



Rizzetta & Company

Connerton West Community Development District

**Board of Supervisors' Meeting
March 2, 2020**

**District Office:
12750 Citrus Park Lane, Suite 115
Tampa, Florida 32625
813.933.5571**

www.connertonwestcdd.org

CONNERTON WEST COMMUNITY DEVELOPMENT DISTRICT AGENDA

At Club Connerton located at 21100 Fountain Garden Way, Land O Lakes, FL 34638.

District Board of Supervisors	Richard Dombrowski Roy Gilmore III James Jackson Daniel Novak Paul Dorzweiler	Chairman Vice Chairman Assistant Secretary Assistant Secretary Assistant Secretary
District Manager	Greg Cox	Rizzetta & Company, Inc.
District Attorney	Roy Van Wyk	Hopping Green & Sams, P.A.
District Engineer	Jordan Schrader	Clearview Land Design, P.L..

All cellular phones must be placed on mute while in the meeting room.

The Audience Comment portion of the agenda is where individuals may make comments on matters that concern the District. Individuals are limited to a total of three (3) minutes to make comments during this time.

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 813-933-5571. 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), who can aid you in contacting the District Office.

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.

CONNERTON WEST COMMUNITY DEVELOPMENT DISTRICT
DISTRICT OFFICE · 12750 CITRUS PARK LANE, SUITE 115 TAMPA, FL 33625
www.connertonwestcdd.org

Board of Supervisors
Connerton West Community
Development District

February 24, 2020

AGENDA

Dear Board Members:

The Connerton West Community Development District regular meeting of the Board of Supervisors will be held on **Monday, March 2, 2020 at 4:00 p.m.** at Club Connerton, located at 21100 Fountain Garden Way, Land O' Lakes, FL 34638. The following is the agenda for this meeting:

- 1. CALL TO ORDER/ROLL CALL**
- 2. AUDIENCE COMMENTS**
- 3. BUSINESS ADMINISTRATION**
 - A. Consideration of Minutes of the Board of Supervisors' Meeting held on February 3, 2020 Tab 1
 - B. Consideration of Operation and Maintenance Expenditures for January 2020 Tab 2
 - C. Ratification of Construction Requisitions 29-30..... Tab 3
 - D. Ratification of Construction Requisition 55-56 Tab 4
- 4. BUSINESS ITEMS**
 - A. Field Inspection Report Tab 5
 - B. Landscape Report & Proposals
 - C. Monthly Irrigation Report..... Tab 6
 - D. Monthly Aquatic Service Update Tab 7
 - E. Consideration of Resolution 2020-05; Adopting Internal Controls Policy Tab 8
 - F. Discussion of Pond/Fishing Policy Tab 9
 - G. Discussion of Bond Re-Funding Projects
 1. Funding Status Update
 2. Playground Update
 3. Nature Trail Update
- 5. STAFF REPORTS**
 - A. District Counsel
 - B. District Engineer
 - C. District Manager
 1. Financial Status Update
 2. Action Item List Tab 10
- 6. AUDIENCE COMMENTS**
- 7. SUPERVISOR REQUESTS**
- 8. ADJOURNMENT**

I look forward to seeing you at the meeting. In the meantime, if you have any questions, please do not hesitate to call us at (813) 933-5571.

Sincerely,

Greg Cox

Greg Cox
District Manager

cc: Alyssa Willson, Hopping Green & Sams, P.A.

Tab 1

MINUTES OF MEETING

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that 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.

**CONNERTON WEST
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Board of Supervisors of Connerton West Community Development District was held on **Monday, February 3, 2020 and called to order at 6:11 p.m.** at Club Connerton, 21100 Fountain Garden Way, Land O' Lakes, FL 34638.

Present and constituting a quorum:

Richard Dombrowski	Board Supervisor, Chairman
Roy Gilmore	Board Supervisor, Vice Chairman
James Jackson	Board Supervisor, Assistant Secretary
Stewart Gibbons	Board Supervisor, Assistant Secretary

Appointed during the meeting:

Daniel Novak	Board Supervisor, Assistant Secretary
Paul Dorzweiler	Board Supervisor, Assistant Secretary

Also present were:

Greg Cox	District Manager, Rizzetta & Company
Alyssa Willson	District Counsel, Hopping Green & Sams, P.A.
Matt Howell	Representative, CLM
Mark Ballenger	Representative, Ballenger & Company

Audience	Present
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FIRST ORDER OF BUSINESS

Call to Order

Mr. Cox called the meeting to order and read the roll call.

SECOND ORDER OF BUSINESS

Audience Comments on Agenda Items

Vinston Lothian of 21302 Chrysalis Cay Loop, addressed the Board regarding the CDD owned Oak trees behind his property. His complaint was that the tree roots could damage his pool and the limbs are growing out over his pool screen. The Board requested that Mr. Toborg inspect these trees and provide any conclusions / recommendations he might have following his inspection.

49
50 Patrick Storer addressed the Board regarding the improperly installed nuts and
51 bolts on some of the playground equipment. Mr. Cox explained that he had the company
52 look at this issue before and will ask them to do so again.
53

54 Mr. Storer addressed the Board regarding maintenance trucks that supposedly are
55 working for the Groves Community that drive up on the CDD owned property to maintain
56 their fencing that separates the two communities. His concern is that they are potentially
57 causing damage to the turf or irrigation. Mr. Cox indicated that he will look into it with the
58 Groves management.
59

60 **THIRD ORDER OF BUSINESS** **Consideration of Minutes of the Board**
61 **of Supervisors' Meeting held on**
62 **November 4, 2019**
63

64 Mr. Cox presented the minutes of the Board of Supervisors' meeting held on
65 November 4, 2019.
66

On a Motion by Mr. Dombrowski, seconded by Mr. Gilmore, with all in favor, the Board of Supervisors unanimously approved the minutes of the Board of Supervisors' Meeting held on November 4, 2019, as presented, for the Connerton West Community Development District.

67
68 **FOURTH ORDER OF BUSINESS** **Consideration of Operation and**
69 **Maintenance Expenditures for**
70 **October, November and December**
71 **2019**
72

73 Mr. Cox presented the Operations and Maintenance expenditures report for October,
74 November and December 2019.
75

On a Motion by Mr. Jackson, seconded by Mr. Gibbons, with all in favor, the Board of Supervisors unanimously approved to ratify the Operations and Maintenance expenditures payment of the invoices for October 2019 (\$111,570.87), November 2019 (113,573.10), and December 2019 (\$120,329.06), for the Connerton West Community Development District.

76
77 **FIFTH ORDER OF BUSINESS** **Ratification of Construction**
78 **Requisitions 20-28**
79

On a Motion by Mr. Dombrowski, seconded by Mr. Gilmore, with all in favor, the Board of Supervisors unanimously approved to ratify Construction Requisitions 20-28, for the Connerton West Community Development District.

81

SIXTH ORDER OF BUSINESS **Ratification of Construction**
Requisitions 53-54

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On a Motion by Mr. Dombrowski, seconded by Mr. Jackson, with all in favor, the Board of Supervisors unanimously approved to ratify Construction Requisitions 53-54, for the Connerton West Community Development District.

85

SEVENTH ORDER OF BUSINESS **Acceptance of Resignation of Pamelyn**
Eichelberger

86

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88

On a Motion by Mr. Dombrowski, seconded by Mr. Gibbons, with all in favor, the Board of Supervisors unanimously accepted the resignation of Pamelyn Eichelberger for seat #5 for the term 2018-2022, for the Connerton West Community Development District.

89

EIGHTH ORDER OF BUSINESS **Appointment of Vacant Supervisor**
Seats #2 and #5

90

91

92

93 With a show of hands election, the Board selected Mr. Daniel Novak for

94 appointment to vacant Seat # 5 on the CDD Board of Supervisors which has a current

95 term of office ending in November 2022.

96

97 With a show of hands election, the Board selected Mr. Paul Dorzweiler for

98 appointment to vacant Seat #2 on the CDD Board of Supervisors which has a current

99 term of office ending in November 2020.

100

101 After these two appointments, Mr. Gibbons departed the meeting following

102 comments of appreciation for service from the Board members.

103

104 Mr. Novak and Mr. Dorzweiler were administered the Oath of Office by Mr.

105 Cox. Both agreed to accept the authorized compensation for serving. Both received an

106 update from District Counsel regarding Florida Ethics and Sunshine Laws.

107

NINTH ORDER OF BUSINESS **Consideration of Resolution 2020-02;**
Designating Officers

108

109

110

On a Motion by Mr. Dombrowski, seconded by Mr. Gilmore, with all in favor, the Board of Supervisors unanimously approved to adopt Resolution 2020-02; Designating Officers with Mr. Dombrowski as Chairman, Mr. Gilmore as Vice-Chairman, Mr. Jackson, Mr. Novack, Mr. Dorzweiler, Mr. Cox and Ms. Angel Montagna as Assistant Secretaries, for the Connerton West Community Development District.

111

112

113

114 Mr. Jackson introduced a motion to amend Resolution 2014-21, Recurring
115 Expenses, to limit the District Manager's authorization limit to \$2,000 and to limit the
116 Chairman to a maximum of \$4,000. The motion did not receive a second, the motion
117 failed.
118

119 **TENTH ORDER OF BUSINESS** **Field Inspection Report**

120
121 The Board received a Field Services Inspection update from Mr. Toborg.
122

123 **ELEVENTH ORDER OF BUSINESS** **Landscape Update**

124
125 The Board reviewed various proposals from CLM. The Board took no action on
126 CLM proposal #73 for community wide Top Choice fire ant treatments for \$5,000. The
127 Board requested that CLM present proposals instead for specific areas that might require
128 this type of treatment so that the cost would be less.
129

130
On a Motion by Mr. Dombrowski, seconded by Mr. Novak, with four in favor, and Mr. Jackson opposed, the Board of Supervisors approved CLM proposal # 74 for the installation of community wide landscape mulch for \$45,000.00, for the Connerton West Community Development District.

On a Motion by Mr. Dombrowski, seconded by Mr. Novak, with four in favor, and Mr. Jackson opposed, the Board of Supervisors approved CLM proposal # 75 for the installation of 6000 annuals for \$12,000.00, for the Connerton West Community Development District.

131
132 **TWELFTH ORDER OF BUSINESS** **Irrigation Update**

133
134 Ms. Huff provided an irrigation update to the Board.
135

136 **THRTEENTH ORDER OF BUSINESS** **Monthly Aquatic Service Update**

137
138 The Board reviewed the aquatic maintenance report from Cardon.
139

140 **FOURTEENTH ORDER OF BUSINESS** **Monthly Aquatic Service Update**

141
142 Mr. Cox informed the Board that there was no Cardno aquatic service report
143 provided this month.
144

145 **FIFTEENTH ORDER OF BUSINESS** **Ratification of Parcel 218 Transfer &**
146 **Associated Maintenance Proposal**

147
On a Motion by Mr. Novak, seconded by Mr. Gilmore, with all in favor, the Board of Supervisors unanimously approved a Ballenger Irrigation Proposal for maintenance in Parcel 218 for \$960.00 per month or \$11,520.00 annually as an addendum to their current irrigation maintenance agreement, for the Connerton West Community Development District.

148

On a Motion by Mr. Gilmore, seconded by Mr. Dombrowski, with all in favor, the Board of Supervisors unanimously approved the CLM Landscape Maintenance Proposal for maintenance in Parcel 218 for \$46,400.00 annually as an addendum to their current landscape maintenance agreement, for the Connerton West Community Development District.

149

On a Motion by Mr. Dombrowski, seconded by Mr. Gilmore, with all in favor, the Board of Supervisors unanimously approved to authorize District Counsel to work with the Developer to create the convenience documents, for the Connerton West Community Development District.

150

SIXTEENTH ORDER OF BUSINESS

Discussion of Fishing Policies

151

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157

The Board reviewed a draft pond map that identified the status of fishing authorization, as part of the CDD Fishing Policies, for each pond. With the changes made during the meeting, Mr. Schrader indicated he will have the map revised so it can be redistributed to the Board for final consideration.

158

SEVENTEENTH ORDER OF BUSINESS

Discussion of Re-Plat Parcel

159

160

161

162

163

The Board received an update from Mr. Cox regarding the re-platting of CDD owned parcels next to residential properties and Mr. Cox indicated he received no positive comments back regarding letters he had sent to the residents.

164

EIGHTEENTH ORDER OF BUSINESS

**Consideration of Resolution 2020-04;
Setting Public Hearing for Amending
Rules of Procedure**

165

166

167

On a Motion by Mr. Dombrowski, seconded by Mr. Novak, with all in favor, the Board of Supervisors unanimously approved to adopt Resolution 2020-04; Setting Public Hearing for Amending Rules of Procedure, for the Connerton West Community Development District.

168

NINETEENTH ORDER OF BUSINESS

Presentation of Arbitrage Report

169

170

On a Motion by Mr. Dombrowski, seconded by Mr. Gilmore, with all in favor, the Board of Supervisors unanimously accepted and file thee Arbitrage Report, for the Connerton West Community Development District.

171

TWENTIETH ORDER OF BUSINESS

Funding Status Update

172

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174

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177

The Board received a Bond Re-Funding Projects update from Mr. Cox and Mr. Schrader. Mr. Cox informed the Board of current level of funds remaining in the project fund and explained that the Orbit device at the new playground had broken and parts were on order from the vendor to repair at their cost.

178
179 The Board received a nature trail update from Mr. Schrader and the Board
180 members decided to take a month to digest the information provided and to discuss
181 further at the meeting in March.

182
183 **TWENTY-FIRST ORDER OF BUSINESS Staff Reports**

184
185 **A. District Counsel**

186
187 The Board received a District Counsel update from Ms. Willson and she informed
188 the Board that this would be her last meeting due to a realignment of work by her
189 office and the Mr. Van Wyk would be returning to provide District Counsel service
190 to the Board.

191
192 **B. District Engineer**

193
194 No report.

195
196 **C. District Manager**

197
198 Mr. Cox reminded the Board the next regular meeting is scheduled for March 3, 2019
199 at 4:00 p.m. at Club Connerton, 21100 Fountain Garden Way, Land O' Lakes, FL
200 34638.

201
202 Mr. Cox reviewed the monthly financials and the action item list with the Board.

203
204 The Board considered the authorizing an additional 10 days paid time to Stan
205 Zuecher. Mr Cox explained that the HOA has already approved this request but
206 since the CDD and the HOA share the expense of his position, they requested the
207 CDD Board also consider the request.

208

On a Motion by Mr. Dombrowski, seconded by Mr. Gilmore, with four in favor, and Mr. Jackson opposed, the Board of Supervisors approved to agree with the HOA Board to authorize Stan Zuercher 20 Paid Time Off (PTO) days versus the current 10 days, for the Connerton West Community Development District.
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209
210 **TWENTY-SECOND ORDER OF BUSINESS Audience Comments**

211
212 Mr. Patrick Storer addressed the Board regarding the bolts in the new playground
213 and suggestions for ways to help fund the nature trail project. Mr. Cox indicated he will
214 address the bolt issue once more with the installer.

215
216 **TWENTY-THIRD ORDER OF BUSINESS Supervisor Requests**

217
218 Mr. Jackson commented that the pea gravel keeps coming out at the park in the
219 rear Gardens and requested staff inspect this area.

220
221 Mr. Jackson requested that Board members be paid for meetings that get canceled

222 in those instances when the Board member shows up to the meeting and then the meeting
223 gets canceled, for some reason. Ms. Willson was asked to look into this issue to
224 determine if there was any statutory issue related to this topic.

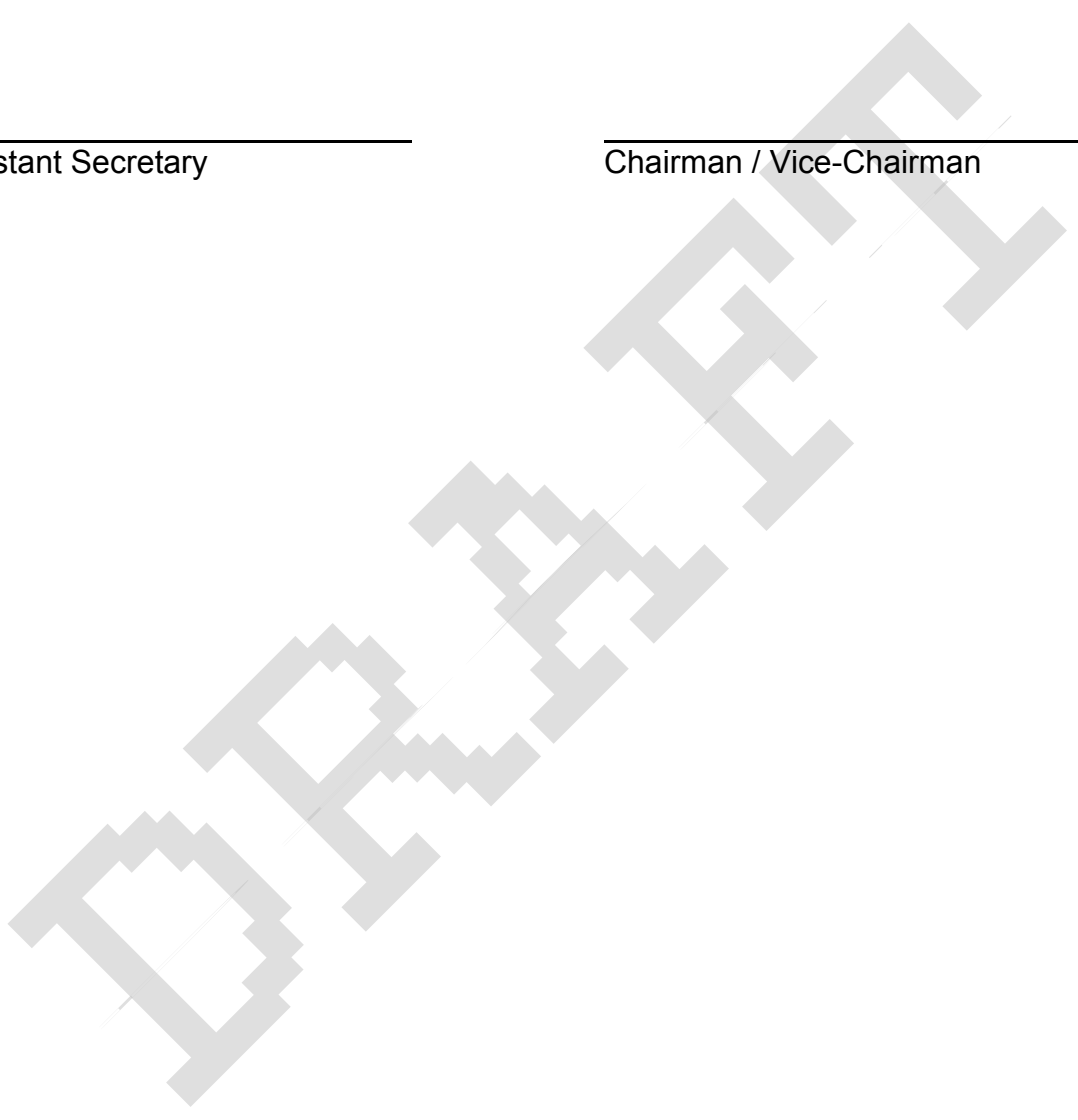
225
226 **TWENTY-FOURTH ORDER OF BUSINESS Adjournment**

On a Motion by Mr. Dombrowski, seconded by Mr. Jackson, with all in favor, the Board adjourned the meeting at 9:21 p.m. for the Connerton West Community Development District.
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Assistant Secretary

Chairman / Vice-Chairman



Tab 2

CONNERTON WEST COMMUNITY DEVELOPMENT DISTRICT

DISTRICT OFFICE · 5844 OLD PASCO ROAD · SUITE 100 · WESLEY CHAPEL, FLORIDA 33544

Operation and Maintenance Expenditures January 2020 For Board Approval

Attached please find the check register listing the Operation and Maintenance expenditures paid from January 1, 2020 through January 31, 2020. This does not include expenditures previously approved by the Board.

The total items being presented: **\$120,146.25**

Approval of Expenditures:

_____ Chairperson

_____ Vice Chairperson

_____ Assistant Secretary

Connerton West Community Development District

Paid Operation & Maintenance Expenditures

January 1, 2020 Through January 31, 2020

<u>Vendor Name</u>	<u>Check Number</u>	<u>Invoice Number</u>	<u>Invoice Description</u>	<u>Invoice Amount</u>
Ballenger & Company, Inc.	002684	19451	Irrigation Maintenance 12/19	\$ 7,690.00
Ballenger & Company, Inc.	002684	19459	SWFWMD Meter Reading/Irrigation Pump Station 12/19	\$ 1,300.00
Ballenger & Company, Inc.	002684	19468	Repair EP-2 Pressure Transducer 12/19	\$ 810.00
Ballenger & Company, Inc.	002684	19470	Replace Power Supply On EP2 12/19	\$ 420.00
Capital Land Management Corporation	002685	207341	Dead Tree Replacement PPP 12/19	\$ 1,875.00
Capital Land Management Corporation	002685	207342	Remove Dead Trees Blue Mist 12/19	\$ 1,550.00
Capital Land Management Corporation	002704	207418	Landscape Maintenance 01/20	\$ 26,900.00
Capital Land Management Corporation	002704	207445	Remove and Install New Plants 01/20	\$ 5,338.00
Capital Land Management Corporation	002704	207446	Remove and Install New Plants 01/20	\$ 2,712.00
Capital Land Management Corporation	002704	207447	Remove and Install New Plants 01/20	\$ 2,105.00
Capital Land Management Corporation	002704	207448	Remove and Install New Plants 01/20	\$ 3,225.00
Cardno, Inc.	002686	284780	Monthly Lake Management 11/19	\$ 3,530.00

Connerton West Community Development District

Paid Operation & Maintenance Expenditures

January 1, 2020 Through January 31, 2020

<u>Vendor Name</u>	<u>Check Number</u>	<u>Invoice Number</u>	<u>Invoice Description</u>	<u>Invoice Amount</u>
Cardno, Inc.	002699	286084	Monthly Lake Management 12/19	\$ 3,530.00
Clearview Land Design, P. L.	002687	19-02388	Engineering Services 12/19	\$ 788.75
Connerton Community Association, Inc.	002688	201919	Salary Reimbursement 12/19	\$ 3,401.00
Hopping Green & Sams	002691	111588	General/Monthly Legal Services 11/19	\$ 3,583.35
Innersynce Studio, Ltd DBA Campus Suite	002697	18167	CDD Website Services 01/20	\$ 384.38
Jeremy R. Cohen	002689	JC120919	Off Duty Patrols 12/09/19	\$ 350.00
Jeremy R. Cohen	002689	JC122719	Off Duty Patrols 12/27/19	\$ 200.00
Jeremy R. Cohen	002689	JC122919	Off Duty Patrols 12/29/19	\$ 200.00
Jerry Richardson	002695	1295	Monthly Hog Removal Service 12/19	\$ 800.00
K. Johnson's Lawn & Landscaping, Inc.	002692	16743	Mowing of Connerton Bike Trail 12/19	\$ 700.00
K. Johnson's Lawn & Landscaping, Inc.	002692	16799	Trimmed Woods Line Along Bike Trail 12/19	\$ 1,600.00
K. Johnson's Lawn & Landscaping, Inc.	002705	16822	Mowing of Connerton Bike Trail 01/20	\$ 700.00
Kevin Eric Hamilton	002690	KH121019	Off Duty Patrols 12/10/19	\$ 200.00

Connerton West Community Development District

Paid Operation & Maintenance Expenditures

January 1, 2020 Through January 31, 2020

<u>Vendor Name</u>	<u>Check Number</u>	<u>Invoice Number</u>	<u>Invoice Description</u>	<u>Invoice Amount</u>
Kevin Eric Hamilton	002690	KH121819	Off Duty Patrols 12/18/19	\$ 200.00
Kevin Eric Hamilton	002690	KH122619	Off Duty Patrols 12/26/19	\$ 200.00
Land Assessment Services, Inc.	002693	01973-00951	Sampling/Chemical Testing Event No.21 11/19	\$ 5,760.00
Pasco County	002700	Pasco Water Summary A 12/19	Water Summary 12/19 A	\$ 54.08
Pasco County	002700	Pasco Water Summary B 11/19	Water Summary 11/19 B	\$ 45.55
Rizzetta & Company, Inc	002694	INV0000045856	District Management Fees 01/20	\$ 6,430.41
Rizzetta & Company, Inc	002701	INV0000046406	Annual Dissemination Agent Fee FY 19/20	\$ 8,000.00
Rizzetta Technology Services, LLC	002698	INV0000004956	Email & Website Hosting Services 12/19	\$ 175.00
Rizzetta Technology Services, LLC	002702	INV0000005396	Email & Website Hosting Services 01/20	\$ 175.00
Suncoast Pool Service	002706	5877	Fountain Service 01/20	\$ 250.00
Withlacoochee River Electric Cooperative Inc.	002703	Electric Summary Bill- 12/19	Electric Summary Bill-12/19	<u>\$ 24,963.73</u>
Report Total				<u>\$ 120,146.25</u>

Tab 8

RESOLUTION 2020-05

**A RESOLUTION BY THE BOARD OF SUPERVISORS OF THE
CONNERTON WEST COMMUNITY DEVELOPMENT DISTRICT
ADOPTING AN INTERNAL CONTROLS POLICY CONSISTENT
WITH SECTION 218.33, FLORIDA STATUTES; PROVIDING AN
EFFECTIVE DATE.**

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

WHEREAS, consistent with Section 218.33, *Florida Statutes*, the District is statutorily required to establish and maintain internal controls designed to prevent and detect fraud, waste, and abuse as defined in Section 11.45(1), *Florida Statutes*; promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices; support economical and efficient operations; ensure reliability of financial records and reports; and safeguard assets; and

WHEREAS, to demonstrate compliance with Section 218.33, *Florida Statutes*, the District desires to adopt by resolution the Internal Controls Policy attached hereto as **Exhibit A**.

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

SECTION 1. The attached Internal Controls Policy attached hereto as **Exhibit A** is hereby adopted pursuant to this Resolution.

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 2ND DAY OF MARCH, 2020.

ATTEST:

**CONNERTON WEST COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chairperson, Board of Supervisors

EXHIBIT "A"

**CONNERTON WEST
COMMUNITY DEVELOPMENT DISTRICT
INTERNAL CONTROLS POLICY**

1. Purpose.

- 1.1. The purpose of this internal controls policy is to establish and maintain internal controls for the Connerton West Community Development District.
- 1.2. Consistent with Section 218.33(3), *Florida Statutes*, the internal controls adopted herein are designed to:
 - 1.2.1. Prevent and detect Fraud, Waste, and Abuse (as hereinafter defined).
 - 1.2.2. Promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices.
 - 1.2.3. Support economical and efficient operations.
 - 1.2.4. Ensure reliability of financial records and reports.
 - 1.2.5. Safeguard Assets (as hereinafter defined).

2. Definitions.

- 2.1. "Abuse" means behavior that is deficient or improper when compared with behavior that a prudent person would consider a reasonable and necessary operational practice given the facts and circumstances. The term includes the misuse of authority or position for personal gain.
- 2.2. "Assets" means District assets such as cash or other financial resources, supplies, inventories, equipment and other fixed assets, real property, intellectual property, or data.
- 2.3. "Auditor" means the independent auditor (and its employees) retained by the District to perform the annual audit required by state law.
- 2.4. "Board" means the Board of Supervisors for the District.
- 2.5. "District Management" means (i) the independent contractor (and its employees) retained by the District to provide professional district management services to the District and (ii) any other independent contractor (and its employees) separately retained by the District to provide amenity management services, provided said services include a responsibility to safeguard and protect Assets.

- 2.6. “Fraud” means obtaining something of value through willful misrepresentation, including, but not limited to, intentional misstatements or intentional omissions of amounts or disclosures in financial statements to deceive users of financial statements, theft of an entity’s assets, bribery, or the use of one’s position for personal enrichment through the deliberate misuse or misapplication of an organization’s resources.
- 2.7. “Internal Controls” means systems and procedures designed to prevent and detect fraud, waste, and abuse; promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices; support economical and efficient operations; ensure reliability of financial records and reports; and safeguard assets.
- 2.8. “Risk” means anything that could negatively impact the District’s ability to meet its goals and objectives. The term includes strategic, financial, regulatory, reputational, and operational risks.
- 2.9. “Waste” means the act of using or expending resources unreasonably, carelessly, extravagantly, or for no useful purpose.

3. Control Environment.

3.1. Ethical and Honest Behavior.

- 3.1.1. District Management is responsible for maintaining a work environment that promotes ethical and honest behavior on the part of all employees, contractors, vendors and others.
- 3.1.2. Managers at all levels must behave ethically and communicate to employees and others that they are expected to behave ethically.
- 3.1.3. Managers must demonstrate through words and actions that unethical behavior will not be tolerated.

4. Risk Assessment.

- 4.1. Risk Assessment. District Management is responsible for assessing Risk to the District. District Management’s Risk assessments shall include, but not be limited to:
 - 4.1.1. Identifying potential hazards.
 - 4.1.2. Evaluating the likelihood and extent of harm.
 - 4.1.3. Identifying cost-justified precautions and implementing those precautions.

5. Control Activities.

5.1. Minimum Internal Controls. The District hereby establishes the following minimum Internal Controls to prevent and detect Fraud, Waste, and Abuse:

5.1.1. Preventive controls designed to forestall errors or irregularities and thereby avoid the cost of corrections. Preventive control activities shall include, but not be limited to, the following:

5.1.1.1. Identifying and segregating incompatible duties and/or implementing mitigating controls.

5.1.1.2. Performing accounting functions in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) standards.

5.1.1.3. Requiring proper authorizations to access and/or modify accounting software.

5.1.1.4. Implementing computerized accounting techniques (e.g. to help identify coding errors, avoid duplicate invoices, etc.).

5.1.1.5. Maintaining a schedule of the District's material fixed Assets.

5.1.1.6. Maintaining physical control over the District's material and vulnerable Assets (e.g. lock and key, computer passwords, network firewalls, etc.).

5.1.1.7. Retaining and restricting access to sensitive documents.

5.1.1.8. Performing regular electronic data backups.

5.1.2. Detective controls designed to measure the effectiveness of preventive controls and to detect errors or irregularities when they occur. Detective control activities shall include, but not be limited to, the following:

5.1.2.1. Preparing financial reports in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) standards.

5.1.2.2. Reviewing financial statements and investigating any material variances between budgeted expenses and actual expenses.

5.1.2.3. Establishing and implementing periodic reconciliations of bank, trust, and petty cash accounts.

- 5.1.2.4. Establishing an internal protocol for reporting and investigating known or suspected acts of Fraud, Waste, or Abuse.
- 5.1.2.5. Engaging in periodic physical inventory counts and comparisons with inventory records.
- 5.1.2.6. Monitoring all ACH (electronic) transactions and the sequencing of checks.

5.2. Implementation. District Management shall implement the minimum Internal Controls described herein. District Management may also implement additional Internal Controls that it deems advisable or appropriate for the District. The specific ways District Management implements these minimum Internal Controls shall be consistent with Generally Accepted Accounting Principles (GAAP) and otherwise conform to Governmental Accounting Standards Board (GASB) and American Institute of Certified Public Accountants (AICPA) standards and norms.

6. Information and Communication.

- 6.1. Information and Communication. District Management shall communicate to its employees (needing to know) information relevant to the Internal Controls, including but not limited to any changes to the Internal Controls and/or changes to laws, rules, contracts, grant agreements, and best practices.
- 6.2. Training. District Management shall regularly train its employees (needing the training) in connection with the Internal Controls described herein and promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices.

7. Monitoring Activities.

- 7.1. Internal Reviews. District Management shall internally review the District's Internal Controls at least once per year. In connection with this internal review, District Management shall:
 - 7.1.1.1. Review its operational processes.
 - 7.1.1.2. Consider the potential risk of Fraud, Waste, or Abuse inherent in each process.
 - 7.1.1.3. Identify the controls included in the process, or controls that could be included, that would result in a reduction in the inherent risk.
 - 7.1.1.4. Assess whether there are Internal Controls that need to be improved or added to the process under consideration.

7.1.1.5. Implement new controls or improve existing controls that are determined to be the most efficient and effective for decreasing the risk of Fraud, Waste or Abuse.

7.1.1.6. Train its employees on implemented new controls or improvements to existing controls.

7.2. External Audits and Other Reviews. Audits and other reviews may be performed on various components of the District's Internal Controls by the Auditor consistent with Government Auditing Standards (GAS). Audits may identify material deficiencies in the Internal Controls and make recommendations to improve them. District Management shall communicate and cooperate with the Board and the Auditor regarding the potential implementation of Auditor recommendations.

Specific Authority: §§ 190.011(5)], 218.33(3), *Florida Statutes*

Effective date: March 2, 2020