) of the Florida Statutes, except that any notices required under Section 120.54(2)(d) of the Florida Statutes, may be published in a newspaper of general circulation in the county in which the District is located.
- (10) Rulemaking Record. In all rulemaking proceedings, the District shall compile and maintain a rulemaking record. The record shall include, if applicable:
- (a) The texts of the proposed rule and the adopted rule;
 - (b) All notices given for a proposed rule;

- (c) Any statement of estimated regulatory costs for the rule;
 - (d) A written summary of hearings, if any, on the proposed rule;
 - (e) All written comments received by the District and responses to those written comments; and
 - (f) All notices and findings pertaining to an emergency rule.
- (11) Petitions to Challenge Existing Rules.
- (a) Any person substantially affected by a rule may seek an administrative determination of the invalidity of the rule on the ground that the rule is an invalid exercise of the District's authority.
 - (b) The petition seeking an administrative determination must state with particularity the provisions alleged to be invalid with sufficient explanation of the facts or grounds for the alleged invalidity and facts sufficient to show that the person challenging a rule is substantially affected by it.
 - (c) The petition shall be filed with the District. Within 10 days after receiving the petition, the Chairperson shall, if the petition complies with the requirements of subsection (b) of this section, designate any member of the Board (including the Chairperson), District Manager, District Counsel, or other person as a hearing officer who shall conduct a hearing within 30 days thereafter, unless the petition is withdrawn or a continuance is granted by agreement of the parties. The failure of the District to follow the applicable rulemaking procedures or requirements in this Rule shall be presumed to be material; however, the District may rebut this presumption by showing that the substantial interests of the petitioner and the fairness of the proceedings have not been impaired.
 - (d) Within 30 days after the hearing, the hearing officer shall render a decision and state the reasons therefor in writing.
 - (e) Hearings held under this section shall be de novo in nature. The petitioner has a burden of proving by a preponderance of the evidence that the existing rule is an invalid exercise of District authority as to the objections raised. The hearing officer may:
 - (i) Administer oaths and affirmations;
 - (ii) Rule upon offers of proof and receive relevant evidence;

- (iii) Regulate the course of the hearing, including any pre-hearing matters;
 - (iv) Enter orders; and
 - (v) Make or receive offers of settlement, stipulation, and adjustment.
 - (f) The petitioner and the District shall be adverse parties. Other substantially affected persons may join the proceedings as intervenors on appropriate terms which shall not unduly delay the proceedings.
- (12) Variations and Waivers. A “variance” means a decision by the District to grant a modification to all or part of the literal requirements of a rule to a person who is subject to the rule. A “waiver” means a decision by the District not to apply all or part of a rule to a person who is subject to the rule. Variations and waivers from District rules may be granted subject to the following:
- (a) Variations and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person, and when application of the rule would create a substantial hardship or would violate principles of fairness. For purposes of this section, "substantial hardship" means a demonstrated economic, technological, legal, or other type of hardship to the person requesting the variance or waiver. For purposes of this section, "principles of fairness" are violated when the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule.
 - (b) A person who is subject to regulation by a District Rule may file a petition with the District, requesting a variance or waiver from the District’s Rule. Each petition shall specify:
 - (i) The rule from which a variance or waiver is requested;
 - (ii) The type of action requested;
 - (iii) The specific facts that would justify a waiver or variance for the petitioner; and
 - (iv) The reason why the variance or the waiver requested would serve the purposes of the underlying statute.
 - (c) The District shall review the petition and may request only that information needed to clarify the petition or to answer new questions raised by or directly related to the petition. If the petitioner asserts that any request for additional information is not authorized by law or by Rule of the District,

the District shall proceed, at the petitioner's written request, to process the petition.

(d) The Board shall grant or deny a petition for variance or waiver and shall announce such disposition at a publicly held meeting of the Board, within ninety (90) days after receipt of the original petition, the last item of timely requested additional material, or the petitioner's written request to finish processing the petition. The District's statement granting or denying the petition shall contain a statement of the relevant facts and reasons supporting the District's action.

(13) Rates, Fees, Rentals and Other Charges. All rates, fees, rentals, or other charges shall be subject to rulemaking proceedings. Policies adopted by the District which do not consist of rates, fees, rentals or other charges may be, but are not required to be, implemented through rulemaking proceedings.

Specific Authority: §§ 190.011(5), 190.011(15), 190.035, Fla. Stat.

Law Implemented: §§ 190.011(5), 190.035(2), Fla. Stat.

Rule 3.0 Competitive Purchase.

- (1) Purpose and Scope. In order to comply with Sections 190.033(1) through (3), 287.055 and 287.017 of the Florida Statutes, the following provisions shall apply to the purchase of Professional Services, insurance, construction contracts, design-build services, goods, supplies, and materials, Contractual Services, and maintenance services.
- (2) Board Authorization. Except in cases of an Emergency Purchase, a competitive purchase governed by these Rules shall only be undertaken after authorization by the Board.
- (3) Definitions.
 - (a) “Competitive Solicitation” means a formal, advertised procurement process, other than an Invitation to Bid, Request for Proposals, or Invitation to Negotiate, approved by the Board to purchase commodities and/or services which affords vendors fair treatment in the competition for award of a District purchase contract.
 - (b) “Continuing Contract” means a contract for Professional Services entered into in accordance with Section 287.055 of the Florida Statutes, between the District and a firm, whereby the firm provides Professional Services to the District for projects in which the costs do not exceed two million dollars (\$2,000,000), for a study activity when the fee for such Professional Services to the District does not exceed two hundred thousand dollars (\$200,000), or for work of a specified nature as outlined in the contract with the District, with no time limitation except that the contract must provide a termination clause (for example, a contract for general District engineering services). Firms providing Professional Services under Continuing Contracts shall not be required to bid against one another.
 - (c) “Contractual Service” means the rendering by a contractor of its time and effort rather than the furnishing of specific commodities. The term applies only to those services rendered by individuals and firms who are independent contractors. Contractual Services do not include auditing services, Maintenance Services, or Professional Services as defined in Section 287.055(2)(a) of the Florida Statutes, and these Rules. Contractual Services also do not include any contract for the furnishing of labor or materials for the construction, renovation, repair, modification, or demolition of any facility, building, portion of building, utility, park, parking lot, or structure or other improvement to real property entered into pursuant to Chapter 255 of the Florida Statutes, and Rules 3.5 or 3.6.
 - (d) “Design-Build Contract” means a single contract with a Design-Build Firm for the design and construction of a public construction project.

- (e) “Design-Build Firm” means a partnership, corporation or other legal entity that:
 - (i) Is certified under Section 489.119 of the Florida Statutes, to engage in contracting through a certified or registered general contractor or a certified or registered building contractor as the qualifying agent; or
 - (ii) Is certified under Section 471.023 of the Florida Statutes, to practice or to offer to practice engineering; certified under Section 481.219 of the Florida Statutes, to practice or to offer to practice architecture; or certified under Section 481.319 of the Florida Statutes, to practice or to offer to practice landscape architecture.
- (f) “Design Criteria Package” means concise, performance-oriented drawings or specifications for a public construction project. The purpose of the Design Criteria Package is to furnish sufficient information to permit Design-Build Firms to prepare a bid or a response to the District’s Request for Proposals, or to permit the District to enter into a negotiated Design-Build Contract. The Design Criteria Package must specify performance-based criteria for the public construction project, including the legal description of the site, survey information concerning the site, interior space requirements, material quality standards, schematic layouts and conceptual design criteria of the project, cost or budget estimates, design and construction schedules, site development requirements, provisions for utilities, stormwater retention and disposal, and parking requirements applicable to the project. Design Criteria Packages shall require firms to submit information regarding the qualifications, availability, and past work of the firms, including the partners and members thereof.
- (g) “Design Criteria Professional” means a firm who holds a current certificate of registration under Chapter 481 of the Florida Statutes, to practice architecture or landscape architecture, or a firm who holds a current certificate as a registered engineer under Chapter 471 of the Florida Statutes, to practice engineering, and who is employed by or under contract to the District to provide professional architect services, landscape architect services, or engineering services in connection with the preparation of the Design Criteria Package.
- (h) “Emergency Purchase” means a purchase necessitated by a sudden unexpected turn of events (for example, acts of God, riot, fires, floods, hurricanes, accidents, or any circumstances or cause beyond the control of the Board in the normal conduct of its business), where the Board finds that the delay incident to competitive purchase would be detrimental to the interests of the District. This includes, but is not limited to, instances where

the time to competitively award the project will jeopardize the funding for the project, will materially increase the cost of the project, or will create an undue hardship on the public health, safety, or welfare.

- (i) “Invitation to Bid” is a written solicitation for sealed bids with the title, date, and hour of the public bid opening designated specifically and defining the commodity or service involved. It includes printed instructions prescribing conditions for bidding, qualification, evaluation criteria, and provides for a manual signature of an authorized representative. It may include one or more bid alternates.
- (j) “Invitation to Negotiate” means a written solicitation for competitive sealed replies to select one or more vendors with which to commence negotiations for the procurement of commodities or services.
- (k) “Negotiate” means to conduct legitimate, arm’s length discussions and conferences to reach an agreement on a term or price.
- (l) “Professional Services” means those services within the scope of the practice of architecture, professional engineering, landscape architecture, or registered surveying and mapping, as defined by the laws of Florida, or those services performed by any architect, professional engineer, landscape architect, or registered surveyor and mapper, in connection with the firm's or individual's professional employment or practice.
- (m) “Proposal (or Reply or Response) Most Advantageous to the District” means, as determined in the sole discretion of the Board, the proposal, reply, or response that is:
 - (i) Submitted by a person or firm capable and qualified in all respects to perform fully the contract requirements, who has the integrity and reliability to assure good faith performance;
 - (ii) The most responsive to the Request for Proposals, Invitation to Negotiate, or Competitive Solicitation as determined by the Board; and
 - (iii) For a cost to the District deemed by the Board to be reasonable.
- (n) “Purchase” means acquisition by sale, rent, lease, lease/purchase, or installment sale. It does not include transfer, sale, or exchange of goods, supplies, or materials between the District and any federal, state, regional or local governmental entity or political subdivision of the State of Florida.
- (o) “Request for Proposals” or “RFP” is a written solicitation for sealed proposals with the title, date, and hour of the public opening designated and

requiring the manual signature of an authorized representative. It may provide general information, applicable laws and rules, statement of work, functional or general specifications, qualifications, proposal instructions, work detail analysis, and evaluation criteria as necessary.

- (p) “Responsive and Responsible Bidder” means an entity or individual that has submitted a bid that conforms in all material respects to the Invitation to Bid and has the capability in all respects to fully perform the contract requirements and the integrity and reliability that will assure good faith performance. “Responsive and Responsible Vendor” means an entity or individual that has submitted a proposal, reply, or response that conforms in all material respects to the Request for Proposals, Invitation to Negotiate, or Competitive Solicitation and has the capability in all respects to fully perform the contract requirements and the integrity and reliability that will assure good faith performance. In determining whether an entity or individual is a Responsive and Responsible Bidder (or Vendor), the District may consider, in addition to factors described in the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, the following:
- (i) The ability and adequacy of the professional personnel employed by the entity/individual;
 - (ii) The past performance of the entity/individual for the District and in other professional employment;
 - (iii) The willingness of the entity/individual to meet time and budget requirements;
 - (iv) The geographic location of the entity’s/individual’s headquarters or office in relation to the project;
 - (v) The recent, current, and projected workloads of the entity/individual;
 - (vi) The volume of work previously awarded to the entity/individual;
 - (vii) Whether the cost components of the bid or proposal are appropriately balanced; and
 - (viii) Whether the entity/individual is a certified minority business enterprise.
- (q) “Responsive Bid,” “Responsive Proposal,” “Responsive Reply,” and “Responsive Response” all mean a bid, proposal, reply, or response which conforms in all material respects to the specifications and conditions in the

Invitation to Bid, Request for Proposals, Invitations to Negotiate, or Competitive Solicitation document and these Rules, and the cost components of which, if any, are appropriately balanced. A bid, proposal, reply or response is not responsive if the person or firm submitting it fails to meet any material requirement relating to the qualifications, financial stability, or licensing of the bidder.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 190.033, 255.20, 287.055, Fla. Stat.

Rule 3.1 Procedure Under the Consultants' Competitive Negotiations Act.

- (1) Scope. The following procedures are adopted for the selection of firms or individuals to provide Professional Services exceeding the thresholds herein described, for the negotiation of such contracts, and to provide for protest of actions of the Board under this Rule. As used in this Rule, "Project" means that fixed capital outlay study or planning activity when basic construction cost is estimated by the District to exceed the threshold amount provided in Section 287.017 of the Florida Statutes, for CATEGORY FIVE, or for a planning study activity when the fee for Professional Services is estimated by the District to exceed the threshold amount provided in Section 287.017 for CATEGORY TWO, as such categories may be amended or adjusted from time to time.

- (2) Qualifying Procedures. In order to be eligible to provide Professional Services to the District, a consultant must, at the time of receipt of the firm's qualification submittal:
 - (a) Hold all required applicable state professional licenses in good standing;
 - (b) Hold all required applicable federal licenses in good standing, if any;
 - (c) Hold a current and active Florida corporate charter or be authorized to do business in the State of Florida in accordance with Chapter 607 of the Florida Statutes, if the consultant is a corporation; and
 - (d) Meet any qualification requirements set forth in the District's Request for Qualifications.

Evidence of compliance with this Rule may be submitted with the qualifications, if requested by the District. In addition, evidence of compliance must be submitted any time requested by the District.

- (3) Public Announcement. Except in cases of valid public emergencies as certified by the Board, the District shall announce each occasion when Professional Services are required for a Project or a Continuing Contract by publishing a notice providing a general description of the Project, or the nature of the Continuing Contract, and the method for interested consultants to apply for consideration. The notice shall appear in at least one (1) newspaper of general circulation in the District and in such other places as the District deems appropriate. The notice must allow at least fourteen (14) days for submittal of qualifications from the date of publication. The District may maintain lists of consultants interested in receiving such notices. These consultants are encouraged to submit annually statements of qualifications and performance data. The District shall make reasonable efforts to provide copies of any notices to such consultants, but the failure to do so shall not give such consultants any bid protest or other rights or otherwise disqualify any otherwise valid procurement process. The Board has the right to reject any and all

qualifications, and such reservation shall be included in the published notice. Consultants not receiving a contract award shall not be entitled to recover from the District any costs of qualification package preparation or submittal.

(4) Competitive Selection.

- (a) The Board shall review and evaluate the data submitted in response to the notice described in section (3) of this Rule regarding qualifications and performance ability, as well as any statements of qualifications on file. The Board shall conduct discussions with, and may require public presentation by consultants regarding their qualifications, approach to the Project, and ability to furnish the required services. The Board shall then select and list the consultants, in order of preference, deemed to be the most highly capable and qualified to perform the required Professional Services, after considering these and other appropriate criteria:
 - (i) The ability and adequacy of the professional personnel employed by each consultant;
 - (ii) Whether a consultant is a certified minority business enterprise;
 - (iii) Each consultant's past performance;
 - (iv) The willingness of each consultant to meet time and budget requirements;
 - (v) The geographic location of each consultant's headquarters, office and personnel in relation to the project;
 - (vi) The recent, current, and projected workloads of each consultant; and
 - (vii) The volume of work previously awarded to each consultant by the District.
- (b) Nothing in these Rules shall prevent the District from evaluating and eventually selecting a consultant if less than three (3) Responsive qualification packages, including packages indicating a desire not to provide Professional Services on a given Project, are received.
- (c) If the selection process is administered by any person or committee other than the full Board, the selection made will be presented to the full Board with a recommendation that competitive negotiations be instituted with the selected firms in order of preference listed.
- (d) Notice of the rankings adopted by the Board, including the rejection of some or all qualification packages, shall be provided in writing to all consultants

by United States Mail, hand delivery, facsimile, or overnight delivery service. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's ranking decisions under this Rule shall be in accordance with the procedures set forth in Rule 3.11.

(5) Competitive Negotiation.

- (a) After the Board has authorized the beginning of competitive negotiations, the District may begin such negotiations with the firm listed as most qualified to perform the required Professional Services at a rate or amount of compensation which the Board determines is fair, competitive, and reasonable.
- (b) In negotiating a lump-sum or cost-plus-a-fixed-fee professional contract for more than the threshold amount provided in Section 287.017 of the Florida Statutes, for CATEGORY FOUR, the firm receiving the award shall be required to execute a truth-in-negotiation certificate stating that "wage rates and other factual unit costs supporting the compensation are accurate, complete and current at the time of contracting." In addition, any professional service contract under which such a certificate is required, shall contain a provision that "the original contract price and any additions thereto, shall be adjusted to exclude any significant sums by which the Board determines the contract price was increased due to inaccurate, incomplete, or noncurrent wage rates and other factual unit costs."
- (c) Should the District be unable to negotiate a satisfactory agreement with the firm determined to be the most qualified at a price deemed by the District to be fair, competitive, and reasonable, then negotiations with that firm shall be terminated and the District shall immediately begin negotiations with the second most qualified firm. If a satisfactory agreement with the second firm cannot be reached, those negotiations shall be terminated and negotiations with the third most qualified firm shall be undertaken.
- (d) Should the District be unable to negotiate a satisfactory agreement with one of the top three (3) ranked consultants, additional firms shall be selected by the District, in order of their competence and qualifications. Negotiations shall continue, beginning with the first-named firm on the list, until an agreement is reached or the list of firms is exhausted.

(6) Contracts; Public Records. In accordance with Florida law, each contract entered into pursuant to this Rule shall include provisions required by law that require the contractor to comply with public records laws.

- (7) Continuing Contract. Nothing in this Rule shall prohibit a Continuing Contract between a consultant and the District.
- (8) Emergency Purchase. The District may make an Emergency Purchase without complying with these Rules. The fact that an Emergency Purchase has occurred or is necessary shall be noted in the minutes of the next Board meeting.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 119.0701, 190.011(3), 190.033, 287.055, Fla. Stat.

Rule 3.2 Procedure Regarding Auditor Selection.

In order to comply with the requirements of Section 218.391 of the Florida Statutes, the following procedures are outlined for selection of firms or individuals to provide Auditing Services and for the negotiation of such contracts. For audits required under Chapter 190 of the Florida Statutes but not meeting the thresholds of Chapter 218 of the Florida Statutes, the District need not follow these procedures but may proceed with the selection of a firm or individual to provide Auditing Services and for the negotiation of such contracts in the manner the Board determines is in the best interests of the District.

(1) Definitions.

- (a) "Auditing Services" means those services within the scope of the practice of a certified public accounting firm licensed under Chapter 473 of the Florida Statutes, and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy.
- (b) "Committee" means the auditor selection committee appointed by the Board as described in section (2) of this Rule.

(2) Establishment of Auditor Selection Committee. Prior to a public announcement under section (4) of this Rule that Auditing Services are required, the Board shall establish an auditor selection committee ("Committee"), the primary purpose of which is to assist the Board in selecting an auditor to conduct the annual financial audit required by Section 218.39 of the Florida Statutes. The Committee shall include at least three individuals, at least one of which must also be a member of the Board. The establishment and selection of the Committee must be conducted at a publicly noticed and held meeting of the Board. The Chairperson of the Committee must be a member of the Board. An employee, a chief executive officer, or a chief financial officer of the District may not serve as a member of the Committee; provided however such individual may serve the Committee in an advisory capacity.

(3) Establishment of Minimum Qualifications and Evaluation Criteria. Prior to a public announcement under section (4) of this Rule that Auditing Services are required, the Committee shall meet at a publicly noticed meeting to establish minimum qualifications and factors to use for the evaluation of Auditing Services to be provided by a certified public accounting firm licensed under Chapter 473 of the Florida Statutes, and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy.

- (a) Minimum Qualifications. In order to be eligible to submit a proposal, a firm must, at all relevant times including the time of receipt of the proposal by the District:

- (i) Hold all required applicable state professional licenses in good standing;
- (ii) Hold all required applicable federal licenses in good standing, if any;
- (iii) Hold a current and active Florida corporate charter or be authorized to do business in the State of Florida in accordance with Chapter 607 of the Florida Statutes, if the proposer is a corporation; and
- (iv) Meet any pre-qualification requirements established by the Committee and set forth in the RFP or other specifications.

If requested in the RFP or other specifications, evidence of compliance with the minimum qualifications as established by the Committee must be submitted with the proposal.

- (b) Evaluation Criteria. The factors established for the evaluation of Auditing Services by the Committee shall include, but are not limited to:
 - (i) Ability of personnel;
 - (ii) Experience;
 - (iii) Ability to furnish the required services; and
 - (iv) Such other factors as may be determined by the Committee to be applicable to its particular requirements.

The Committee may also choose to consider compensation as a factor. If the Committee establishes compensation as one of the factors, compensation shall not be the sole or predominant factor used to evaluate proposals.

- (4) Public Announcement. After identifying the factors to be used in evaluating the proposals for Auditing Services as set forth in section (3) of this Rule, the Committee shall publicly announce the opportunity to provide Auditing Services. Such public announcement shall include a brief description of the audit and how interested firms can apply for consideration and obtain the RFP. The notice shall appear in at least one (1) newspaper of general circulation in the District and the county in which the District is located. The public announcement shall allow for at least seven (7) days for the submission of proposals.
- (5) Request for Proposals. The Committee shall provide interested firms with a Request for Proposals (“RFP”). The RFP shall provide information on how proposals are to be evaluated and such other information the Committee determines

is necessary for the firm to prepare a proposal. The RFP shall state the time and place for submitting proposals.

- (6) Committee's Evaluation of Proposals and Recommendation. The Committee shall meet at a publicly held meeting that is publicly noticed for a reasonable time in advance of the meeting to evaluate all qualified proposals and may, as part of the evaluation, require that each interested firm provide a public presentation where the Committee may conduct discussions with the firm, and where the firm may present information, regarding the firm's qualifications. At the public meeting, the Committee shall rank and recommend in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services after considering the factors established pursuant to subsection (3)(b) of this Rule. If fewer than three firms respond to the RFP or if no firms respond to the RFP, the Committee shall recommend such firm as it deems to be the most highly qualified. Notwithstanding the foregoing, the Committee may recommend that any and all proposals be rejected.
- (7) Board Selection of Auditor.
- (a) Where compensation was not selected as a factor used in evaluating the proposals, the Board shall negotiate with the firm ranked first and inquire of that firm as to the basis of compensation. If the Board is unable to negotiate a satisfactory agreement with the first ranked firm at a price deemed by the Board to be fair, competitive, and reasonable, then negotiations with that firm shall be terminated and the Board shall immediately begin negotiations with the second ranked firm. If a satisfactory agreement with the second ranked firm cannot be reached, those negotiations shall be terminated and negotiations with the third ranked firm shall be undertaken. The Board may reopen formal negotiations with any one of the three top-ranked firms, but it may not negotiate with more than one firm at a time. If the Board is unable to negotiate a satisfactory agreement with any of the selected firms, the Committee shall recommend additional firms in order of the firms' respective competence and qualifications. Negotiations shall continue, beginning with the first-named firm on the list, until an agreement is reached or the list of firms is exhausted.
- (b) Where compensation was selected as a factor used in evaluating the proposals, the Board shall select the highest-ranked qualified firm or document in its public records the reason for not selecting the highest-ranked qualified firm.
- (c) In negotiations with firms under this Rule, the Board may allow the District Manager, District Counsel, or other designee to conduct negotiations on its behalf.

- (d) Notwithstanding the foregoing, the Board may reject any or all proposals. The Board shall not consider any proposal, or enter into any contract for Auditing Services, unless the proposed agreed-upon compensation is reasonable to satisfy the requirements of Section 218.39 of the Florida Statutes, and the needs of the District.
- (8) Contract. Any agreement reached under this Rule shall be evidenced by a written contract, which may take the form of an engagement letter signed and executed by both parties. The written contract shall include all provisions and conditions of the procurement of such services and shall include, at a minimum, the following:
- (a) A provision specifying the services to be provided and fees or other compensation for such services;
 - (b) A provision requiring that invoices for fees or other compensation be submitted in sufficient detail to demonstrate compliance with the terms of the contract;
 - (c) A provision setting forth deadlines for the auditor to submit a preliminary draft audit report to the District for review and to submit a final audit report no later than June 30 of the fiscal year that follows the fiscal year for which the audit is being conducted;
 - (d) A provision specifying the contract period, including renewals, and conditions under which the contract may be terminated or renewed. The maximum contract period including renewals shall be five (5) years. A renewal may be done without the use of the auditor selection procedures provided in this Rule but must be in writing.
 - (e) Provisions required by law that require the auditor to comply with public records laws.
- (9) Notice of Award. Once a negotiated agreement with a firm or individual is reached, or the Board authorizes the execution of an agreement with a firm where compensation was a factor in the evaluation of proposals, notice of the intent to award, including the rejection of some or all proposals, shall be provided in writing to all proposers by United States Mail, hand delivery, facsimile, or overnight delivery service. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests regarding the award of contracts under this Rule shall be as provided for in Rule 3.11. No proposer shall be entitled to recover any costs of proposal preparation or submittal from the District.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.
Law Implemented: §§ 119.0701, 218.33, 218.391, Fla. Stat.

Rule 3.3 Purchase of Insurance.

- (1) Scope. The purchases of life, health, accident, hospitalization, legal expense, or annuity insurance, or all of any kinds of such insurance for the officers and employees of the District, and for health, accident, hospitalization, and legal expenses upon a group insurance plan by the District, shall be governed by this Rule. This Rule does not apply to the purchase of any other type of insurance by the District, including but not limited to liability insurance, property insurance, and directors and officers insurance. Nothing in this Rule shall require the District to purchase insurance.
- (2) Procedure. For a purchase of insurance within the scope of these Rules, the following procedure shall be followed:
 - (a) The Board shall cause to be prepared a Notice of Invitation to Bid.
 - (b) Notice of the Invitation to Bid shall be advertised at least once in a newspaper of general circulation within the District. The notice shall allow at least fourteen (14) days for submittal of bids.
 - (c) The District may maintain a list of persons interested in receiving notices of Invitations to Bid. The District shall make reasonable efforts to provide copies of any notices to such persons, but the failure to do so shall not give such consultants any bid protest or other rights or otherwise disqualify any otherwise valid procurement process.
 - (d) Bids shall be opened at the time and place noted in the Invitation to Bid.
 - (e) If only one (1) response to an Invitation is received, the District may proceed with the purchase. If no response to an Invitation to Bid is received, the District may take whatever steps are reasonably necessary in order to proceed with the purchase.
 - (f) The Board has the right to reject any and all bids and such reservations shall be included in all solicitations and advertisements.
 - (g) Simultaneously with the review of the submitted bids, the District may undertake negotiations with those companies that have submitted reasonable and timely bids and, in the opinion of the District, are fully qualified and capable of meeting all services and requirements. Bid responses shall be evaluated in accordance with the specifications and criteria contained in the Invitation to Bid; in addition, the total cost to the District, the cost, if any, to the District officers, employees, or their dependents, the geographic location of the company's headquarters and offices in relation to the District, and the ability of the company to guarantee premium stability may be considered. A contract to purchase insurance

shall be awarded to that company whose response to the Invitation to Bid best meets the overall needs of the District, its officers, employees, and/or dependents.

- (h) Notice of the intent to award, including rejection of some or all bids, shall be provided in writing to all bidders by United States Mail, by hand delivery, or by overnight delivery service. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's procurement of insurance under this Rule shall be in accordance with the procedures set forth in Rule 3.11.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: § 112.08, Fla. Stat.

Rule 3.4 Pre-qualification

- (1) Scope. In its discretion, the District may undertake a pre-qualification process in accordance with this Rule for vendors to provide construction services, goods, supplies, and materials, Contractual Services, and maintenance services.
- (2) Procedure. When the District seeks to pre-qualify vendors, the following procedures shall apply:
 - (a) The Board shall cause to be prepared a Request for Qualifications.
 - (b) For construction services exceeding the thresholds described in Section 255.20 of the Florida Statutes, the Board must advertise the proposed pre-qualification criteria and procedures and allow at least seven (7) days notice of the public hearing for comments on such pre-qualification criteria and procedures. At such public hearing, potential vendors may object to such pre-qualification criteria and procedures. Following such public hearing, the Board shall formally adopt pre-qualification criteria and procedures prior to the advertisement of the Request for Qualifications for construction services.
 - (c) The Request for Qualifications shall be advertised at least once in a newspaper of general circulation within the District and within the county in which the District is located. The notice shall allow at least seven (7) days for submittal of qualifications for goods, supplies and materials, Contractual Services, maintenance services, and construction services under two hundred fifty thousand dollars (\$250,000). The notice shall allow at least twenty-one (21) days for submittal of qualifications for construction services estimated to cost over two hundred fifty thousand dollars (\$250,000) and thirty (30) days for construction services estimated to cost over five hundred thousand dollars (\$500,000).
 - (d) The District may maintain lists of persons interested in receiving notices of Requests for Qualifications. The District shall make a good faith effort to provide written notice, by electronic mail, United States Mail, hand delivery, or facsimile, to persons who provide their name and address to the District Manager for inclusion on the list. However, failure of a person to receive the notice shall not invalidate any pre-qualification determination or contract awarded in accordance with these Rules and shall not be a basis for a protest of any pre-qualification determination or contract award.
 - (e) If the District has pre-qualified vendors for a particular category of purchase, at the option of the District, only those persons who have been pre-qualified will be eligible to submit bids, proposals, replies or responses in response to the applicable Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation.

- (f) In order to be eligible to submit qualifications, a firm or individual must, at the time of receipt of the qualifications:
 - (i) Hold all required applicable state professional licenses in good standing;
 - (ii) Hold all required applicable federal licenses in good standing, if any;
 - (iii) Hold a current and active Florida corporate charter or be authorized to do business in the State of Florida in accordance with Chapter 607 of the Florida Statutes, if the vendor is a corporation; and
 - (iv) Meet any special pre-qualification requirements set forth in the Request for Qualifications.

Evidence of compliance with these Rules must be submitted with the qualifications if required by the District. Failure to submit evidence of compliance when required may be grounds for rejection of the qualifications.

- (g) Qualifications shall be presented to the Board, or a committee appointed by the Board, for evaluation in accordance with the Request for Qualifications and this Rule. Minor variations in the qualifications may be waived by the Board. A variation is minor if waiver of the variation does not create a competitive advantage or disadvantage of a material nature.
- (h) All vendors determined by the District to meet the pre-qualification requirements shall be pre-qualified. To assure full understanding of the responsiveness to the requirements contained in a Request for Qualifications, discussions may be conducted with qualified vendors. Vendors shall be accorded fair treatment prior to the submittal date with respect to any opportunity for discussion and revision of qualifications. For construction services, any contractor pre-qualified and considered eligible by the Department of Transportation to bid to perform the type of work the project entails shall be presumed to be qualified to perform the project.
- (i) The Board shall have the right to reject all qualifications if there are not enough to be competitive or if rejection is determined to be in the best interest of the District. No vendor shall be entitled to recover any costs of qualification preparation or submittal from the District.
- (j) Notice of intent to pre-qualify, including rejection of some or all qualifications, shall be provided in writing to all vendors by United States Mail, electronic mail, hand delivery, facsimile, or overnight delivery service. The notice

shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's pre-qualification decisions under this Rule shall be in accordance with the procedures set forth in Rule 3.11; provided however, protests related to the pre-qualification criteria and procedures for construction services shall be resolved in accordance with section (2)(b) of this Rule and Section 255.20(1)(b) of the Florida Statutes.

(3) Suspension, Revocation, or Denial of Qualification

(a) The District, for good cause, may deny, suspend, or revoke a prequalified vendor's pre-qualified status. A suspension, revocation, or denial for good cause shall prohibit the vendor from bidding on any District construction contract for which qualification is required, shall constitute a determination of non-responsibility to bid on any other District construction or maintenance contract, and shall prohibit the vendor from acting as a material supplier or subcontractor on any District contract or project during the period of suspension, revocation, or denial. Good cause shall include the following:

- i. One of the circumstances specified under Section 337.16(2), Fla. Stat., has occurred.
- ii. Affiliated contractors submitted more than one proposal for the same work. In this event the pre-qualified status of all of the affiliated bidders will be revoked, suspended, or denied. All bids of affiliated bidders will be rejected.
- iii. The vendor made or submitted false, deceptive, or fraudulent statements, certifications, or materials in any claim for payment or any information required by any District contract.
- iv. The vendor or its affiliate defaulted on any contract or a contract surety assumed control of financial responsibility for any contract of the vendor.
- v. The vendor's qualification to bid is suspended, revoked, or denied by any other public or semi-public entity, or the vendor has been the subject of a civil enforcement proceeding or settlement involving a public or semi-public entity.
- vi. The vendor failed to comply with contract or warranty requirements or failed to follow District direction in the performance of a contract.
- vii. The vendor failed to timely furnish all contract documents required by the contract specifications, special provisions, or by any state or federal statutes or regulations. If the vendor fails to furnish any of the subject contract documents by the expiration of the period of suspension,

revocation, or denial set forth above, the vendor's pre-qualified status shall remain suspended, revoked, or denied until the documents are furnished.

- viii. The vendor failed to notify the District within 10 days of the vendor, or any of its affiliates, being declared in default or otherwise not completing work on a contract or being suspended from qualification to bid or denied qualification to bid by any other public or semi-public agency.
- ix. The vendor did not pay its subcontractors or suppliers in a timely manner or in compliance with contract documents.
- x. The vendor has demonstrated instances of poor or unsatisfactory performance, deficient management resulting in project delay, poor quality workmanship, a history of payment of liquidated damages, untimely completion of projects, uncooperative attitude, contract litigation, inflated claims or defaults.
- xi. An affiliate of the vendor has previously been determined by the District to be non-responsible, and the specified period of suspension, revocation, denial, or non-responsibility remains in effect.
- xii. The vendor or affiliate(s) has been convicted of a contract crime.
 - 1. The term "contract crime" means any violation of state or federal antitrust laws with respect to a public contract or any violation of any state or federal law involving fraud, bribery, collusion, conspiracy, or material misrepresentation with respect to a public contract.
 - 2. The term "convicted" or "conviction" means a finding of guilt or a conviction of a contract crime, with or without an adjudication of guilt, in any federal or state trial court of record as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.

(b) A denial, suspension, or revocation shall prohibit the vendor from being a subcontractor on District work during the period of denial, suspension, or revocation, except when a prime contractor's bid has used prices of a subcontractor who becomes disqualified after the bid, but before the request for authorization to sublet is presented.

(c) The District shall inform the vendor in writing of its intent to deny, suspend, or revoke its pre-qualified status and inform the vendor of its right to a hearing, the procedure which must be followed, and the applicable time limits. If a hearing is requested within 10 days after the receipt of the notice of intent, the

hearing shall be held within 30 days after receipt by the District of the request for the hearing. The decision shall be issued within 15 days after the hearing.

- (d) Such suspension or revocation shall not affect the vendor's obligations under any preexisting contract.
- (e) In the case of contract crimes, the vendor's pre-qualified status under this Rule shall be revoked indefinitely. For all violations of Rule 3.4(3)(a) other than for the vendor's conviction for contract crimes, the revocation, denial, or suspension of a vendor's pre-qualified status under this Rule shall be for a specific period of time based on the seriousness of the deficiency.

Examples of factors affecting the seriousness of a deficiency are:

- i. Impacts on project schedule, cost, or quality of work;
- ii. Unsafe conditions allowed to exist;
- iii. Complaints from the public;
- iv. Delay or interference with the bidding process;
- v. The potential for repetition;
- vi. Integrity of the public contracting process;
- vii. Effect on the health, safety, and welfare of the public.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.
Law Implemented: §§ 190.033, 255.0525, 255.20, Fla. Stat.

Rule 3.5 Construction Contracts, Not Design-Build.

- (1) Scope. All contracts for the construction or improvement of any building, structure, or other public construction works authorized by Chapter 190 of the Florida Statutes, the costs of which are estimated by the District in accordance with generally accepted cost accounting principles to be in excess of the threshold amount for applicability of Section 255.20 of the Florida Statutes, as that amount may be indexed or amended from time to time, shall be let under the terms of these Rules and the procedures of Section 255.20 of the Florida Statutes, as the same may be amended from time to time. A project shall not be divided solely to avoid the threshold bidding requirements.
- (2) Procedure. When a purchase of construction services is within the scope of this Rule, the following procedures shall apply:
 - (a) The Board shall cause to be prepared an Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation.
 - (b) Notice of the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation shall be advertised at least once in a newspaper of general circulation in the District and in the county in which the District is located. The notice shall also include the amount of the bid bond, if one is required. The notice shall allow at least twenty-one (21) days for submittal of sealed bids, proposals, replies, or responses, unless the Board, for good cause, determines a shorter period of time is appropriate. Any project projected to cost more than five hundred thousand dollars (\$500,000) must be noticed at least thirty (30) days prior to the date for submittal of bids, proposals, replies, or responses. If the Board has previously pre-qualified contractors pursuant to Rule 3.4 and determined that only the contractors that have been pre-qualified will be permitted to submit bids, proposals, replies, and responses, the Notice of Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation need not be published. Instead, the Notice of Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation shall be sent to the pre-qualified contractors by United States Mail, hand delivery, facsimile, or overnight delivery service.
 - (c) The District may maintain lists of persons interested in receiving notices of Invitations to Bid, Requests for Proposals, Invitations to Negotiate, and Competitive Solicitations. The District shall make a good faith effort to provide written notice, by electronic mail, United States Mail, hand delivery, or facsimile, to persons who provide their name and address to the District Manager for inclusion on the list. However, failure of a person to receive the notice shall not invalidate any contract awarded in accordance with this Rule and shall not be a basis for a protest of any contract award.

- (d) If the District has pre-qualified providers of construction services, then, at the option of the District, only those persons who have been pre-qualified will be eligible to submit bids, proposals, replies, or responses to Invitations to Bid, Requests for Proposals, Invitations to Negotiate, and Competitive Solicitations.
- (e) In order to be eligible to submit a bid, proposal, reply, or response, a firm or individual must, at the time of receipt of the bids, proposals, replies, or responses:
 - (i) Hold all required applicable state professional licenses in good standing;
 - (ii) Hold all required applicable federal licenses in good standing, if any;
 - (iii) Hold a current and active Florida corporate charter or be authorized to do business in the State of Florida in accordance with Chapter 607 of the Florida Statutes, if the bidder is a corporation; and
 - (iv) Meet any special pre-qualification requirements set forth in the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation.

Any contractor that has been found guilty by a court of any violation of federal labor or employment tax laws regarding subjects including but not limited to, reemployment assistance, safety, tax withholding, worker's compensation, unemployment tax, social security and Medicare tax, wage or hour, or prevailing rate laws within the past 5 years may be considered ineligible by the District to submit a bid, response, or proposal for a District project.

Evidence of compliance with these Rules must be submitted with the bid, proposal, reply, or response, if required by the District. Failure to submit evidence of compliance when required may be grounds for rejection of the bid, proposal, reply, or response.

- (f) Bids, proposals, replies, and responses, or the portions of which that include the price, shall be publicly opened at a meeting noticed in accordance with Rule 1.3, and at which at least one district representative is present. The name of each bidder and the price submitted in the bid shall be announced at such meeting and shall be made available upon request. Minutes should be taken at the meeting and maintained by the District. Bids, proposals, replies, and responses shall be evaluated in accordance with the respective Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation and these Rules. Minor variations in the bids,

proposals, replies, or responses may be waived by the Board. A variation is minor if waiver of the variation does not create a competitive advantage or disadvantage of a material nature. Mistakes in arithmetic extension of pricing may be corrected by the Board. Bids and proposals may not be modified or supplemented after opening; provided however, additional information may be requested and/or provided to evidence compliance, make non-material modifications, clarifications, or supplementations, and as otherwise permitted by Florida law.

- (g) The lowest Responsive Bid submitted by a Responsive and Responsible Bidder in response to an Invitation to Bid shall be accepted. In relation to a Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, the Board shall select the Responsive Proposal, Reply, or Response submitted by a Responsive and Responsible Vendor which is most advantageous to the District. To assure full understanding of the responsiveness to the solicitation requirements contained in a Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, discussions may be conducted with qualified vendors. Vendors shall be accorded fair treatment prior to the submittal date with respect to any opportunity for discussion, preparation, and revision of bids, proposals, replies, and responses.
- (h) The Board shall have the right to reject all bids, proposals, replies, or responses because they exceed the amount of funds budgeted for the purchase, if there are not enough to be competitive, or if rejection is determined to be in the best interest of the District. No contractor shall be entitled to recover any costs of bid, proposal, response, or reply preparation or submittal from the District.
- (i) The Board may require potential contractors to furnish bid bonds, performance bonds, and/or other bonds with a responsible surety to be approved by the Board.
- (j) Notice of intent to award, including rejection of some or all bids, proposals, replies, or responses, shall be provided in writing to all contractors by United States Mail, hand delivery, facsimile, or overnight delivery service. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's purchase of construction services under this Rule shall be in accordance with the procedures set forth in Rule 3.11.
- (k) If less than three (3) Responsive Bids, Proposals, Replies, or Responses are received, the District may purchase construction services or may reject the bids, proposals, replies, or responses for a lack of competitiveness. If no Responsive Bid, Proposal, Reply, or Response is received, the District may

proceed with the procurement of construction services, in the manner the Board determines is in the best interests of the District, which may include but is not limited to a direct purchase of the construction services without further competitive selection processes.

- (3) Sole Source; Government. Construction services that are only available from a single source are exempt from this Rule. Construction services provided by governmental agencies are exempt from this Rule. This Rule shall not apply to the purchase of construction services, which may include goods, supplies, or materials, that are purchased under a federal, state, or local government contract that has been competitively procured by such federal, state, or local government in a manner consistent with the material procurement requirements of these Rules. A contract for construction services is exempt from this Rule if state or federal law prescribes with whom the District must contract or if the rate of payment is established during the appropriation process.
- (4) Contracts; Public Records. In accordance with Florida law, each contract entered into pursuant to this Rule shall include provisions required by law that require the contractor to comply with public records laws.
- (5) Emergency Purchases. The District may make an Emergency Purchase without complying with these rules. The fact that an Emergency Purchase has occurred or is necessary shall be noted in the minutes of the next Board Meeting.
- (6) Exceptions. This Rule is inapplicable when:
 - (a) The project is undertaken as repair or maintenance of an existing public facility;
 - (b) The funding source of the project will be diminished or lost because the time required to competitively award the project after the funds become available exceeds the time within which the funding source must be spent;
 - (c) The District has competitively awarded a project and the contractor has abandoned the project or the District has terminated the contract; or
 - (d) The District, after public notice, conducts a public meeting under Section 286.011 of the Florida Statutes, and finds by a majority vote of the Board that it is in the public's best interest to perform the project using its own services, employees, and equipment.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 119.0701, 189.053, 190.033, 255.0518, 255.0525, 255.20, 287.055, Fla. Stat.

Rule 3.6 Construction Contracts, Design-Build.

- (1) Scope. The District may utilize Design-Build Contracts for any public construction project for which the Board determines that use of such contract is in the best

interest of the District. When letting a Design-Build Contract, the District shall use the following procedure:

(2) Procedure.

- (a) The District shall utilize a Design Criteria Professional meeting the requirements of Section 287.055(2)(k) of the Florida Statutes, when developing a Design Criteria Package, evaluating the proposals and qualifications submitted by Design-Build Firms, and determining compliance of the project construction with the Design Criteria Package. The Design Criteria Professional may be an employee of the District, may be the District Engineer selected by the District pursuant to Section 287.055 of the Florida Statutes, or may be retained pursuant to Rule 3.1. The Design Criteria Professional is not eligible to render services under a Design-Build Contract executed pursuant to the Design Criteria Package.
- (b) A Design Criteria Package for the construction project shall be prepared and sealed by the Design Criteria Professional. If the project utilizes existing plans, the Design Criteria Professional shall create a Design Criteria Package by supplementing the plans with project specific requirements, if any.
- (c) The Board may either choose to award the Design-Build Contract pursuant to the competitive proposal selection process set forth in Section 287.055(9) of the Florida Statutes, or pursuant to the qualifications-based selection process pursuant to Rule 3.1.
 - (i) Qualifications-Based Selection. If the process set forth in Rule 3.1 is utilized, subsequent to competitive negotiations, a guaranteed maximum price and guaranteed completion date shall be established.
 - (ii) Competitive Proposal-Based Selection. If the competitive proposal selection process is utilized, the Board, in consultation with the Design Criteria Professional, shall establish the criteria, standards and procedures for the evaluation of Design-Build Proposals based on price, technical, and design aspects of the project, weighted for the project. After a Design Criteria Package and the standards and procedures for evaluation of proposals have been developed, competitive proposals from qualified firms shall be solicited pursuant to the design criteria by the following procedure:
 - 1. A Request for Proposals shall be advertised at least once in a newspaper of general circulation in the county in which the District is located. The notice shall allow at least twenty-one (21) days for submittal of sealed proposals, unless the Board,

for good cause, determines a shorter period of time is appropriate. Any project projected to cost more than five hundred thousand dollars (\$500,000) must be noticed at least thirty (30) days prior to the date for submittal of proposals.

2. The District may maintain lists of persons interested in receiving notices of Requests for Proposals. The District shall make a good faith effort to provide written notice, by electronic mail, United States Mail, hand delivery, or facsimile, to persons who provide their name and address to the District Manager for inclusion on the list. However, failure of a person to receive the notice shall not invalidate any contract awarded in accordance with this Rule and shall not be a basis for a protest of any contract award.
3. In order to be eligible to submit a proposal, a firm must, at the time of receipt of the proposals:
 - a. Hold the required applicable state professional licenses in good standing, as defined by Section 287.055(2)(h) of the Florida Statutes;
 - b. Hold all required applicable federal licenses in good standing, if any;
 - c. Hold a current and active Florida corporate charter or be authorized to do business in the State of Florida in accordance with Chapter 607 of the Florida Statutes, if the proposer is a corporation;
 - d. Meet any special pre-qualification requirements set forth in the Request for Proposals and Design Criteria Package.

Any contractor that has been found guilty by a court of any violation of federal labor or employment tax laws regarding subjects including but not limited to reemployment assistance, safety, tax withholding, worker's compensation, unemployment tax, social security and Medicare tax, wage or hour, or prevailing rate laws within the past 5 years may be considered ineligible by the District to submit a bid, response, or proposal for a District project.

Evidence of compliance with these Rules must be submitted with the proposal if required by the District. Failure to

submit evidence of compliance when required may be grounds for rejection of the proposal.

4. The proposals, or the portions of which that include the price, shall be publicly opened at a meeting noticed in accordance with Rule 1.3, and at which at least one district representative is present. The name of each bidder and the price submitted in the bid shall be announced at such meeting and shall be made available upon request. Minutes should be taken at the meeting and maintained by the District. In consultation with the Design Criteria Professional, the Board shall evaluate the proposals received based on evaluation criteria and procedures established prior to the solicitation of proposals, including but not limited to qualifications, availability, and past work of the firms and the partners and members thereof. The Board shall then select no fewer than three (3) Design-Build Firms as the most qualified.
5. The Board shall have the right to reject all proposals if **the proposals are too high**, or rejection is determined to be in the best interest of the District. No vendor shall be entitled to recover any costs of proposal preparation or submittal from the District.
6. If less than three (3) Responsive Proposals are received, the District may purchase design-build services or may reject the proposals for lack of competitiveness. If no Responsive Proposals are received, the District may proceed with the procurement of design-build services in the manner the Board determines is in the best interests of the District, which may include but is not limited to a direct purchase of the design-build services without further competitive selection processes.
7. Notice of the rankings adopted by the Board, including the rejection of some or all proposals, shall be provided in writing to all consultants by United States Mail, hand delivery, facsimile, or overnight delivery service. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's rankings under this Rule shall be in accordance with the procedures set forth in Rule 3.11.

8. The Board shall negotiate a contract with the firm ranking the highest based on the evaluation standards and shall establish a price which the Board determines is fair, competitive and reasonable. Should the Board be unable to negotiate a satisfactory contract with the firm considered to be the most qualified at a price considered by the Board to be fair, competitive, and reasonable, negotiations with that firm must be terminated. The Board shall then undertake negotiations with the second most qualified firm, based on the ranking by the evaluation standards. Should the Board be unable to negotiate a satisfactory contract with the firm considered to be the second most qualified at a price considered by the Board to be fair, competitive, and reasonable, negotiations with that firm must be terminated. The Board shall then undertake negotiations with the third most qualified firm. Should the Board be unable to negotiate a satisfactory contract with the firm considered to be the third most qualified at a price considered by the Board to be fair, competitive, and reasonable, negotiations with that firm must be terminated. Should the Board be unable to negotiate a satisfactory contract with any of the selected firms, the Board shall select additional firms in order of their rankings based on the evaluation standards and continue negotiations until an agreement is reached or the list of firms is exhausted.
 9. After the Board contracts with a firm, the firm shall bring to the Board for approval, detailed working drawings of the project.
 10. The Design Criteria Professional shall evaluate the compliance of the detailed working drawings and project construction with the Design Criteria Package and shall provide the Board with a report of the same.
- (3) Contracts; Public Records. In accordance with Florida law, each contract entered into pursuant to this Rule shall include provisions required by law that require the contractor to comply with public records laws.
 - (4) Emergency Purchase. The Board may, in case of public emergency, declare an emergency and immediately proceed with negotiations with the best qualified Design-Build Firm available at the time. The fact that an Emergency Purchase has occurred shall be noted in the minutes of the next Board meeting.
 - (5) Exceptions. This Rule is inapplicable when:

- (a) The project is undertaken as repair or maintenance of an existing public facility;
- (b) The funding source of the project will be diminished or lost because the time required to competitively award the project after the funds become available exceeds the time within which the funding source must be spent;
- (c) The District has competitively awarded a project and the contractor has abandoned the project or the District has terminated the contractor; or
- (d) The District, after public notice, conducts a public meeting under Section 286.011 of the Florida Statutes, and finds by a majority vote of the Board that it is in the public's best interest to perform the project using its own services, employees, and equipment.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 119.0701, 189.053, 190.033, 255.0518, 255.0525, 255.20, 287.055, Fla. Stat.

Rule 3.7 Payment and Performance Bonds.

- (1) Scope. This Rule shall apply to contracts for the construction of a public building, for the prosecution and completion of a public work, or for repairs upon a public building or public work and shall be construed in addition to terms prescribed by any other Rule that may also apply to such contracts.
- (2) Required Bond. Upon entering into a contract for any of the services described in section (1) of this Rule in excess of \$200,000, the Board should require that the contractor, before commencing the work, execute and record a payment and performance bond in an amount equal to the contract price. Notwithstanding the terms of the contract or any other law, the District may not make payment to the contractor until the contractor has provided to the District a certified copy of the recorded bond.
- (3) Discretionary Bond. At the discretion of the Board, upon entering into a contract for any of the services described in section (1) of this Rule for an amount not exceeding \$200,000, the contractor may be exempted from executing a payment and performance bond.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: § 255.05, Fla. Stat.

Rule 3.8 Goods, Supplies, and Materials.

- (1) Purpose and Scope. All purchases of goods, supplies, or materials exceeding the amount provided in Section 287.017 of the Florida Statutes, for CATEGORY FOUR, shall be purchased under the terms of this Rule. Contracts for purchases of “goods, supplies, and materials” do not include printing, insurance, advertising, or legal notices. A contract involving goods, supplies, or materials plus maintenance services may, in the discretion of the Board, be treated as a contract for maintenance services. However, a purchase shall not be divided solely in order to avoid the threshold bidding requirements.
- (2) Procedure. When a purchase of goods, supplies, or materials is within the scope of this Rule, the following procedures shall apply:
 - (a) The Board shall cause to be prepared an Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation.
 - (b) Notice of the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation shall be advertised at least once in a newspaper of general circulation within the District and within the county in which the District is located. The notice shall also include the amount of the bid bond, if one is required. The notice shall allow at least seven (7) days for submittal of bids, proposals, replies, or responses.
 - (c) The District may maintain lists of persons interested in receiving notices of Invitations to Bid, Requests for Proposals, Invitations to Negotiate, or Competitive Solicitations. The District shall make a good faith effort to provide written notice, by electronic mail, United States Mail, hand delivery, or facsimile, to persons who provide their name and address to the District Manager for inclusion on the list. However, failure of a person to receive the notice shall not invalidate any contract awarded in accordance with this Rule and shall not be a basis for a protest of any contract award.
 - (d) If the District has pre-qualified suppliers of goods, supplies, and materials, then, at the option of the District, only those persons who have been pre-qualified will be eligible to submit bids, proposals, replies, or responses.
 - (e) In order to be eligible to submit a bid, proposal, reply, or response, a firm or individual must, at the time of receipt of the bids, proposals, replies, or responses:
 - (i) Hold all required applicable state professional licenses in good standing;
 - (ii) Hold all required applicable federal licenses in good standing, if any;

- (iii) Hold a current and active Florida corporate charter or be authorized to do business in the State of Florida in accordance with Chapter 607 of the Florida Statutes, if the vendor is a corporation; and
- (iv) Meet any special pre-qualification requirements set forth in the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation.

Evidence of compliance with these Rules must be submitted with the bid, proposal, reply or response if required by the District. Failure to submit evidence of compliance when required may be grounds for rejection of the bid, proposal, reply, or response.

Any firm or individual whose principal place of business is outside the State of Florida must also submit a written opinion of an attorney at law licensed to practice law in that foreign state, as to the preferences, if any or none, granted by the law of that foreign state to business entities whose principal places of business are in that foreign state, in the letting of any or all public contracts. Failure to submit such a written opinion or submission of a false or misleading written opinion may be grounds for rejection of the bid, proposal, reply, or response.

- (f) Bids, proposals, replies, and responses shall be publicly opened at the time and place noted on the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation. Bids, proposals, replies, and responses shall be evaluated in accordance with the respective Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, and this Rule. Minor variations in the bids, proposals, replies, or responses may be waived by the Board. A variation is minor if waiver of the variation does not create a competitive advantage or disadvantage of a material nature. Mistakes in arithmetic extension of pricing may be corrected by the Board. Bids and proposals may not be modified or supplemented after opening; provided however, additional information may be requested and/or provided to evidence compliance, make non-material modifications, clarifications, or supplementations, and as otherwise permitted by Florida law.
- (g) The lowest Responsive Bid, after taking into account the preferences provided for in this subsection, submitted by a Responsive and Responsible Bidder in response to an Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation shall be accepted. If the lowest Responsive Bid is submitted by a Responsive and Responsible Bidder whose principal place of business is located in a foreign state which does not grant a preference in competitive purchase to businesses whose principal place of business are in that foreign state, the lowest Responsive and Responsible Bidder whose principal place of business is in the State of

Florida shall be awarded a preference of five (5) percent. If the lowest Responsive Bid is submitted by a Responsive and Responsible Bidder whose principal place of business is located in a foreign state which grants a preference in competitive purchase to businesses whose principal place of business are in that foreign state, the lowest Responsible and Responsive Bidder whose principal place of business is in the State of Florida shall be awarded a preference equal to the preference granted by such foreign state.

To assure full understanding of the responsiveness to the solicitation requirements contained in an Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, discussions may be conducted with qualified vendors. Vendors shall be accorded fair treatment prior to the submittal date with respect to any opportunity for discussion, preparation, and revision of bids, proposals, replies, and responses.

- (h) The Board shall have the right to reject all bids, proposals, replies, or responses because they exceed the amount of funds budgeted for the purchase, if there are not enough to be competitive, or if rejection is determined to be in the best interest of the District. No vendor shall be entitled to recover any costs of bid, proposal, reply, or response preparation or submittal from the District.
 - (i) The Board may require bidders and proposers to furnish bid bonds, performance bonds, and/or other bonds with a responsible surety to be approved by the Board.
 - (j) Notice of intent to award, including rejection of some or all bids, proposals, replies, or responses shall be provided in writing to all vendors by United States Mail, hand delivery, facsimile, or overnight delivery service. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's purchase of goods, supplies, and materials under this Rule shall be in accordance with the procedures set forth in Rule 3.11.
 - (k) If less than three (3) Responsive Bids, Proposals, Replies, or Responses are received, the District may purchase goods, supplies, or materials, or may reject the bids, proposals, replies, or responses for a lack of competitiveness. If no Responsive Bid, Proposal, Reply, or Response is received, the District may proceed with the procurement of goods, supplies, and materials, in the manner the Board determines is in the best interests of the District, which may include but is not limited to a direct purchase of the goods, supplies, and materials without further competitive selection processes.
- (3) Goods, Supplies, and Materials included in a Construction Contract Awarded Pursuant to Rule 3.5 or 3.6. There may be occasions where the District has

undergone the competitive purchase of construction services which contract may include the provision of goods, supplies, or materials. In that instance, the District may approve a change order to the contract and directly purchase the goods, supplies, and materials. Such purchase of goods, supplies, and materials deducted from a competitively purchased construction contract shall be exempt from this Rule.

- (4) Exemption. Goods, supplies, and materials that are only available from a single source are exempt from this Rule. Goods, supplies, and materials provided by governmental agencies are exempt from this Rule. A contract for goods, supplies, or materials is exempt from this Rule if state or federal law prescribes with whom the District must contract or if the rate of payment is established during the appropriation process. This Rule shall not apply to the purchase of goods, supplies or materials that are purchased under a federal, state, or local government contract that has been competitively procured by such federal, state, or local government in a manner consistent with the material procurement requirements of these Rules.
- (5) Renewal. Contracts for the purchase of goods, supplies, and/or materials subject to this Rule may be renewed for a maximum period of five (5) years.
- (6) Emergency Purchases. The District may make an Emergency Purchase without complying with these rules. The fact that an Emergency Purchase has occurred or is necessary shall be noted in the minutes of the next Board meeting.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 189.053, 190.033, 287.017, 287.084, Fla. Stat.

Rule 3.9 Maintenance Services.

- (1) Scope. All contracts for maintenance of any District facility or project shall be set under the terms of this Rule if the cost exceeds the amount provided in Section 287.017 of the Florida Statutes, for CATEGORY FOUR. A contract involving goods, supplies, and materials plus maintenance services may, in the discretion of the Board, be treated as a contract for maintenance services. However, a purchase shall not be divided solely in order to avoid the threshold bidding requirements.
- (2) Procedure. When a purchase of maintenance services is within the scope of this Rule, the following procedures shall apply:
 - (a) The Board shall cause to be prepared an Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation.
 - (b) Notice of the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation shall be advertised at least once in a newspaper of general circulation within the District and within the county in which the District is located. The notice shall also include the amount of the bid bond, if one is required. The notice shall allow at least seven (7) days for submittal of bids, proposals, replies, or responses.
 - (c) The District may maintain lists of persons interested in receiving notices of Invitations to Bid, Requests for Proposals, Invitations to Negotiate, and Competitive Solicitations. The District shall make a good faith effort to provide written notice, by electronic mail, United States Mail, hand delivery, or facsimile, to persons who provide their name and address to the District Manager for inclusion on the list. However, failure of a person to receive the notice shall not invalidate any contract awarded in accordance with this Rule and shall not be a basis for a protest of any contract award.
 - (d) If the District has pre-qualified suppliers of maintenance services, then, at the option of the District, only those persons who have been pre-qualified will be eligible to submit bids, proposals, replies, and responses.
 - (e) In order to be eligible to submit a bid, proposal, reply, or response, a firm or individual must, at the time of receipt of the bids, proposals, replies, or responses:
 - (i) Hold all required applicable state professional licenses in good standing;
 - (ii) Hold all required applicable federal licenses in good standing, if any;

- (iii) Hold a current and active Florida corporate charter or be authorized to do business in the State of Florida in accordance with Chapter 607 of the Florida Statutes, if the vendor is a corporation; and
- (iv) Meet any special pre-qualification requirements set forth in the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation.

Evidence of compliance with these Rules must be submitted with the bid, proposal, reply, or response if required by the District. Failure to submit evidence of compliance when required may be grounds for rejection of the bid, proposal, reply, or response.

- (f) Bids, proposals, replies, and responses shall be publicly opened at the time and place noted on the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation. Bids, proposals, replies, and responses shall be evaluated in accordance with the respective Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, and these Rules. Minor variations in the bids, proposals, replies, and responses may be waived by the Board. A variation is minor if waiver of the variation does not create a competitive advantage or disadvantage of a material nature. Mistakes in arithmetic extension of pricing may be corrected by the Board. Bids and proposals may not be modified or supplemented after opening; provided however, additional information may be requested and/or provided to evidence compliance, make non-material modifications, clarifications, or supplementations, and as otherwise permitted by Florida law.
- (g) The lowest Responsive Bid submitted in response to an Invitation to Bid by a Responsive and Responsible Bidder shall be accepted. In relation to a Request for Proposals, Invitation to Negotiate or Competitive Solicitation the Board shall select the Responsive Proposal, Reply, or Response submitted by a Responsive and Responsible Vendor which is most advantageous to the District. To assure full understanding of the responsiveness to the solicitation requirements contained in a Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, discussions may be conducted with qualified vendors. Vendors shall be accorded fair treatment prior to the submittal date with respect to any opportunity for discussion, preparation, and revision of bids, proposals, replies, or responses.
- (h) The Board shall have the right to reject all bids, proposals, replies, or responses because they exceed the amount of funds budgeted for the purchase, if there are not enough to be competitive, or if rejection is determined to be in the best interest of the District. No Vendor shall be

entitled to recover any costs of bid, proposal, reply, or response preparation or submittal from the District.

- (i) The Board may require bidders and proposers to furnish bid bonds, performance bonds, and/or other bonds with a responsible surety to be approved by the Board.
 - (j) Notice of intent to award, including rejection of some or all bids, proposals, replies, or responses shall be provided in writing to all vendors by United States Mail, hand delivery, facsimile, or overnight delivery service. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's procurement of maintenance services under this Rule shall be in accordance with the procedures set forth in Rule 3.11.
 - (k) If less than three (3) Responsive Bids, Proposals, Replies, or Responses are received, the District may purchase the maintenance services or may reject the bids, proposals, replies, or responses for a lack of competitiveness. If no Responsive Bid, Proposal, Reply, or Response is received, the District may proceed with the procurement of maintenance services, in the manner the Board determines is in the best interests of the District, which may include but is not limited to a direct purchase of the maintenance services without further competitive selection processes.
- (3) Exemptions. Maintenance services that are only available from a single source are exempt from this Rule. Maintenance services provided by governmental agencies are exempt from this Rule. A contract for maintenance services is exempt from this Rule if state or federal law prescribes with whom the District must contract or if the rate of payment is established during the appropriation process.
 - (4) Renewal. Contracts for the purchase of maintenance services subject to this Rule may be renewed for a maximum period of five (5) years.
 - (5) Contracts; Public Records. In accordance with Florida law, each contract entered into pursuant to this Rule shall include provisions required by law that require the contractor to comply with public records laws.
 - (6) Emergency Purchases. The District may make an Emergency Purchase without complying with these rules. The fact that an Emergency Purchase has occurred or is necessary shall be noted in the minutes of the next Board meeting.

Specific Authority: §§ 190.011(5), 190.011(15), 190.033, Fla. Stat.
Law Implemented: §§ 119.0701, 190.033, 287.017, Fla. Stat.

Rule 3.10 Contractual Services.

- (1) Exemption from Competitive Purchase. Pursuant to Section 190.033(3) of the Florida Statutes, Contractual Services shall not be subject to competitive purchasing requirements. If an agreement is predominantly for Contractual Services, but also includes maintenance services or the purchase of goods and services, the contract shall not be subject to competitive purchasing requirements. Regardless of whether an advertisement or solicitation for Contractual Services is identified as an Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, no rights or remedies under these Rules, including but not limited to protest rights, are conferred on persons, firms, or vendors proposing to provide Contractual Services to the District.

- (2) Contracts; Public Records. In accordance with Florida law, each contract for Contractual Services shall include provisions required by law that require the contractor to comply with public records laws.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 119.0701, 190.011(3), 190.033, Fla. Stat.

Rule 3.11 Protests with Respect to Proceedings under Rules 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.8, and 3.9.

The resolution of any protests with respect to proceedings under Rules 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.8, and 3.9 shall be in accordance with this Rule.

(1) Filing.

- (a) With respect to a protest regarding qualifications, specifications, documentation, or other requirements contained in a Request for Qualifications, Request for Proposals, Invitation to Bid, or Competitive Solicitation issued by the District, the notice of protest shall be filed in writing within seventy-two (72) calendar hours (excluding Saturdays, Sundays, and state holidays) after the first advertisement of the Request for Qualifications, Request for Proposals, Invitation to Bid, or Competitive Solicitation. A formal protest setting forth with particularity the facts and law upon which the protest is based shall be filed within seven (7) calendar days (including Saturdays, Sundays, and state holidays) after the initial notice of protest was filed. For purposes of this Rule, wherever applicable, filing will be perfected and deemed to have occurred upon receipt by the District. Failure to file a notice of protest shall constitute a waiver of all rights to protest the District's intended decision. Failure to file a formal written protest shall constitute an abandonment of the protest proceedings and shall automatically terminate the protest proceedings.
- (b) Except for those situations covered by subsection (1)(a) of this Rule, any firm or person who is affected adversely by a District's ranking or intended award under Rules 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.8, or 3.9 and desires to contest the District's ranking or intended award, shall file with the District a written notice of protest within seventy-two (72) calendar hours (excluding Saturdays, Sundays, and state holidays) after receipt of the notice of the District's ranking or intended award. A formal protest setting forth with particularity the facts and law upon which the protest is based shall be filed within seven (7) calendar days (including Saturdays, Sundays, and state holidays) after the initial notice of protest was filed. For purposes of this Rule, wherever applicable, filing will be perfected and deemed to have occurred upon receipt by the District. Failure to file a notice of protest shall constitute a waiver of all rights to protest the District's ranking or intended award. Failure to file a formal written protest shall constitute an abandonment of the protest proceedings and shall automatically terminate the protest proceedings.
- (c) If the requirement for the posting of a protest bond and the amount of the protest bond, which may be expressed by a percentage of the contract to be awarded or a set amount, is disclosed in the District's competitive solicitation documents for a particular purchase under Rules 3.1, 3.2, 3.3,

3.4, 3.5, 3.6, 3.8, or 3.9, any person who files a notice of protest must post the protest bond. The amount of the protest bond shall be determined by District staff after consultation with the Board and within the limits, if any, imposed by Florida law. In the event the protest is successful, the protest bond shall be refunded to the protestor. In the event the protest is unsuccessful, the protest bond shall be applied towards the District's costs, expenses, and attorney's fees associated with hearing and defending the protest. In the event the protest is settled by mutual agreement of the parties, the protest bond shall be distributed as agreed to by the District and protestor.

- (d) The District does not accept documents filed by electronic mail or facsimile transmission. Filings are only accepted during normal business hours.
- (2) Contract Execution. Upon receipt of a notice of protest which has been timely filed, the District shall not execute the contract under protest until the subject of the protest is resolved. However, if the District sets forth in writing particular facts and circumstances showing that delay incident to protest proceedings will jeopardize the funding for the project, will materially increase the cost of the project, or will create an immediate and serious danger to the public health, safety, or welfare, the contract may be executed.
 - (3) Informal Proceeding. If the Board determines a protest does not involve a disputed issue of material fact, the Board may, but is not obligated to, schedule an informal proceeding to consider the protest. Such informal proceeding shall be at a time and place determined by the Board. Notice of such proceeding shall be sent via facsimile, United States Mail, or hand delivery to the protestor and any substantially affected persons or parties not less than three (3) calendar days prior to such informal proceeding. Within thirty (30) calendar days following the informal proceeding, the Board shall issue a written decision setting forth the factual, legal, and policy grounds for its decision.
 - (4) Formal Proceeding. If the Board determines a protest involves disputed issues of material fact or if the Board elects not to use the informal proceeding process provided for in section (3) of this Rule, the District shall schedule a formal hearing to resolve the protest. The Chairperson shall designate any member of the Board (including the Chairperson), District Manager, District Counsel, or other person as a hearing officer to conduct the hearing. The hearing officer may:
 - (a) Administer oaths and affirmations;
 - (b) Rule upon offers of proof and receive relevant evidence;
 - (c) Regulate the course of the hearing, including any pre-hearing matters;
 - (d) Enter orders; and

- (e) Make or receive offers of settlement, stipulation, and adjustment.

The hearing officer shall, within thirty (30) days after the hearing or receipt of the hearing transcript, whichever is later, file a recommended order which shall include a caption, time and place of hearing, appearances entered at the hearing, statement of the issues, findings of fact and conclusions of law, separately stated, and a recommendation for final District action. The District shall allow each party fifteen (15) days in which to submit written exceptions to the recommended order. The District shall issue a final order within sixty (60) days after the filing of the recommended order.

- (5) Intervenors. Other substantially affected persons may join the proceedings as intervenors on appropriate terms which shall not unduly delay the proceedings.
- (6) Rejection of all Qualifications, Bids, Proposals, Replies and Responses after Receipt of Notice of Protest. If the Board determines there was a violation of law, defect, or an irregularity in the competitive solicitation process, the Bids, Proposals, Replies, and Responses are too high, or if the Board determines it is otherwise in the District's best interest, the Board may reject all qualifications, bids, proposals, replies, and responses and start the competitive solicitation process anew. If the Board decides to reject all qualifications, bids, proposals, replies, and responses and start the competitive solicitation process anew, any pending protests shall automatically terminate.
- (7) Settlement. Nothing herein shall preclude the settlement of any protest under this Rule at any time.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: § 190.033, Fla. Stat.

Rule 4.0 Effective Date.

These Rules shall be effective January 16, 2020, except that no election of officers required by these Rules shall be required until after the next regular election for the Board.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 190.011(5), 190.011(15), Fla. Stat.

EXHIBIT 4

**NOTICE OF RULEMAKING REGARDING THE AMENDED AND
RESTATED RULES OF PROCEDURE OF THE
FRONTERRA COMMUNITY DEVELOPMENT DISTRICT**

A public hearing will be conducted by the Board of Supervisors ("Board") of the Fronterra Community Development District ("District") on August 20, 2020 at 1:30 p.m. to be conducted by Zoom Video Communications remote video conferencing services pursuant to Executive Orders 20-52, 20-69 20-112 and 20-150 issued by Governor DeSantis on March 9, 2020, March 20, 2020, April 29, 2020 and June 23, 2020 respectively, and pursuant to Section 120.54(5)(b)2., Florida Statutes.

In accord with Chapters 120 and 190, Florida Statutes, the District hereby gives the public notice of its intent to adopt its proposed Amended and Restated Rules of Procedure. The purpose and effect of the proposed Amended and Restated Rules of Procedure is to provide for efficient and effective District operations and to ensure compliance with recent changes to Florida law.

The Amended and Restated Rules of Procedure may address such areas as the Board of Supervisors, officers and voting, district offices, public information and inspection of records, policies, public meetings, hearings and workshops, rulemaking proceedings and competitive purchase including procedure under the Consultants Competitive Negotiation Act, procedure regarding auditor selection, purchase of insurance, pre-qualification, construction contracts, goods, supplies and materials, maintenance services, contractual services and protests with respect to proceedings, as well as any other area of the general operation of the District.

Specific legal authority for the adoption of the proposed amended and Restated Rules of Procedure includes Sections 190.011(5), 190.011(15) and 190.035, Florida Statutes (2019). The specific laws implemented in the Amended and Restated Rules of Procedure include, but are not limited to, Sections 112.08, 112.3143, 112.31446, 112.3145, 119.07, 119.0701, 189.053, 189.069(2)(a)16, 190.006, 190.007, 190.008, 190.011(3), 190.011(5), 190.011(15), 190.033, 190.035, 218.33, 218.391, 255.05, 255.0518, 255.0525, 255.20, 286.0105, 286.011, 286.0113, 286.0114, 287.017, 287.055 and 287.084, Florida Statutes (2019).

A copy of the proposed Amended and Restated Rules of Procedure may be obtained by contacting the District Manager's Office at 707 Orchid Drive, Suite 100, Naples, Florida 34102 or by calling (239) 269-1341.

Any person who wishes to provide the District with a proposal for a lower cost regulatory alternative as provided by Section 120.541(1), Florida Statutes, must do so in writing within twenty one (21) days after publication of this notice to the District Manager's Office.

While it is necessary to hold the above referenced meeting of the District's Board of Supervisors utilizing communications media technology due to the current COVID-19 public health emergency, the District fully encourages public participation in a safe and efficient manner. Toward that end, anyone wishing to listen and participate in the meeting can do so telephonically at +1 (301) 716-8592; Meeting ID: 872 2762 7676 Passcode: 099988. Additionally, participants are encouraged to submit questions and comments to the District Manager in advance at (239) 269-1341 or rweyer@ree-i.com to facilitate the Board's consideration of such questions and comments during the meeting.

This public hearing may be continued to a date, time, and place to be specified on the record at the hearing without additional notice. If anyone chooses to appeal any decision of the Board with respect to any matter considered at a public hearing, such person will need a record of the proceedings and should accordingly ensure that a verbatim record of the proceedings is made which includes the testimony and evidence upon which such appeal is to be based. At the hearing, staff or Supervisors may participate in the public hearing by speaker telephone.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations at this meeting because of a disability or physical impairment should contact the District Manager's Office at least forty-eight (48) hours prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service at 1-800-955-8771 or 1 800-955-8770 for aid in contacting the District Office.

District Manager
Fronterra Community Development District
Pub Date: July 22, 2020

#4292369

Naples Daily News

PART OF THE USA TODAY NETWORK

Published Daily
Naples, FL 34110

FRONTERRA CDD
707 ORCHID DR# 100

NAPLES, FL 34102-5014

Affidavit of Publication

STATE OF WISCONSIN
COUNTY OF BROWN

Before the undersigned they serve as the authority, personally appeared said legal clerk who on oath says that he/she serves as **Legal Clerk** of the Naples Daily News, a daily newspaper published at Naples, in Collier County, Florida; distributed in Collier and Lee counties of Florida; that the attached copy of the advertising was published in said newspaper on dates listed. Affiant further says that the said Naples Daily News is a newspaper published at Naples, in said Collier County, Florida, and that the said newspaper has heretofore been continuously published in said

Collier County, Florida; distributed in Collier and Lee counties of Florida, each day and has been entered as second class mail matter at the post office in Naples, in said Collier County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that he has neither paid nor promised any person, or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

Published: 07/22/2020

Subscribed and sworn to before on July 22, 2020:

Tara Mondloch

Notary, State of WI, County of Brown

TARA MONDLOCH
Notary Public
State of Wisconsin

My commission expires August 6, 2021

Publication Cost: \$630.00
Ad No: 0004292369
Customer No: 1305147
PO#:

of Affidavits 1

This is not an invoice

EXHIBIT 5

RESOLUTION 2020-6

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF
FRONTERRA COMMUNITY DEVELOPMENT DISTRICT
DESIGNATING THE OFFICERS OF THE DISTRICT FOR
FISCAL YEAR 2020-2021 AND PROVIDING FOR
EFFECTIVE DATE.**

WHEREAS, the Board of Supervisors of Fronterra Community Development District desires to elect the below recited persons to the office specified.

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

1. The following persons are appointed to the offices shown, to wit:

David Genson	Chairman
Brian Goguen	Vice Chairman
Russ Weyer	Secretary
Russ Weyer	Treasurer
John English	Assistant Secretary
Mike Levak	Assistant Secretary
Jamie Lopez	Assistant Secretary

2. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED this 20th day of August, 2020.

**FRONTERRA COMMUNITY
DEVELOPMENT DISTRICT**

ATTEST:

Secretary / Assistant Secretary

Chairman / Vice Chairman

EXHIBIT 6

RESOLUTION 2020-7

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF
FRONTERRA COMMUNITY DEVELOPMENT DISTRICT
ADOPTING THE ANNUAL MEETING SCHEDULE FOR
FISCAL YEAR 2020-2021; AND PROVIDING FOR AN
EFFECTIVE DATE**

WHEREAS, Fronterra Community Development District (the “District”) is a local unit of special-purpose government organized and existing in accordance with Chapter 190, Florida Statutes, being situated entirely within Collier County, Florida; and

WHEREAS, the District is required by Section 189.015, Florida Statutes to file quarterly, semiannually or annually a schedule (including date, time and location) of its regular meetings with local governing authorities; and

WHEREAS, further, in accordance with the above-referenced statute, the District shall also publish quarterly, semiannually, or annually the District’s regular meeting schedule in a newspaper of general paid circulation in the County in which the District is located.

WHEREAS, the Board desires to adopt a Fiscal Year 2020-2021 annual meeting schedule attached as **Exhibit A**.

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

1. The Fiscal Year 2020-2021 annual public meeting schedule attached hereto and incorporated by reference herein as Exhibit A is hereby approved and will be published in accordance with the requirements of Florida law and also provided to applicable governing authorities.

2. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED this 20th day of August, 2020.

**FRONTERRA COMMUNITY
DEVELOPMENT DISTRICT**

ATTEST:

Secretary / Assistant Secretary

Chairman / Vice Chairman

EXHIBIT "A"

**BOARD OF SUPERVISORS MEETING DATES
FRONTERRA COMMUNITY DEVELOPMENT DISTRICT
FISCAL YEAR 2020-2021**

The Board of Supervisors of the Fronterra Community Development District will hold their regular meetings for Fiscal Year 2019-2020 at the offices of the Barron Collier Companies, 2600 Golden Gate Parkway, Naples, FL 34105 at 1:30 p.m. unless otherwise indicated as follows:

**October 15, 2020
November 19, 2020
December 17, 2020
January 21, 2021
February 18, 2021
March 18, 2021
April 15, 2021
May 20, 2021
June 17, 2021
July 15, 2021
August 19, 2021
September 16, 2021**

The meetings are open to the public and will be conducted in accordance with the provision of Florida Law for Community Development Districts. The meetings may be continued to a date, time, and place to be specified on the record at the meeting.

There may be occasions when one or more Supervisors will participate by telephone.

Any person requiring special accommodations at a meeting because of a disability or physical impairment should contact the District Office at (239) 269-1341 at least two calendar days prior to the meeting.

Each person who decides to appeal any action taken at these meetings is advised that person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

District Manager

EXHIBIT 7

RESOLUTION 2020-8

THE ANNUAL APPROPRIATION RESOLUTION OF THE FRONTERRA COMMUNITY DEVELOPMENT DISTRICT (“DISTRICT”) RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGETS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2020, AND ENDING SEPTEMBER 30, 2021; AUTHORIZING BUDGET AMENDMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the District Manager has, prior to the fifteenth (15th) day in June, 2020, submitted to the Board of Supervisors (“**Board**”) of the Fronterra Community Development District (“**District**”) proposed budgets (“**Proposed Budget**”) for the fiscal year beginning October 1, 2020 and ending September 30, 2021 (“**Fiscal Year 2020/2021**”) along with an explanatory and complete financial plan for each fund of the District, pursuant to the provisions of Section 190.008(2)(a), *Florida Statutes*; and

WHEREAS, at least sixty (60) days prior to the adoption of the Proposed Budget, the District filed a copy of the Proposed Budget with the local governing authorities having jurisdiction over the area included in the District pursuant to the provisions of Section 190.008(2)(b), *Florida Statutes*; and

WHEREAS, the Board set a public hearing thereon and caused notice of such public hearing to be given by publication pursuant to Section 190.008(2)(a), *Florida Statutes*; and

WHEREAS, the District Manager posted the Proposed Budget on the District’s website at least two days before the public hearing; and

WHEREAS, Section 190.008(2)(a), *Florida Statutes*, requires that, prior to October 1st of each year, the Board, by passage of the Annual Appropriation Resolution, shall adopt a budget for the ensuing fiscal year and appropriate such sums of money as the Board deems necessary to defray all expenditures of the District during the ensuing fiscal year; and

WHEREAS, the District Manager has prepared a Proposed Budget, whereby the budget shall project the cash receipts and disbursements anticipated during a given time period, including reserves for contingencies for emergency or other unanticipated expenditures during the fiscal year.

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

SECTION 1. BUDGET

- a. The Board has reviewed the Proposed Budget, a copy of which is on file with the office of the District Manager and at the District’s Local Records Office, and hereby approves certain amendments thereto, as shown in Section 2 below.

- b. The Proposed Budget, attached hereto as **Exhibit A**, as amended by the Board, is hereby adopted in accordance with the provisions of Section 190.008(2)(a), *Florida Statutes* (“**Adopted Budget**”), and incorporated herein by reference; provided, however, that the comparative figures contained in the Adopted Budget may be subsequently revised as deemed necessary by the District Manager to reflect actual revenues and expenditures.
- c. The Adopted Budget, as amended, shall be maintained in the office of the District Manager and at the District’s Local Records Office and identified as “The Budget for the Fronterra Community Development District for the Fiscal Year Ending September 30, 2021.”
- d. The Adopted Budget shall be posted by the District Manager on the District’s official website within thirty (30) days after adoption, and shall remain on the website for at least 2 years.

SECTION 2. APPROPRIATIONS

There is hereby appropriated out of the revenues of the District, for Fiscal Year 2020/2021, the sum of \$247,047.62 to be raised by the levy of assessments and/or otherwise, which sum is deemed by the Board to be necessary to defray all expenditures of the District during said budget year, to be divided and appropriated in the following fashion:

TOTAL GENERAL FUND	\$ 61,935.00
<u>DEBT SERVICE FUND – SERIES 2017</u>	<u>\$185,112.62</u>
TOTAL ALL FUNDS	<u>\$247,047.62</u>

SECTION 3. BUDGET AMENDMENTS

Pursuant to Section 189.016, *Florida Statutes*, the District at any time within Fiscal Year 2020/2021 or within 60 days following the end of the Fiscal Year 2020/2021 may amend its Adopted Budget for that fiscal year as follows:

- a. The Board may authorize an increase or decrease in line item appropriations within a fund by motion recorded in the minutes if the total appropriations of the fund do not increase.
- b. The District Manager or Treasurer may authorize an increase or decrease in line item appropriations within a fund if the total appropriations of the fund do not increase and if the aggregate change in the original appropriation item does not exceed \$10,000 or 10% of the original appropriation.

- c. By resolution, the Board may increase any appropriation item and/or fund to reflect receipt of any additional unbudgeted monies and make the corresponding change to appropriations or the unappropriated balance.
- d. Any other budget amendments shall be adopted by resolution and consistent with Florida law.

The District Manager or Treasurer must establish administrative procedures to ensure that any budget amendments are in compliance with this Section 3 and Section 189.016, *Florida Statutes*, among other applicable laws. Among other procedures, the District Manager or Treasurer must ensure that any amendments to budget under subparagraphs c. and d. above are posted on the District's website within 5 days after adoption and remain on the website for at least 2 years.

SECTION 4. EFFECTIVE DATE.

This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED THIS 20TH DAY OF AUGUST, 2020.

ATTEST:

**FRONTERRA COMMUNITY
DEVELOPMENT DISTRICT**

Secretary

Chairman, Board of Supervisors

Exhibit A: Fiscal Year 2020/2021 Budget

Exhibit A
Fiscal Year 2020/2021 Budget

FRONTERRA COMMUNITY DEVELOPMENT DISTRICT		
PRELIMINARY FY 2020-2021 BUDGET		
O&M GENERAL FUND		
	BUDGET	
REVENUES		
ON-ROLL ASSESSMENTS	\$ 64,135	154 Platted Homesites
DEVELOPER CONTRIBUTION		
INTEREST REVENUE		
MISCELLANEOUS REVENUE		
TOTAL REVENUES	\$ 64,135	
EXPENDITURES		
ADMINISTRATIVE		
BOARD OF SUPERVISORS PAYROLL	\$ -	
PAYROLL TAXES	-	
PAYROLL SERVICE FEE	-	
MANAGEMENT CONSULTING SERVICES	15,000	\$1,250/Month
ASSESSMENT ADMINISTRATION	12,000	Lien Book, MBS Capital, Tax Collector, U.S. Bank
ASSESSMENT ROLL PREPARATION	1,250	Assessment Roll Preparation for Tax Collector
MISCELLANEOUS	250	Office Supplies, etc.
STORAGE FEES	900	Offsite File Storage @ \$75/month
ACCOUNTING SERVICES	3,360	Mattice Business Services - \$250/month + \$30 Quickbooks Hosting
BANK CHARGES	-	
AUDITING	5,000	Audit required since Bonds are issued
INSURANCE (Liability, Property & Casualty)	5,400	DAO Insurance
LEGAL ADVERTISING	2,400	4 Ads at \$300/each and 2 Ads at \$600/each
REGULATORY AND PERMIT FEES	175	State Filing Fee
LEGAL SERVICES	10,000	Hopping Green & Sams
ENGINEERING SERVICES - General	5,000	Johnson Engineering
WEBSITE DESIGN & HOSTING	1,200	Required by State Law
MISCELLANEOUS SERVICES		
TOTAL ADMINISTRATIVE EXPENDITURES	\$ 61,935	
FIELD OPERATIONS		
FIELD OPERATIONS MANAGEMENT STAFF		
LANDSCAPING & FIELD MAINTENANCE	\$ -	
LANDSCAPE REPLACEMENT	-	
LANDSCAPE MULCHING	-	
IRRIGATION REPAIRS	-	
ELECTRICITY	1,200	Approximately \$100/month Front Signage
WATER USE MONITORING	-	
ENTRY MONUMENTS MAINTENANCE	1,000	Pressure Cleaning, Painting, etc.
WETLAND MONITORING	-	
SFWMD ERP ANNUAL REPORT	-	
LAKE MAINTENANCE	-	
TOTAL FIELD OPERATIONS EXPENDITURES	\$ 2,200	
TOTAL EXPENDITURES	\$ 64,135	
154 Lots/Per Lot =	\$ 416.46	Per Lot
Last FY Assessment =	\$ 419.97	Per Lot
Variance from Last FY =	\$ (3.51)	

Fronterra Community Development District			
Debt Service Fund - Series 2017 Bonds			
FY 2020-2021 Proposed Budget			
REVENUE (1)			
Balance in Account (Estimate - November 2, 2020)		\$	4,147.24
Assessment Off-Roll		\$	-
Assessment On-Roll		\$	185,112.62
Capitalized Interest		\$	-
Discounts		\$	-
Total Revenue		\$	189,259.86
EXPENDITURES			
INTEREST EXPENSE			
May 1, 2021		\$	70,675.00
November 1, 2021		\$	69,437.50
PRINCIPAL			
May 1, 2021		\$	45,000.00
Total Expenditures		\$	185,112.50
Total Revenue over Expenditures		\$	4,147.36
Allocation of Maximum Annual Debt Service			
Single Family Land Use	Units	Net Assessment Per Unit	Total
Single Family	154	\$ 1,202.03	\$ 185,112.62
On Roll Assessments			
Single Family Land Use	Units	Net Assessment Per Unit	Total
Single Family	154	\$ 1,202.03	\$ 185,112.62
		Total	\$ 185,112.62
<p>(1) - Following the adoption for the general fund and debt service budgets, the District will prepare an assessment roll based on the County Property Appraiser's final list of property owners as of a certain "date of record". The District will apportion assessments to property owners as of this "date of record" and will utilize the appropriate on-roll and off-roll collection methods to collect its assessments. assessments and related collection costs may vary from the adopted budgets.</p>			

EXHIBIT 8

FRONTERRA

COMMUNITY DEVELOPMENT DISTRICT

C/O Real Estate Econometrics, Inc. • 707 Orchid Drive, Suite 100 • Naples, FL 34102
(239) 269-1341 • rweyer@ree-i.com

June 5, 2020

Ms. Valerie Fleming
Operations Coordinator
Collier County Government
Office of Management and Budget
3299 Tamiami Trail E, Ste 201
Naples, FL 34112-5746

**RE: Fronterra Community Development District – Collier County, Florida
Proposed Budget – Fiscal Year 2020-2021**

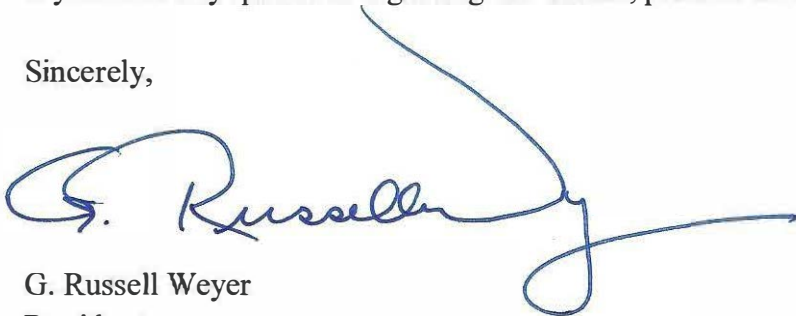
Dear Ms. Fleming:

In accordance with Chapter 189 and 190.008(2)(b) of the Florida Statutes, the District is required to submit to the local governing authorities having jurisdiction over the area included in the Fronterra Community Development District (“District”), for purposes of disclosure and information only, the proposed annual budget for the ensuing fiscal year.

As such, I am pleased to enclose the District’s Proposed Budget for Fiscal Year 2020-2021, which was approved at a general meeting on May 21, 2020. A public hearing on the final budget will be held on August 20, 2020.

If you have any questions regarding this matter, please call me at (239) 269-1341.

Sincerely,



G. Russell Weyer
President
Real Estate Econometrics, Inc.
District Manager

Encl.

**FRONTERRA COMMUNITY DEVELOPMENT DISTRICT
PRELIMINARY FY 2020-2021 BUDGET
O&M GENERAL FUND**

	<u>BUDGET</u>	
REVENUES		
ON-ROLL ASSESSMENTS	\$ 64,135	154 Platted Homesites
DEVELOPER CONTRIBUTION		
INTEREST REVENUE		
MISCELLANEOUS REVENUE		
TOTAL REVENUES	<u>\$ 64,135</u>	
EXPENDITURES		
ADMINISTRATIVE		
BOARD OF SUPERVISORS PAYROLL	\$ -	
PAYROLL TAXES	-	
PAYROLL SERVICE FEE	-	
MANAGEMENT CONSULTING SERVICES	15,000	\$1,250/Month
ASSESSMENT ADMINISTRATION	12,000	Lien Book, MBS Capital, Tax Collector, U.S. Bank
ASSESSMENT ROLL PREPARATION	1,250	Assessment Roll Preparation for Tax Collector
MISCELLANEOUS	250	Office Supplies, etc.
STORAGE FEES	900	Offsite File Storage @ \$75/month
ACCOUNTING SERVICES	3,360	Mattice Business Services - \$250/month + \$30 Quickbooks Hosting
BANK CHARGES	-	
AUDITING	5,000	Audit required since Bonds are issued
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REGULATORY AND PERMIT FEES	175	State Filing Fee
LEGAL SERVICES	10,000	Hopping Green & Sams
ENGINEERING SERVICES - General	5,000	Johnson Engineering
WEBSITE DESIGN & HOSTING	1,200	Required by State Law
MISCELLANEOUS SERVICES		
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 61,935</u>	
FIELD OPERATIONS		
FIELD OPERATIONS MANAGEMENT STAFF		
LANDSCAPING & FIELD MAINTENANCE	\$ -	
LANDSCAPE REPLACEMENT	-	
LANDSCAPE MULCHING	-	
IRRIGATION REPAIRS	-	
ELECTRICITY	1,200	Approximately \$100/month Front Signage
WATER USE MONITORING	-	
ENTRY MONUMENTS MAINTENANCE	1,000	Pressure Cleaning, Painting, etc.
WETLAND MONITORING	-	
SFVMD ERP ANNUAL REPORT	-	
LAKE MAINTENANCE	-	
TOTAL FIELD OPERATIONS EXPENDITURES	<u>\$ 2,200</u>	
TOTAL EXPENDITURES	<u>\$ 64,135</u>	
154 Lots/Per Lot =	\$ 416.46	Per Lot
Last FY Assessment =	<u>\$ 419.97</u>	Per Lot
Variance from Last FY =	\$ (3.51)	

**Fronterra Community Development District
Debt Service Fund - Series 2017 Bonds
FY 2020-2021 Proposed Budget**

REVENUE (1)

Balance in Account (Estimate - November 2, 2020)	\$	4,147.24
Assessment Off-Roll	\$	-
Assessment On-Roll	\$	185,112.62
Capitalized Interest	\$	-
Discounts	\$	-
Total Revenue	\$	189,259.86

EXPENDITURES

INTEREST EXPENSE		
May 1, 2021	\$	70,675.00
November 1, 2021	\$	69,437.50
PRINCIPAL		
May 1, 2021	\$	45,000.00
Total Expenditures	\$	185,112.50
 Total Revenue over Expenditures	 \$	 4,147.36

Allocation of Maximum Annual Debt Service

		Net Assessment	
Single Family Land Use	Units	Per Unit	Total
Single Family	154	\$ 1,202.03	\$ 185,112.62

On Roll Assessments

		Net Assessment	
Single Family Land Use	Units	Per Unit	Total
Single Family	154	\$ 1,202.03	\$ 185,112.62

Total \$ 185,112.62

(1) - Following the adoption for the general fund and debt service budgets, the District will prepare an assessment roll based on the County Property Appraiser's final list of property owners as of a certain "date of record". The District will apportion assessments to property owners as of this "date of record" and will utilize the appropriate on-roll and off-roll collection methods to collect its assessments. assessments and related collection costs may vary from the adopted budgets.

EXHIBIT 9

RESOLUTION 2020-9

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE FRONTERRA COMMUNITY DEVELOPMENT DISTRICT MAKING A DETERMINATION OF BENEFIT AND IMPOSING SPECIAL ASSESSMENTS FOR FISCAL YEAR 2020/2021; PROVIDING FOR THE COLLECTION AND ENFORCEMENT OF SPECIAL ASSESSMENTS; CERTIFYING AN ASSESSMENT ROLL; PROVIDING FOR AMENDMENTS TO THE ASSESSMENT ROLL; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Fronterra Community Development District (“**District**”) is a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, for the purpose of providing, operating and maintaining infrastructure improvements, facilities and services to the lands within the District; and

WHEREAS, the District is located in Collier County, Florida (“**County**”); and

WHEREAS, the District has constructed or acquired various infrastructure improvements and provides certain services in accordance with the District’s adopted capital improvement plan and Chapter 190, *Florida Statutes*; and

WHEREAS, the Board of Supervisors (“**Board**”) of the District hereby determines to undertake various operations and maintenance and other activities described in the District’s budget (“**Adopted Budget**”) for the fiscal year beginning October 1, 2020 and ending September 30, 2021 (“**Fiscal Year 2020/2021**”), attached hereto as **Exhibit “A”** and incorporated by reference herein; and

WHEREAS, the District must obtain sufficient funds to provide for the operation and maintenance of the services and facilities provided by the District as described in the Adopted Budget; and

WHEREAS, the provision of such services, facilities, and operations is a benefit to lands within the District; and

WHEREAS, Chapter 190, *Florida Statutes*, provides that the District may impose special assessments on benefitted lands within the District; and

WHEREAS, it is in the best interests of the District to proceed with the imposition of the special assessments for operations and maintenance in the amount set forth in the Adopted Budget; and

WHEREAS, the District has previously levied an assessment for debt service, which the District desires to collect for Fiscal Year 2020/2021; and

WHEREAS, Chapter 197, *Florida Statutes*, provides a mechanism pursuant to which such special assessments may be placed on the tax roll and collected by the local tax collector (“**Uniform Method**”), and the District has previously authorized the use of the Uniform Method by, among other things, entering into agreements with the Property Appraiser and Tax Collector of the County for that purpose; and

WHEREAS, it is in the best interests of the District to adopt the Assessment Roll of the Fronterra Community Development District (“**Assessment Roll**”) attached to this Resolution as **Exhibit “B”** and incorporated as a material part of this Resolution by this reference, and to certify the Assessment Roll to the County Tax Collector pursuant to the Uniform Method; and

WHEREAS, it is in the best interests of the District to permit the District Manager to amend the Assessment Roll, certified to the County Tax Collector by this Resolution, as the Property Appraiser updates the property roll for the County, for such time as authorized by Florida law.

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

SECTION 1. BENEFIT & ALLOCATION FINDINGS. The Board hereby finds and determines that the provision of the services, facilities, and operations as described in **Exhibit “A”** confers a special and peculiar benefit to the lands within the District, which benefit exceeds or equals the cost of the assessments. The allocation of the assessments to the specially benefitted lands, as shown in **Exhibits “A” and “B,”** is hereby found to be fair and reasonable.

SECTION 2. ASSESSMENT IMPOSITION. Pursuant to Chapters 190 and 197, *Florida Statutes*, and using the procedures authorized by Florida law for the levy and collection of special assessments, a special assessment for operation and maintenance is hereby imposed and levied on benefitted lands within the District, and in accordance with **Exhibits “A” and “B.”** The lien of the special assessments for operations and maintenance imposed and levied by this Resolution shall be effective upon passage of this Resolution.

SECTION 3. COLLECTION. The collection of the operation and maintenance special assessments and previously levied debt service assessments shall be at the same time and in the same manner as County taxes in accordance with the Uniform Method, as indicated on **Exhibits “A” and “B.”** The decision to collect special assessments by any particular method – e.g., on the tax roll or by direct bill – does not mean that such method will be used to collect special assessments in future years, and the District reserves the right in its sole discretion to select collection methods in any given year, regardless of past practices.

SECTION 4. ASSESSMENT ROLL. The Assessment Roll, attached to this Resolution as **Exhibit “B,”** is hereby certified to the County Tax Collector and shall be collected by the County Tax Collector in the same manner and time as County taxes. The proceeds therefrom shall be

paid to the District.

SECTION 5. ASSESSMENT ROLL AMENDMENT. The District Manager shall keep apprised of all updates made to the County property roll by the Property Appraiser after the date of this Resolution, and shall amend the Assessment Roll in accordance with any such updates, for such time as authorized by Florida law, to the County property roll. After any amendment of the Assessment Roll, the District Manager shall file the updates in the District records.

SECTION 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.

SECTION 7. EFFECTIVE DATE. This Resolution shall take effect upon the passage and adoption of this Resolution by the Board.

PASSED AND ADOPTED this 20th day of August, 2020.

ATTEST:

**FRONTERRA COMMUNITY
DEVELOPMENT DISTRICT**

Secretary

Chairman, Board of Supervisors

Exhibit A: Budget

Exhibit B: Assessment Roll

Exhibit A
Budget

FRONTERRA COMMUNITY DEVELOPMENT DISTRICT		
PRELIMINARY FY 2020-2021 BUDGET		
O&M GENERAL FUND		
	BUDGET	
REVENUES		
ON-ROLL ASSESSMENTS	\$ 64,135	154 Platted Homesites
DEVELOPER CONTRIBUTION		
INTEREST REVENUE		
MISCELLANEOUS REVENUE		
TOTAL REVENUES	\$ 64,135	
EXPENDITURES		
ADMINISTRATIVE		
BOARD OF SUPERVISORS PAYROLL	\$ -	
PAYROLL TAXES	-	
PAYROLL SERVICE FEE	-	
MANAGEMENT CONSULTING SERVICES	15,000	\$1,250/Month
ASSESSMENT ADMINISTRATION	12,000	Lien Book, MBS Capital, Tax Collector, U.S. Bank
ASSESSMENT ROLL PREPARATION	1,250	Assessment Roll Preparation for Tax Collector
MISCELLANEOUS	250	Office Supplies, etc.
STORAGE FEES	900	Offsite File Storage @ \$75/month
ACCOUNTING SERVICES	3,360	Mattice Business Services - \$250/month + \$30 Quickbooks Hosting
BANK CHARGES	-	
AUDITING	5,000	Audit required since Bonds are issued
INSURANCE (Liability, Property & Casualty)	5,400	DAO Insurance
LEGAL ADVERTISING	2,400	4 Ads at \$300/each and 2 Ads at \$600/each
REGULATORY AND PERMIT FEES	175	State Filing Fee
LEGAL SERVICES	10,000	Hopping Green & Sams
ENGINEERING SERVICES - General	5,000	Johnson Engineering
WEBSITE DESIGN & HOSTING	1,200	Required by State Law
MISCELLANEOUS SERVICES		
TOTAL ADMINISTRATIVE EXPENDITURES	\$ 61,935	
FIELD OPERATIONS		
FIELD OPERATIONS MANAGEMENT STAFF		
LANDSCAPING & FIELD MAINTENANCE	\$ -	
LANDSCAPE REPLACEMENT	-	
LANDSCAPE MULCHING	-	
IRRIGATION REPAIRS	-	
ELECTRICITY	1,200	Approximately \$100/month Front Signage
WATER USE MONITORING	-	
ENTRY MONUMENTS MAINTENANCE	1,000	Pressure Cleaning, Painting, etc.
WETLAND MONITORING	-	
SFWMD ERP ANNUAL REPORT	-	
LAKE MAINTENANCE	-	
TOTAL FIELD OPERATIONS EXPENDITURES	\$ 2,200	
TOTAL EXPENDITURES	\$ 64,135	
154 Lots/Per Lot =	\$ 416.46	Per Lot
Last FY Assessment =	\$ 419.97	Per Lot
Variance from Last FY =	\$ (3.51)	

Fronterra Community Development District			
Debt Service Fund - Series 2017 Bonds			
FY 2020-2021 Proposed Budget			
REVENUE (1)			
Balance in Account (Estimate - November 2, 2020)		\$	4,147.24
Assessment Off-Roll		\$	-
Assessment On-Roll		\$	185,112.62
Capitalized Interest		\$	-
Discounts		\$	-
Total Revenue		\$	189,259.86
EXPENDITURES			
INTEREST EXPENSE			
May 1, 2021		\$	70,675.00
November 1, 2021		\$	69,437.50
PRINCIPAL			
May 1, 2021		\$	45,000.00
Total Expenditures		\$	185,112.50
Total Revenue over Expenditures		\$	4,147.36
Allocation of Maximum Annual Debt Service			
		Units	Net Assessment
Single Family Land Use			Per Unit
			Total
Single Family	154	\$	1,202.03
			\$ 185,112.62
On Roll Assessments			
		Units	Net Assessment
Single Family Land Use			Per Unit
			Total
Single Family	154	\$	1,202.03
			\$ 185,112.62
		Total	\$ 185,112.62
<p>(1) - Following the adoption for the general fund and debt service budgets, the District will prepare an assessment roll based on the County Property Appraiser's final list of property owners as of a certain "date of record". The District will apportion assessments to property owners as of this "date of record" and will utilize the appropriate on-roll and off-roll collection methods to collect its assessments. assessments and related collection costs may vary from the adopted budgets.</p>			

Exhibit B
Assessment Roll

LOT NUMBER	PROPERTY IDENTIFICATION		OWNER	O&M	Debt	
	NUMBER				Service	Total
1	34550000348	CCC FRONTERRA LLC		\$450.23	\$1,299.49	\$1,749.72
2	34550000364	CCC FRONTERRA LLC		\$450.23	\$1,299.49	\$1,749.72
3	34550000380	CCC FRONTERRA LLC		\$450.23	\$1,299.49	\$1,749.72
4	34550000403	MANERA, SALVATORE MARTINO		\$450.23	\$1,299.49	\$1,749.72
5	34550000429	HAMILTON, JACQUI LYNN		\$450.23	\$1,299.49	\$1,749.72
6	34550000445	MARCOTTE, MICHAEL J		\$450.23	\$1,299.49	\$1,749.72
7	34550000461	KELLER, OAKLEY H=& CANDIA D		\$450.23	\$1,299.49	\$1,749.72
8	34550000487	WOJTASIEWICZ, WOJCIECH		\$450.23	\$1,299.49	\$1,749.72
9	34550000500	GUERRERO, BRUNO		\$450.23	\$1,299.49	\$1,749.72
10	34550000526	GALLEGO, CARLOS A		\$450.23	\$1,299.49	\$1,749.72
11	34550000542	NOLASCO, JORGE RAFAEL		\$450.23	\$1,299.49	\$1,749.72
12	34550000568	HERNANDEZ, CESAR		\$450.23	\$1,299.49	\$1,749.72
13	34550000584	PHAM, HAN THI		\$450.23	\$1,299.49	\$1,749.72
14	34550000607	ALTAEE, HALA		\$450.23	\$1,299.49	\$1,749.72
15	34550000623	JONES, BRANDON H=& CHELSEA R		\$450.23	\$1,299.49	\$1,749.72
16	34550000649	SIMILIEN, ANCELOT		\$450.23	\$1,299.49	\$1,749.72
17	34550000665	DERA, KERRU=& CHRISLANDE		\$450.23	\$1,299.49	\$1,749.72
18	34550000681	GUTIERREZ, AIDA LUZ		\$450.23	\$1,299.49	\$1,749.72
19	34550000704	CRUZ, ANA BONILLA		\$450.23	\$1,299.49	\$1,749.72
20	34550000720	WELCH, MICHAEL B		\$450.23	\$1,299.49	\$1,749.72
21	34550000746	GONZALEZ, CESAR=& GABIRELLE		\$450.23	\$1,299.49	\$1,749.72
22	34550000762	PEREZ, FAUSTO GONZALEZ		\$450.23	\$1,299.49	\$1,749.72
23	34550000788	NOLASCO, MARIA A		\$450.23	\$1,299.49	\$1,749.72
24	34550000801	LILLION, CALVIN J		\$450.23	\$1,299.49	\$1,749.72
25	34550000827	PRADO, REYNA		\$450.23	\$1,299.49	\$1,749.72
26	34550000843	RODRIGUEZ, RACIEL GOMEZ		\$450.23	\$1,299.49	\$1,749.72
27	34550000869	VELICHKOVA, VALERIYA		\$450.23	\$1,299.49	\$1,749.72
28	34550000885	RIDGEWAY, JEFFREY		\$450.23	\$1,299.49	\$1,749.72
29	34550000908	POPOV, LJUPCO		\$450.23	\$1,299.49	\$1,749.72
30	34550000924	CARRIGAN, KATHLEEN MARIE		\$450.23	\$1,299.49	\$1,749.72
31	34550000940	VALDEZ, BLAS AGUIRRE		\$450.23	\$1,299.49	\$1,749.72
32	34550000966	LINARDICH, JASON		\$450.23	\$1,299.49	\$1,749.72
33	34550000982	BALZARINI JR, WILLIAM JOSEPH		\$450.23	\$1,299.49	\$1,749.72
34	34550001004	MEHMETI, VALBONA=& HELIDON		\$450.23	\$1,299.49	\$1,749.72
35	34550001020	FILHO, F SALVINO DE OLIVEIRA		\$450.23	\$1,299.49	\$1,749.72
36	34550001046	DE OLIVEIRA, RENATO		\$450.23	\$1,299.49	\$1,749.72
37	34550001062	GONZALEZ, LESSER		\$450.23	\$1,299.49	\$1,749.72

LOT NUMBER	PROPERTY IDENTIFICATION NUMBER	OWNER	O&M	Debt Service	Total
38	34550001088	HERNANDEZ, ERICK TODD	\$450.23	\$1,299.49	\$1,749.72
39	34550001101	CONTRERAS, FRANKLI	\$450.23	\$1,299.49	\$1,749.72
40	34550001127	BELLO, DOUGLAS	\$450.23	\$1,299.49	\$1,749.72
41	34550001143	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
42	34550001169	LENDHEY, MATIN S	\$450.23	\$1,299.49	\$1,749.72
43	34550001185	FEBLES, RODNEY FLORES	\$450.23	\$1,299.49	\$1,749.72
44	34550001208	MCGEE, JOHN	\$450.23	\$1,299.49	\$1,749.72
45	34550001224	VINCENTI, FRANCESCO	\$450.23	\$1,299.49	\$1,749.72
46	34550001240	HAWES, JOE MICHAEL	\$450.23	\$1,299.49	\$1,749.72
47	34550001266	SANON, RODRIGUE=& MELINA	\$450.23	\$1,299.49	\$1,749.72
48	34550001282	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
49	34550001305	PRAWIRADILAGA, ABDUL=& ERNAENI	\$450.23	\$1,299.49	\$1,749.72
50	34550001321	CULMER, TODD KEITH	\$450.23	\$1,299.49	\$1,749.72
51	34550001347	ZURITA, TATIANA M	\$450.23	\$1,299.49	\$1,749.72
52	34550001363	GONZALEZ, BELKYS	\$450.23	\$1,299.49	\$1,749.72
53	34550001389	HUYNH, LOI P	\$450.23	\$1,299.49	\$1,749.72
54	34550001402	CARRASCO, EDDY HORTENSIO	\$450.23	\$1,299.49	\$1,749.72
55	34550001428	LUP, VIOLETA FELICIA	\$450.23	\$1,299.49	\$1,749.72
56	34550001444	REHM, SHAWN W	\$450.23	\$1,299.49	\$1,749.72
57	34550001460	SOLIS, RONNIE=& LILIANA SOLIS	\$450.23	\$1,299.49	\$1,749.72
58	34550001486	MCAULEY, LORI	\$450.23	\$1,299.49	\$1,749.72
59	34550001509	KARLSON, ROBERT F	\$450.23	\$1,299.49	\$1,749.72
60	34550001525	CIRILLO, ERICA L	\$450.23	\$1,299.49	\$1,749.72
61	34550001541	NGUYEN, SON	\$450.23	\$1,299.49	\$1,749.72
62	34550001567	NGUYEN, JIMMY	\$450.23	\$1,299.49	\$1,749.72
63	34550001583	HANNAHS, BRANDON	\$450.23	\$1,299.49	\$1,749.72
64	34550001606	LANDAVAZO, LILIAM MARIE	\$450.23	\$1,299.49	\$1,749.72
65	34550001622	BEACH REALTY INVESTMENT LLC	\$450.23	\$1,299.49	\$1,749.72
66	34550001648	LEE, MICHAEL	\$450.23	\$1,299.49	\$1,749.72
67	34550001664	ECKLES, LAWRENCE G=& HEDY Z	\$450.23	\$1,299.49	\$1,749.72
68	34550001680	MALIK, PANKAJ J	\$450.23	\$1,299.49	\$1,749.72
69	34550001703	BEAUVAIS, ARNOLD	\$450.23	\$1,299.49	\$1,749.72
70	34550001729	COLLETT, JASON FREDRICK	\$450.23	\$1,299.49	\$1,749.72
71	34550001745	PANTOJA, NAILEN RODRIGUEZ	\$450.23	\$1,299.49	\$1,749.72
72	34550001761	KOU, XIAONING	\$450.23	\$1,299.49	\$1,749.72
73	34550002061	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
74	34550002087	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
75	34550002100	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
76	34550002126	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
77	34550002142	CLAY, MONACO DANIELLE	\$450.23	\$1,299.49	\$1,749.72

LOT NUMBER	PROPERTY IDENTIFICATION		OWNER	O&M	Debt	
	NUMBER				Service	Total
78	34550002168	CCC FRONTERRA LLC		\$450.23	\$1,299.49	\$1,749.72
79	34550002184	CCC FRONTERRA LLC		\$450.23	\$1,299.49	\$1,749.72
80	34550002207	CCC FRONTERRA LLC		\$450.23	\$1,299.49	\$1,749.72
81	34550002223	CCC FRONTERRA LLC		\$450.23	\$1,299.49	\$1,749.72
82	34550002249	CCC FRONTERRA LLC		\$450.23	\$1,299.49	\$1,749.72
83	34550002265	CCC FRONTERRA LLC		\$450.23	\$1,299.49	\$1,749.72
84	34550002281	CCC FRONTERRA LLC		\$450.23	\$1,299.49	\$1,749.72
85	34550002304	CCC FRONTERRA LLC		\$450.23	\$1,299.49	\$1,749.72
86	34550002320	CCC FRONTERRA LLC		\$450.23	\$1,299.49	\$1,749.72
87	34550002346	CHAVEZ, VALERIA PERROGON		\$450.23	\$1,299.49	\$1,749.72
88	34550002362	ABRAHAM, MARIA		\$450.23	\$1,299.49	\$1,749.72
89	34550002388	NGUYEN, THI		\$450.23	\$1,299.49	\$1,749.72
90	34550002401	CCC FRONTERRA LLC		\$450.23	\$1,299.49	\$1,749.72
91	34550002427	CCC FRONTERRA LLC		\$450.23	\$1,299.49	\$1,749.72
92	34550002443	ESTERSON, JAY ALLEN		\$450.23	\$1,299.49	\$1,749.72
93	34550002469	CCC FRONTERRA LLC		\$450.23	\$1,299.49	\$1,749.72
94	34550002485	CCC FRONTERRA LLC		\$450.23	\$1,299.49	\$1,749.72
95	34550002508	CCC FRONTERRA LLC		\$450.23	\$1,299.49	\$1,749.72
96	34550002524	CCC FRONTERRA LLC		\$450.23	\$1,299.49	\$1,749.72
97	34550002540	CCC FRONTERRA LLC		\$450.23	\$1,299.49	\$1,749.72
98	34550002566	XIANG, YUANJIAN		\$450.23	\$1,299.49	\$1,749.72
99	34550002582	ADALINE, TREVOR J		\$450.23	\$1,299.49	\$1,749.72
100	34550002605	SHAPIRO, DANIEL M=& HEATHER R		\$450.23	\$1,299.49	\$1,749.72
101	34550002621	VANGELOVSKI, STOJAN=& LJUBA		\$450.23	\$1,299.49	\$1,749.72
102	34550002647	ARNIELLA, ADRIAN		\$450.23	\$1,299.49	\$1,749.72
103	34550002663	CCC FRONTERRA LLC		\$450.23	\$1,299.49	\$1,749.72
104	34550002689	CCC FRONTERRA LLC		\$450.23	\$1,299.49	\$1,749.72
105	34550002702	LOPEZ, RENE A=& JENNY L		\$450.23	\$1,299.49	\$1,749.72
106	34550002728	BUSTILLO, HARVIN=& ROSANA		\$450.23	\$1,299.49	\$1,749.72
107	34550002744	CCC FRONTERRA LLC		\$450.23	\$1,299.49	\$1,749.72
108	34550002760	CCC FRONTERRA LLC		\$450.23	\$1,299.49	\$1,749.72
109	34550002786	HINESTROSA, SABRINA MARIA		\$450.23	\$1,299.49	\$1,749.72
110	34550002809	BAKER JR, MARK E		\$450.23	\$1,299.49	\$1,749.72
111	34550002825	EDWARDS, MEGAN E		\$450.23	\$1,299.49	\$1,749.72
112	34550002841	TOME, VINCENT MICHAEL		\$450.23	\$1,299.49	\$1,749.72
113	34550002867	MILES, HERMAN		\$450.23	\$1,299.49	\$1,749.72
114	34550002883	GONZALEZ, NISLEIDY		\$450.23	\$1,299.49	\$1,749.72
115	34550002906	STEPHAN, CHAD CLAYTON		\$450.23	\$1,299.49	\$1,749.72
116	34550002922	GUERRERO, SCARLETT		\$450.23	\$1,299.49	\$1,749.72
117	34550002948	LOVERA, AWILDA A		\$450.23	\$1,299.49	\$1,749.72

LOT NUMBER	PROPERTY IDENTIFICATION NUMBER	OWNER	O&M	Debt Service	Total
118	34550002964	CETOUTE, SOLANGE	\$450.23	\$1,299.49	\$1,749.72
119	34550002980	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
120	34550003002	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
121	34550003028	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
122	34550003044	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
123	34550003060	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
124	34550003086	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
125	34550003109	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
126	34550003125	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
127	34550003141	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
128	34550003167	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
129	34550003183	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
130	34550003206	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
131	34550003222	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
132	34550003248	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
133	34550003264	STOUPAS, GEORGIOS=& MAYADA	\$450.23	\$1,299.49	\$1,749.72
134	34550003280	BARTON, ELLIOT SINCLAIR	\$450.23	\$1,299.49	\$1,749.72
135	34550003303	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
136	34550003329	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
137	34550003345	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
138	34550003361	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
139	34550003387	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
140	34550003400	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
141	34550003426	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
142	34550003442	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
143	34550003468	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
144	34550003484	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
145	34550003507	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
146	34550003523	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
147	34550003549	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
148	34550003565	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
149	34550003581	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
150	34550003604	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
151	34550003620	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
152	34550003646	NOGUERA, CARLOS=& MARLENE	\$450.23	\$1,299.49	\$1,749.72
153	34550003662	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
154	34550003688	CCC FRONTERRA LLC	\$450.23	\$1,299.49	\$1,749.72
Grossed Up Totals:			\$69,335.42	\$200,121.46	\$269,456.88
Net Totals:			\$64,135.26	\$185,112.35	\$249,247.61

EXHIBIT 10

NOTICE OF PUBLIC HEARING TO CONSIDER THE ADOPTION OF THE FISCAL YEAR 2020/2021 BUDGET; NOTICE OF PUBLIC HEARING TO CONSIDER THE IMPOSITION OF OPERATIONS AND MAINTENANCE SPECIAL ASSESSMENTS, ADOPTION OF AN ASSESSMENT ROLL, AND THE LEVY, COLLECTION, AND ENFORCEMENT OF THE SAME; AND NOTICE OF REGULAR BOARD OF SUPERVISORS' MEETING.

Upcoming Public Hearings, and Regular Meeting

The Board of Supervisors ("Board") for the Fronterra Community Development District ("District") will hold the following two public hearings and a regular meeting:

DATE: August 20, 2020
 TIME: 1:30 p.m.
 LOCATION: Barron Collier Companies
 2600 Golden Gate Parkway
 Naples, Florida 34105

The first public hearing is being held pursuant to Chapter 190, Florida Statutes, to receive public comment and objections on the District's proposed budget ("Proposed Budget") for the fiscal year beginning October 1, 2019 and ending September 30, 2020 ("Fiscal Year 2020/2021"). The second public hearing is being held pursuant to Chapters 170, 190 and 197, Florida Statutes, to consider the imposition of operations and maintenance special assessments ("O&M Assessments") upon the lands located within the District, to fund the Proposed Budget for Fiscal Year 2020/2021; to consider the adoption of an assessment roll; and, to provide for the levy, collection, and enforcement of assessments. At the conclusion of the hearings, the Board will, by resolution, adopt a budget and levy O&M Assessments as finally approved by the Board. A Board meeting of the District will also be held where the Board may consider any other District business.

Description of Assessments

The District imposes O&M Assessments on benefitted property within the District for the purpose of funding the District's general administrative, operations, and maintenance budget and providing the funds necessary to pay debt service on outstanding bonds as reflected in the District's debt service budget. Pursuant to Section 170.07, Florida Statutes, a description of the services to be funded by the O&M Assessments, and the properties to be improved and benefitted from the O&M Assessments, are all set forth in the Proposed Budget. A geographic depiction of the property potentially subject to the proposed O&M Assessments is identified in the map attached hereto. The table below shows the schedule of the proposed O&M Assessments, which are subject to change at the hearing:

Land Use	Total # of Units	ERU Factor	Proposed Annual O&M Assessment (including collection costs / early payment discounts)
Single Family Residential	154	1	\$450.23

The proposed O&M Assessments as stated include collection costs and/or early payment discounts, which Collier County ("County") may impose on assessments that are collected on the County tax bill: Moreover, pursuant to Section 197.3632(4), Florida Statutes, the lien amount shall serve as the "maximum rate" authorized by law for O&M Assessments, such that no assessment hearing shall be held or notice provided in future years unless the assessments are proposed to be increased or another criterion within Section 197.3632(4), Florida Statutes, is met. Note that the O&M Assessments do not include any debt service assessments previously levied by the District and due to be collected for Fiscal Year 2020/2021.

For Fiscal Year 2020/2021, the District intends to have the County tax collector collect the assessments imposed on certain developed property, and will directly collect the assessments imposed on the remaining benefitted property by sending out a bill prior to, or during, November 2019. It is important to pay your assessment because failure to pay will cause a tax certificate to be issued against the property which may result in loss of title, or for direct billed assessments, may result in a foreclosure action, which also may result in a loss of title. The District's decision to collect assessments on the tax roll or by direct billing does not preclude the District from later electing to collect those or other assessments in a different manner at a future time.

Additional Provisions

The public hearings and meeting are open to the public and will be conducted in accordance with the provisions of Florida law. A copy of the Proposed Budget, proposed assessment roll, and the agenda for the hearings and meeting may be obtained at the offices of the District Manager, located at Real Estate Econometrics, Inc., 707 Orchid Drive, Suite 100, Naples, Florida 34102, Ph: (239) 269-1341 ("District Manager's Office"), during normal business hours. The public hearings and meeting may be continued to a date, time, and place to be specified on the record at the hearings or meeting. There may be occasions when staff or board members may participate by speaker telephone.

If the hearing and meeting is conducted via telephone or video conferencing, anyone wishing to listen and participate in the meeting can do so telephonically at +1 (301) 715-8592; Meeting ID: 872 2762 7676 Passcode: 099988. Additionally, participants are encouraged to submit questions and comments to the District Manager in advance at (239) 269-1341 or rweyer@ree-i.com to facilitate the Board's consideration of such questions and comments during the meeting.

Any person requiring special accommodations at this meeting because of a disability or physical impairment should contact the District Manager's Office at least forty-eight (48) hours prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) / 1-800-955-8770 (Voice), for aid in contacting the District Manager's Office.

Please note that all affected property owners have the right to appear at the public hearings and meeting, and may also file written objections with the District Manager's Office within twenty days of publication of this notice. Each person who decides to appeal any decision made by the Board with respect to any matter considered at the public hearings or meeting is advised that person will need a record of proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

District Manager

EXHIBIT 11

**Fronterra Community Development District
Operations & Maintenance Cash Flow**

October 2019 - July 2020

	Total	Budget	YE Forecast
Revenue			
1361001 Interest Revenue	\$ 77.38	\$ -	\$ 77.38
1363216 On Roll O&M Assessments	65,888.73	64,675.00	65,888.73
Total Revenue	\$ 65,966.11	\$ 64,675.00	\$ 65,966.11
Expenses			
1100000 Administrative			
1512100 Management Consulting Services	\$ 12,500.00	\$ 15,000.00	\$ 15,000.00
1513014 Website Hosting & Management	324.98	1,200.00	1,200.00
1513020 Office Expense	9.05	125.00	20.00
1513055 Legal Advertising	476.00	2,400.00	2,400.00
1513048 District Filing Fee	175.00	175.00	175.00
1513060 Assessment Administration Servi	6,870.13	12,000.00	12,000.00
1513065 Assessment Roll Preparation	-	1,250.00	1,250.00
1513070 Auditing	4,400.00	5,000.00	4,400.00
1513075 Accounting Services	2,930.00	3,900.00	3,900.00
1513080 Engineering Services	4,570.00	5,000.00	5,500.00
1513100 Insurance- General Liability	5,381.00	5,400.00	5,381.00
1514010 Legal Services	6,085.48	10,000.00	6,500.00
1549010 Miscellaneous Services	56.32	125.00	100.00
1549020 Storage Fees	-	900.00	900.00
Total 1100000 Administrative	\$ 43,777.96	\$ 62,475.00	\$ 58,726.00
1160000 Field Operations			
1531010 Electricity - General	\$ -	\$ 1,200.00	\$ -
1572040 Signage	-	1,000.00	-
Total 1160000 Field Operations	\$ -	\$ 2,200.00	\$ -
Total Expenses	\$ 43,777.96	\$ 64,675.00	\$ 58,726.00
Net Operating Cash Flow	\$ 22,188.15	\$ -	\$ 7,240.11

Fronterra Community Development District
Balance Sheet
As of July 31, 2020

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1101000 1Cash	34,278.67
1101001 2Commercial O&M Pre-Payment	14,508.21
2151000 Revenue Trust Acct -Series 2017	190,229.52
2151001 Interest Trust Fund-Series 2017	0.00
2151002 Cap. Int. Trust Fund-Series2017	0.00
2151003 Sinking Trust Acct -Series 2017	0.00
2151004 Reserve Trust Fund-Series 2017	46,278.13
2151006 Cost of Issuance -Series 2017	0.00
2151007 Assmnt Prepayment -Series 2017	24.50
8151030 Construction Trust Fund	101,038.33
Total Bank Accounts	\$ 386,357.36
Accounts Receivable	
1131000 Accounts Receivable	158.00
2121000 Assessments Receivable 201	1,064.00
Total Accounts Receivable	\$ 1,222.00
Other Current Assets	
1155000 Prepaid Items	1,545.00
8151006 Cost of Issuance 2017	0.00
Total Other Current Assets	\$ 1,545.00
Total Current Assets	\$ 389,124.36
TOTAL ASSETS	\$ 389,124.36
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
1202000 Accounts Payable	0.00
2202000 Account Payable 201	1,222.24
8201000 Retainage Payable	0.00
8208000 Due to General Fund	0.00
Total Accounts Payable	\$ 1,222.24
Other Current Liabilities	
1202100 Accrued Expenses	-53,556.00
1223000 Unearned Revenue	16,642.26
8200000 Construction Accrued Expenses	53,556.00
DUE TO AND FROM ACCOUNTS	0.00
1131001 Due from Other Funds to GF	326.50
1207001 DTDF - Due to Debt Service Fund	-71,775.00

1207002 Due to Construction Fund	-326.00
2131001 Due From GF to DSF (201)	180.00
8131051 Due From GF to Const(301)	2,827.00
8201001 Due to GF	-2,827.50
Total DUE TO AND FROM ACCOUNTS	<u>-\$ 71,595.00</u>
Due to Other Entity	0.00
INTERFUND TRANSFERS IN AND OUT	0.00
1200001 Interfund Transfer Out	0.00
2381000 DS2017 Interfund Transfer-In	0.00
2581000 DS2017 Interfund Transfer - Out	0.39
8381000 Interfund Transfer In 301	-7,142.39
8581000 Interfund Transfer Out 301	7,142.00
Total INTERFUND TRANSFERS IN AND OUT	<u>\$ 0.00</u>
Total Other Current Liabilities	<u>-\$ 54,952.74</u>
Total Current Liabilities	<u>-\$ 53,730.50</u>
Total Liabilities	<u>-\$ 53,730.50</u>
Equity	
1271000 Fund Balance- Unreserved	0.00
2271000 DS Fund Balance Unreserved	47,912.03
30001 Retained Earnings	8,542.14
8271000 Fund Balance Unreserved	105,031.03
Net Income	281,369.66
Total Equity	<u>\$ 442,854.86</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 389,124.36</u>

EXHIBIT 12

**FRONTERRA
COMMUNITY DEVELOPMENT DISTRICT
COLLIER COUNTY, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2019**

**FRONTERRA COMMUNITY DEVELOPMENT DISTRICT
COLLIER COUNTY, FLORIDA**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Fronterra Community Development District
Collier County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Fronterra Community Development District, Collier County, Florida ("District") as of and for the fiscal year ended September 30, 2019, 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 each major fund of the District as of September 30, 2019, 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 June 30, 2020, 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 solely 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.

June 30, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Fronterra Community Development District, Collier County, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2019. 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 liabilities of the District exceeded its assets at the close of the most recent fiscal year resulting in a net position deficit balance of (\$1,399,390). When the District was formed, assets exceeded liabilities and subsequently infrastructure was deeded to Collier County creating the negative net position. The reason for the transfer of infrastructure was that the County is better able to maintain the infrastructure than the District.
- The change in the District's total net position in comparison with the prior fiscal year was (\$1,086,124). 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, 2019, the District's governmental funds reported combined ending fund balances of \$161,485, an increase of \$8,542 in comparison with the prior fiscal year. The total fund balance is restricted for debt service and capital projects, non-spendable for prepaid items 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 are 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 Developer contributions. 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)

Fund 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 three governmental funds 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, debt service and capital projects funds. All funds are considered to be major funds.

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, liabilities exceeded assets 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,	
	2019	2018
Current and other assets	\$ 179,457	\$ 233,263
Capital assets, net of depreciation	1,108,938	2,244,520
Total assets	1,288,395	2,477,783
Current liabilities	77,785	141,049
Long-term liabilities	2,610,000	2,650,000
Total liabilities	2,687,785	2,791,049
Net position		
Net investment in capital assets	(1,501,062)	(405,480)
Restricted	98,537	106,151
Unrestricted	3,135	(13,937)
Total net position	\$ (1,399,390)	\$ (313,266)

The District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure) less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's other obligations.

The District's net position decreased during the most recent fiscal year. The majority of the decrease represents conveyance of infrastructure to the County.

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,	
	2019	2018
Revenues:		
Program revenues		
Charges for services	\$ 248,765	\$ 167,138
Operating grants and contributions	1,345	613
Capital grants and contributions	2,030	8,616
General revenues		
Unrestricted investment earnings	86	31
Total revenues	<u>252,226</u>	<u>176,398</u>
Expenses:		
General government	48,290	58,331
Maintenance and operations	31,713	-
Interest	144,834	146,872
Conveyances of infrastructure	1,113,513	-
Total expenses	<u>1,338,350</u>	<u>205,203</u>
Change in net position	(1,086,124)	(28,805)
Net position, beginning	(313,266)	(284,461)
Net position, ending	<u>\$ (1,399,390)</u>	<u>\$ (313,266)</u>

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2019 was \$1,338,350. The costs of the District's activities were primarily funded by program revenues. Program revenues are comprised primarily of assessments, increased during the fiscal year as a result of an increase in assessments. Remainder of the current fiscal year's program revenue is interest earnings. In total, expenses increased from the prior fiscal year, the majority of the increase was the conveyance of the infrastructure to the County and depreciation.

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, 2019.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2019, the District had \$1,140,651 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$31,713 has been taken, which resulted in a net book value of \$1,108,938. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Capital Debt

At September 30, 2019, the District had \$2,610,000 Bonds outstanding. More detailed information about the District's capital debt is presented in the notes of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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 increase as the District is built out.

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 Fronterra Community Development District's Finance Department at 707 Orchid Drive, Suite 100, Naples, Florida 34102.

**FRONTERRA COMMUNITY DEVELOPMENT DISTRICT
COLLIER COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

	Governmental Activities
ASSETS	
Cash	\$ 26,424
Assessments receivable	1,042
Prepaid expense	1,545
Restricted assets:	
Investments	150,446
Capital assets:	
Nondepreciable	546,236
Depreciable, net	562,702
Total assets	1,288,395
LIABILITIES	
Accounts payable	2,552
Unearned revenue	15,420
Accrued interest payable	59,813
Non-current liabilities:	
Due within one year	40,000
Due in more than one year	2,570,000
Total liabilities	2,687,785
NET POSITION	
Net investment in capital assets	(1,501,062)
Restricted for capital projects	98,537
Unrestricted	3,435
Total net position	\$ (1,399,390)

See notes to the financial statements

**FRONTERRA COMMUNITY DEVELOPMENT DISTRICT
COLLIER COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

<u>Functions/Programs</u>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 48,290	\$ 48,204	\$ -	\$ -	\$ (86)
Maintenance and operations	31,713	12,656	-	2,030	(17,027)
Interest on long-term debt	144,834	187,905	1,345	-	44,416
Conveyance of infrastructure	1,113,513	-	-	-	(1,113,513)
Total governmental activities	1,338,350	248,765	1,345	2,030	(1,086,210)
		General revenues:			
				Unrestricted investment earnings	86
				Total general revenues	86
				Change in net position	(1,086,424)
				Net position - beginning	(313,266)
				Net position - ending	\$ (1,399,390)

See notes to the financial statements

**FRONTERRA COMMUNITY DEVELOPMENT DISTRICT
COLLIER COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
ASSETS				
Cash	\$ 26,424	\$ -	\$ -	\$ 26,424
Investments	-	49,408	101,038	150,446
Assessment receivable	158	884	-	1,042
Due from other funds	2,501	-	-	2,501
Prepaid expenses	1,545	-	-	1,545
Total assets	<u>\$ 30,628</u>	<u>\$ 50,292</u>	<u>\$ 101,038</u>	<u>\$ 181,958</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,552	\$ -	\$ -	\$ 2,552
Unearned revenue	15,420	-	-	15,420
Due to other funds	-	-	2,501	2,501
Total liabilities	<u>17,972</u>	<u>-</u>	<u>2,501</u>	<u>20,473</u>
Fund balances:				
Nonspendable:				
Prepaid expenses	1,545	-	-	1,545
Restricted for:				
Debt service	-	50,292	-	50,292
Capital projects	-	-	98,537	98,537
Unassigned	11,111	-	-	11,111
Total fund balances	<u>12,656</u>	<u>50,292</u>	<u>98,537</u>	<u>161,485</u>
Total liabilities and fund balances	<u>\$ 30,628</u>	<u>\$ 50,292</u>	<u>\$ 101,038</u>	<u>\$ 181,958</u>

See notes to the financial statements

**FRONTERRA COMMUNITY DEVELOPMENT DISTRICT
COLLIER COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

Fund balance - governmental funds \$ 161,485

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net assets of the government as a whole.

Cost of capital assets	1,140,651	
Accumulated depreciation	<u>(31,713)</u>	1,108,938

Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Accrued interest payable	(59,813)	
Bonds payable	<u>(2,610,000)</u>	<u>(2,669,813)</u>
Net position of governmental activities		<u><u>\$ (1,399,390)</u></u>

See notes to the financial statements

**FRONTERRA COMMUNITY DEVELOPMENT DISTRICT
COLLIER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
REVENUES				
Assessments	\$ 60,860	\$ 187,905	\$ -	\$ 248,765
Interest	86	1,345	2,030	3,461
Total revenues	<u>60,946</u>	<u>189,250</u>	<u>2,030</u>	<u>252,226</u>
EXPENDITURES				
Current:				
General government	48,290	-	-	48,290
Debt Service:				
Principal	-	40,000	-	40,000
Interest	-	145,750	-	145,750
Capital outlay	7,442	-	2,502	9,644
Total expenditures	<u>55,432</u>	<u>185,750</u>	<u>2,502</u>	<u>243,684</u>
Excess (deficiency) of revenues over (under) expenditures	5,514	3,500	(472)	8,542
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	7,442	-	(7,442)	-
Total other financing sources (uses)	<u>7,442</u>	<u>-</u>	<u>(7,442)</u>	<u>-</u>
Net change in fund balances	12,656	3,500	(7,614)	8,542
Fund balances - beginning	<u>-</u>	<u>46,792</u>	<u>106,451</u>	<u>152,943</u>
Fund balances - ending	<u>\$ 12,656</u>	<u>\$ 50,292</u>	<u>\$ 98,537</u>	<u>\$ 161,485</u>

See notes to the financial statements

**FRONTERRA COMMUNITY DEVELOPMENT DISTRICT
COLLIER 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, 2019**

Net change in fund balances - total governmental funds	\$	8,542
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures, however, the cost of capital assets is eliminated in the statement of activities and capitalized in the statement of net position.		9,644
Repayment of long-term liabilities are reported as expenditures in the governmental fund financial statements, but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.		40,000
Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.		(31,713)
Conveyances of infrastructure improvements to other governments of previously capitalized capital assets is recorded as an expense in the statement of activities.		(1,113,513)
The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities but not in the governmental fund financial statements.		916
Change in net position of governmental activities	<u>\$</u>	<u>(1,086,424)</u>

See notes to the financial statements

**FRONTERRA COMMUNITY DEVELOPMENT DISTRICT
COLLIER COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

The Fronterra Community Development District ("District") was created on September 29, 2016 by Ordinance No. 2016-28 of the Collier County, Florida, 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 purposes 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 comprised of approximately 33.21 acres.

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Board members are elected on an at large basis by the owners of 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, 2019, all of the Board members are affiliated with CCC Fronterra, LLC ("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 benefitted lands within the District. Assessments are levied to pay for the operations and maintenance and debt service of the District. The fiscal year for which annual operations and maintenance assessments are levied begins on October 1 with discounts available for payments through February 28 and become delinquent on April 1. For debt service assessments, amounts collected as advance payments are used to prepay a portion of the Bonds outstanding. Otherwise, assessments are collected annually to provide funds for the debt service on the portion of the Bonds which are not paid with prepaid assessments.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been 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 funds:

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.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Capital Projects Fund

This fund accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Securities listed in paragraphs c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, any unspent proceeds are required to be held in investments as specified in the Bond Indenture.

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.

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Landscape and Irrigation	20
Stormwater Management	20
Signage	15

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.

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 ratably 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.

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.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 public 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 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.

Investments

The District's investments were held as follows at September 30, 2019:

	Amortized Cost	Credit Risk	Maturities
First American Government			Weighted average of the
Obligation Funds CL Y	\$ 150,446	S&PAAAm	fund portfolio: 24 days
Total Investments	<u>\$ 150,446</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.

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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. Accordingly, the District's investments have been reported at amortized cost above.

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended September 30, 2019 were as follows:

Fund	Transfer in	Transfer out
General fund	\$ 7,142	\$ -
Capital projects	-	7,142
Total	\$ 7,142	\$ 7,142

In the current fiscal year, transfer from the capital project fund to the general fund was made to reimburse general fund for the capital project related invoices it paid.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land and land improvements	\$ -	\$ 546,236	\$ -	\$ 546,236
Construction in progress	2,244,520	9,644	(2,254,164)	-
Total capital assets, not being depreciated	2,244,520	555,880	(2,254,164)	546,236
Capital assets, being depreciated				
Landscape and Irrigation	-	382,663	-	382,663
Stormwater Management	-	93,252	-	93,252
Signage	-	118,500	-	118,500
Total capital assets, being depreciated	-	594,415	-	594,415
Less accumulated depreciation for:				
Landscape and Irrigation	-	(19,150)	-	(19,150)
Stormwater Management	-	(4,663)	-	(4,663)
Signage	-	(7,900)	-	(7,900)
Total accumulated depreciation	-	(31,713)	-	(31,713)
Total capital assets, being depreciated, net	-	562,702	-	562,702
Governmental activities capital assets	\$ 2,244,520	\$ 1,118,582	\$ (2,254,164)	\$ 1,108,938

NOTE 6 – CAPITAL ASSETS (Continued)

The 2017 Project is estimated at \$4.7 million. The infrastructure will include earthwork, reserve and water management; utilities; landscape, signage and lighting and roadways. It is estimated that the project build-out will be no later than year 2021. It is proposed that Special Assessment Revenue Bonds will fund all or a portion of the District infrastructure. Upon completion, certain assets will be conveyed to other entities for ownership and maintenance.

In the current fiscal year, \$1,113,513 of utilities infrastructure was conveyed to Collier County.

Depreciation expense was charged to the maintenance and operations function.

NOTE 7 – LONG-TERM LIABILITIES

Series 2017

On March 15, 2017, the District issued \$2,685,000 of Capital Improvements Revenue Bonds, Series 2017 due on May 1, 2047 with a fixed interest rate of 5.50%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2018 through May 1, 2047.

The Series 2017 Bonds are subject to redemption at the option of the District prior to their maturity. The Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District was in compliance with the requirements at September 30, 2019.

Long-term Debt Activity

Changes in long-term liability activity for the fiscal year ended September 30, 2019 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
Series 2017	\$ 2,650,000	\$ -	\$ 40,000	\$ 2,610,000	\$ 40,000
Total	\$ 2,650,000	\$ -	\$ 40,000	\$ 2,610,000	\$ 40,000

At September 30, 2019, the scheduled debt service requirements on the long-term debt were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2020	\$ 40,000	\$ 143,550	\$ 183,550
2021	45,000	141,350	186,350
2022	45,000	138,875	183,875
2023	50,000	136,400	186,400
2024	50,000	133,650	183,650
2025-2029	300,000	623,150	923,150
2030-2034	395,000	530,750	925,750
2035-2039	510,000	410,850	920,850
2040-2044	670,000	253,550	923,550
2045-2047	505,000	56,375	561,375
Total	\$ 2,610,000	\$ 2,568,500	\$ 5,178,500

NOTE 8 – DEFICIT NET POSITION

The District has a government-wide net position (deficit) of (\$1,399,390) as of September 30, 2019. There is no such deficit reflected in the governmental fund statements. The deficit primarily relates to the conveyance of utilities infrastructure to the County by the District as discussed in Note 6 – Capital Assets.

NOTE 9– DEVELOPER TRANSACTIONS AND CONCENTRATION

The Developers has agreed to fund the general operations of the District. In connection with that agreement, Developer contributions to the general fund was \$32,570 and to the debt service fund \$99,060.

The District's activity is dependent upon the continued involvement of the Developer, the loss of which could have a material adverse effect on the District's operations.

NOTE 10 – MANAGEMENT COMPANY

The District has contracted with a management company to perform 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 11 – 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 since inception of the District.

**FRONTERRA COMMUNITY DEVELOPMENT DISTRICT
COLLIER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Original & Final	Actual Amounts	
REVENUES			
Assessments	\$ 58,675	\$ 60,860	\$ 2,485
Interest	-	86	86
Total revenues	<u>58,675</u>	<u>60,946</u>	<u>2,271</u>
EXPENDITURES			
Current:			
General government	56,475	48,290	8,485
Maintenance and operations	2,200	-	2,200
Capital outlay	-	7,442	(7,442)
Total expenditures	<u>58,675</u>	<u>55,432</u>	<u>3,243</u>
Excess (deficiency) of revenues over (under) expenditures	-	5,514	5,514
OTHER FINANCING SOURCES			
Transfers in (out)	-	7,442	7,442
Total other financing sources	<u>-</u>	<u>7,442</u>	<u>7,442</u>
Net change in fund balance	<u>\$ -</u>	12,656	<u>\$ 12,656</u>
Fund balance - beginning		<u>-</u>	
Fund balance - ending		<u>\$ 12,656</u>	

See notes to required supplementary information

**FRONTERRA COMMUNITY DEVELOPMENT DISTRICT
COLLIER 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, 2019.



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
Fronterra Community Development District
Collier 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 each major fund of Fronterra Community Development District, Collier County, Florida ("District") as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated June 30, 2020.

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*.

We noted a matter that we reported to management of the District in a separate letter dated June 30, 2020.

The District's response to the finding identified in our audit is described in the accompanying Management Letter. We did not audit the District's response, and, accordingly, we express no opinion on it.

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.

June 30, 2020



**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
Fronterra Community Development District
Collier County, Florida

We have examined Fronterra Community Development District, Collier 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, 2019. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the 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, 2019.

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 Fronterra Community Development District, Collier County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

June 30, 2020



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

To the Board of Supervisors
Fronterra Community Development District
Collier County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Fronterra Community Development District, Collier County, Florida ("District") as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated June 30, 2020.

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 June 30, 2020, 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 Fronterra Community Development District, Collier County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Fronterra Community Development District, Collier 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.

June 30, 2020

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2019-01 Adjusting Journal Entries:

Observation: During the audit it was necessary to propose numerous journal entries to correct account balances for financial reporting.

Recommendation: We recommend that management ensure that accounts are reconciled during the year to ensure appropriate recording of transactions.

Management Response: Starting with Fiscal Year 2019-2020, District Management has moved the District accounting programming from Quickbooks desktop to Quickbooks on-line. This allows for the Independent Accounting Firm servicing the District access the District financials in real time and will allow for reconciliation of accounts during the current fiscal year. District Management and the Independent Accounting Firm will perform a trial balance across all classes on a quarterly basis and make appropriate adjustments. District Management and the Independent Accounting Firm will also close out the District financials for the current fiscal year on September 30th and perform a trial balance on all account classes before submitting to the Auditor.

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

2018-01e Adjusting Journal Entries

Current Status: See finding no. 2019-01 above

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, 2018, except as noted above.

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, 2019, except as noted above.

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, 2019.

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, 2019. 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.

EXHIBIT 13

Fronterra Community Development District

Real Estate Econometrics, Inc.
707 Orchid Drive, Suite 100
Naples, Florida 34102
Ph: (239) 269-1341

June 30, 2020

Grau & Associates
951 Yamato Road, Suite 280
Boca Raton, Florida 33431

This representation letter is provided in connection with your audit of the financial statements of Fronterra Community Development District, Collier County, Florida ("District"), as September 30, 2019, and for the fiscal year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, and the results of operations, and cash flows, where applicable, of the various opinion units of the District in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

This representation letter is also provided in connection with your examination of the District's 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, 2019 which was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of June 30, 2020:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 8, 2019, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. We acknowledge our responsibility for 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

4. We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
5. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
6. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
7. We have a process to track the status of audit findings and recommendations.
8. We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented, as applicable.
9. We have provided to you our views on reported audit findings, conclusions, and recommendations, as well as planned corrective actions.
10. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
11. Related party relationships and transactions, if any, have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
12. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed, if applicable.
13. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
14. All funds and activities are properly classified.
15. All funds that meet the quantitative criteria in GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, GASB Statement No. 37, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
16. All components of net position, non-spendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
17. We are following GASB Statement No. 54, paragraph 19, to determine the fund balance classifications for financial reporting purposes.
18. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal, as applicable.
19. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.

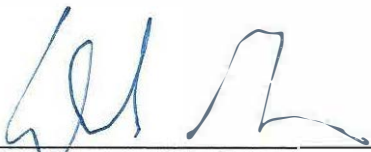
20. All interfund and intra-entity transactions and balances, if any, have been properly classified and reported.
21. Provisions for uncollectible receivables, if any, have been properly identified and recorded.
22. Deposit and investment risks, if any, have been properly and fully disclosed.
23. Capital assets, including infrastructure assets, if any, are properly capitalized, reported, and if applicable, depreciated.
24. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
25. Investments, derivative instruments, and land and other real estate held by endowments, if any, are properly valued.
26. With respect to financial statement preparation, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

27. We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
28. All transactions have been recorded in the accounting records and are reflected in the financial statements.
29. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
30. We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
31. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or

- Others where the fraud could have a material effect on the financial statements.
32. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
33. We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.
34. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions, if any, of which we are aware.
35. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
36. The District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
37. The District has no post-employment or post-retirement benefit plans. And, the District has no obligations under F.S. 112.0801.
38. We have disclosed to you all guarantees, whether written or oral, under which the District is contingently liable, if any.
39. There are no nonexchange financial guarantees under which we are obligated to declare liabilities and disclose.
40. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, if any. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
41. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
42. There are no:
- Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62

- Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
43. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
44. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
45. With regard to the requirements of Section 218.415, Florida Statutes:
- We acknowledge our responsibility for complying with these requirements.
 - We acknowledge our responsibility for establishing and maintaining effective internal control over compliance.
 - We have performed an evaluation of the District's compliance with these requirements and the District's controls for ensuring compliance and detecting noncompliance with requirements, as applicable.
 - There have been no known instances of noncompliance with these requirements as of September 30, 2019.
 - We have made available all documentation related to compliance with these requirements.
 - There have been no communications from regulatory agencies, internal auditors, and other practitioners concerning possible noncompliance with these requirements, including communications received after September 30, 2019.
 - There have been no known instances of noncompliance with these requirements occurring subsequent to September 30, 2019.



David Genson, Chairman



G. Russell Weyer, Assistant Treasurer, District Manager

EXHIBIT 14

REAL ESTATE ECONOMETRICS, INC.

ACCOUNTING PROCEDURES FOR THE

FRONTERRA COMMUNITY DEVELOPMENT DISTRICT

The Fronterra Community Development District (“District”) is located in Collier County, Florida. The District is an independent local unit of special-purpose government of the State created in accordance with the Act by Ordinance No. 2016-28 of Collier County (the "Ordinance"). The District encompasses approximately 33 acres of land located entirely within the unincorporated area of Collier County.

The following is a description of accounting procedures followed by the District.

Accounting System

The Fronterra Community Development District follows Generally Accepted Accounting Principles (“GAAP”) for Government Fund Accounting.

The District Manager utilizes Quickbooks Pro for its electronic accounting system and has set up the appropriate accounts to manage both the operations and maintenance and debt service accounting processes. The accounts conform to the Uniform Accounting System Manual for Florida Special Districts and other similar local government entities as published by the State of Florida Department of Financial Services Bureau of Local Government.

The accounting system is located at the District Management offices and is backed up at a minimum monthly to three locations. The first location is on the hard drive of the computer that hosts the Quickbooks Pro program. There are also two external hard drives consisting of 1 terabyte of space each that house backup accounting files and electronic files for the District. All other accounting items such as hard copy invoices, checks and District records are kept at the District office.

Both the computer hosting the Quickbooks Program and the District financial files are password protected separately. The District financial files are password protected on the external hard drives while the external hard drives are not password protects. In addition, on-line access to the District bank account is password protected as are the electronic statements emailed to the District at the end of each month.

The District accounts and procedures are audited annually as required by State of Florida Department of Financial Services since the District budget is in excess of \$100,000.

Accounting Process

Budgets

The District is required to establish a budgetary system and an approved Annual Budget. 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 District follows these procedures in establishing the budgetary data reflected in the financial statements.

- a) Each year, based on operation and maintenance, contracts and debt obligations, the District's Manager prepares and 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 year and are carried over into the next fiscal year as contingencies.
- g) The budget amounts shown in the financial statements are the final authorized amounts.

The budget for the District is prepared by the District Manager and submitted to the Board for approval.

Cash receipts /Revenue

Generally, no cash is received by the District. Revenue typically falls into the following categories: Assessments, Developer revenues and interest income. At times there may be other miscellaneous income, however, it is accounted for and is usually not significant.

Since the District Management Company is a very small entity, the mail is opened by the District Manager. Checks received via the mail are photocopied before being deposited. The District Manager prepares the deposit and takes the deposit to the bank the same day it is received and makes the appropriate journal entries to account for the deposit. The copy of the check, the portion of the check at the bottom that is kept by the recipient and the deposit slip are all stapled together and placed in the monthly income and expenditures file. The District Manager prepares the monthly bank reconciliation, has it approved by the designated Board Member and presents it to the District Board for review and approval.

For assessments - assessments are levied on either vacant or platted land (lots) within the District and are comprised of two parts: an Operating and Maintenance portion (recorded in the general fund and budgeted separately) and Debt Service assessments (recorded in the debt service funds and budgeted separately). The Debt Service assessment is comprised of two sub-classifications – special assessments and prepaid assessments. Note: there is no distinction between debt service special assessments and debt service prepaid assessments for external reporting. Further, there is no break down required for the principal and interest portion of assessments (special or prepaid) required for external reporting. Assessments are typically levied annually. .

Special assessments (non prepayments) for debt service are considered “long term” as it is levied annually over a 30 year period in conjunction with the 30 year amortization of the related bonds. The District does not direct bill for special assessments to homeowners. The assessment amount is approved by the Board and the roll is prepared. Assessment are generally placed on-roll for platted properties. The prepared roll is then sent to the County Property Appraiser who then verifies the roll and sends it on to the Tax Collector who bills and collects the assessments. Deposits for amounts collected by the County Tax Collector on behalf of the District are sent to the District via check and deposited into the general fund. The Tax Collector’s Office sends a statement to the District summarizing the amount remitted by parcel. The District Manager records the deposit in the general ledger based on the statement received from the Tax Collector and reconciles the statement to the bank advice.

Assessments are direct billed to the various land owners within the District for un-platted properties. Operations and Maintenance assessments for unplatted properties are direct billed on a semi-annual basis and due on October 1 and April 1 of each fiscal year. The debt service assessments for unplatted lands are direct billed and due the month prior to the debt service payment due date. Those payments are received by the District Manager via mail, recorded in the general ledger, deposited the day of receipt using the same process outlined above then sent to the trustee via check in advance of the due date.

Interest income is automatically credited in the bank accounts.

Developer

Developer contributions and assessments typically fall into one of the following categories. Regardless of the category, funds received from the Developer are always a related party disclosure.

1. The Developer owns land (lots) within the District which is intended to be, but has not yet been, sold to home buyers (or others). The District bills the Developer for funding needed for operations and/or debt service payments.

2. The Developer owns land (lots) within the District which is intended to be, but has not yet been, sold to home buyers (or others). Typically, if the Developer own lots are platted then the assessments are placed on the roll; if the Developer own land is un-platted then the assessments are billed directly.

In addition, the Developer may provide funds needed for bond closings, bond prepayments or construction of capital assets, those amounts maybe classified as Developer contributions.

Also, the Developer may contribute capital assets to the District. In that case, these are non-cash contributions.

Cash Disbursements

Vendor invoices are received either by mail or email. They are inputted into the system on the date they are received by the District Manager as bills to be paid. The invoice is then filed in the bills to be paid file folder for that month to await payment.

The District pays invoices on the first and fifteenth of each month. The invoices and supporting documentation are forwarded via email to the District Board Member who is designated to review and approve invoices. Once the invoice is reconciled with the supporting documentation and approved by the Board Member, the District Manager prints the check and manually signs each one. Copies of checks are made and filed in the bills to be paid file folder. The bottom portion of the check is removed and attached to the supporting documentation and filed in the same file folder. The original checks are then mailed. The general ledger is automatically updated through the A/P system when invoices were inputted and checks were issued. Checks are pre-numbered and check registers are maintained as well as batch information for reconciliation and control purposes.

If an invoice is received that is outside of the normal routine, the District Manager consults with the designated Board Member and the Developer for approval. A fiscal year-to-date list of all checks disbursed (by vendor) is provided to the District Board at the Board's scheduled meeting. Also, a general fund budget-to-actual financial plus a balance sheet financial is provided to the Board and significant variances are explained in a footnote. In addition, all anticipated and year-to-date expenditures are scrutinized by the District Manager and the Board during the preparation of the annual budget.

A reconciled and approved check register that includes funding received and deposits made and other financial reports are included in the meeting packages provided in the agenda package to the Board.

Payroll

The District does not have employees. The Board of Directors is compensated for their meeting time by individual meeting. The District Manager submits the pay information to ADP, and ADP automatically withdraws amounts from the GF cash operating account. Payroll reports from ADP are sent to the District Manager who uses them to enter the information into the accounting system.

Capital Assets

The capitalization threshold is \$5,000. For ongoing construction, the District Engineer prepares a requisition and it is reviewed and approved by the Board Chair (or designee). Requisitions are also included in the Board packet for Board approval. The requisitions are submitted to the Trustee for payment from the District's Construction Account. The Trustee for the District then disburses funds for payment, either via wire transfer or by mailing a check to the payee. The District Manager then records the disbursement as capital outlay expenditure in the Capital Projects Fund. The Board approves contracts, advertisements of bids, and transfers of property to the District from third parties or the Developer, or from the District to third parties. The District Manager maintains a capital asset schedule reflecting significant additions and deletions.

Long Term Debt

The District must comply with the bond covenants stipulated in the Master Bond Indenture. A district with outstanding bonds is required to have a Trustee. A Bond Trustee is responsible for managing the related debt service and investment activity.

The proceeds of the bonds must be used as designated in the Master Bond Indenture and any surplus funds (proceeds not yet expended) may be invested in the types of investments permitted by the indenture and as permitted by law. The Trustee is responsible for making required Debt Service payments. The funds are disbursed by the Trustee from the District's trust account via wire transfer or by check. Trust statements are sent to the District monthly and activity is reconciled and is recorded into the general ledger as with other disbursements. Debt service payments (principal and interest) are recorded by the District Manager as expenditures in the Debt Service Fund. Annually and subsequently to the scheduled annual principal payment, debt service reserve requirements are evaluated as outlined in the bond indenture. In addition, the District must comply with applicable arbitrage requirements.

District Bank Account

The District has established a bank account with First Florida Integrity Bank ("FFIB") of Naples for deposit and withdrawal of general funds and a temporary holding account for debt service funds. There are no bank service charges involved with this account. FFIB has four banking locations in the Naples area. FFIB is also insured through the Federal Deposit Insurance Corporation.

On-line access to the District bank account is password protected as are the electronic statements emailed to the District at the end of each month.

The District also files a Public Depositor Annual Report to the Chief Financial Officer with the State of Florida to protect District funds.

Financial Reporting Controls

The Board for each District reviews the respective internal financial statements periodically. These financial statements are prepared by the District Manager. The reports are prepared from the accounting system used for transactions described above. The trial balances from the system are used for the audits and the budget-to-actual reports from the accounting system are also reviewed during preliminary planning. Also, based on various procedures discussed herein, Board minutes and other information for reporting purposes are captured through various means and systems. For instance, significant agreements are reviewed by the attorney and discussed in the minutes for Board approval; for conveyance of assets, documentation is typically submitted to the Board for acceptance of operation and maintenance; for significant repairs the District Manager or Engineer discusses with the Board.

Note - the District does not have a formal disaster recovery plan, but there is a backup of data and, due to the nature of record keeping, management's position is that trial balances, disbursement lists, etc. could be reconstructed and that based on cost-benefit, the benefit of additional software or more sophisticated software does not outweigh the costs.

Journal Entries

The management company utilizes journal entries to update the general ledger. Most journal entries are manual journal entries, with the exception of accounts payable entries which are generated through an interface with a subsidiary ledger/application (e.g. Accounts Payable module).

Journal entries include, but are not limited to the following:

- Investments and interest income
- Debt payments
- Capital outlay
- Assessments
- Payroll
- Interfund transactions

The District Manager prepares the manual journal entries in the system and reviews all entries prior to posting. The District Manager is responsible for ensuring proper documentation is available for all journal entries. There is no formal review/approval process for journal entries. The District Manager posts the entry which updates the general ledger. Support for the journal entries are kept on the shared drive in the form of cash receipts, invoices, bank and trust statements, requisitions, and payroll registers. Each month financials are prepared for the District. The financials are reviewed and approved by the District Board of Supervisors. Supporting documents are available to the Board members for the review. There is no manual or electronic approval of the financial statements.

Procurement Process

The District is required to follow specific procurement procedures for any contract for goods or services with a value exceeding \$195,000. When seeking a contract with an anticipated value at or exceeding \$195,000 the District management undergoes the RFP process (Request for Proposals). The District often undergoes the RFP process for contracts that do not exceed \$195,000 in cost in order to provide value for the District. First, management of the District determines the project boundaries, which include the scope of the project and the expected budget range. Second, management of the District circulates the RFP information to prospective vendors either by posting an ad in the local/regional newspapers or emailing the RFP document to known, reputable vendors. Third, the District obtains all proposals from responding vendors and the Board evaluates the proposals. The proposers are ranked based on a set of criteria which include price, understanding of the scope of work needed, ability to provide services, and other criteria as deemed appropriate. Fourth, the District selects the vendor with the highest rank. The District sends a letter of contract awarding to the winning vendor and sends a letter of rejection to all of the other vendors.

Application Controls

Input Controls

Transactions are initiated as noted above. Support documents may be in the form of invoices received from vendors and, when applicable, payroll reports received from ADP, the payroll processing company, and/or checks received or wire transfers from Tax Collector.

Data Processing Controls

As noted above, the accounting system is not custom developed and the District Manager does not have access to source code to change the program. The system posts transactions as programmed.

Output Controls

On a monthly basis, reports (month-end reports) are generated. Financial reports (including budget to actual and disbursement information) are provided to the Board for review and approval.