

**MINUTES OF MEETING
FLOW WAY
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Board of Directors of the Flow Way Community Development District was held on Thursday, November 19, 2020 at 1:00 p.m. in the Palm Room of the Hampton Inn Naples-Central, 3210 Tamiami Trail North, Naples, Florida 34103.

Present and constituting a quorum:

Zack Stamp	Chairperson
Ron Miller	Vice Chairperson
Tom Kleck	Assistant Secretary
Martinn Winters	Assistant Secretary
Andrew Miller	

Also present were:

James P. Ward	District Manager
Greg Woods	District Counsel
Jessica Ford Tolin	District Counsel

Audience:

Charles Cook	Carlo Racioppo
Karl Schneider	Gary Leiter
Diane Ford	Tom McLaughlin
C. Doyle-Hefferman	Jerry Peters
Marty Teperow	Jeremy Arnold
Howard Ready	John Hinnen
Bill Boscintini	Gail Neylan
Joanne Hahn	David Boguslawski
Ed Staley	Ron Fischer
Karen Bosse	Sam Miller
Tom Coffey	James Haderer
Joe Reis	John Kowalski
Barry Nelson	Jack Neylan (x2)
Marc Drolet	Bob Hennessy
Douglas Wells	Kirsten Howlett
John Nisson	

All resident's names were not included with the minutes. If a resident did not identify themselves or the audio file did not pick up the name, the name was not recorded in these minutes.

**PORTIONS OF THIS MEETING WERE TRANSCRIBED VERBATIM. ALL VERBATIM PORTIONS WERE
TRANSCRIBED IN *ITALICS*.**

FIRST ORDER OF BUSINESS**Call to Order/Roll Call**

District Manager James P. Ward called the meeting to order at approximately 1:03 p.m. He conducted roll call; all Members of the Board were present constituting a quorum.

SECOND ORDER OF BUSINESS**Administration of Oath of Office**

Appointment of qualified electors Mr. Zack Stamp and Mr. Martinn E. Winters to fill the vacancy in Seats (3) and (4) to the Board of Supervisors pursuant to Section 190.004 (4) Florida Statutes following the General Election.

a) Oath of Office.

Mr. Ward indicated he was a notary public with the State of Florida and authorized to administer the Oath. He administered the Oath of Office to the newly elected Board Members and asked said Board Members to sign the Oath of Office and return the signed Oath to himself for notarization and to be made part of the public record.

THIRD ORDER OF BUSINESS**Consideration of Resolution 2021-1**

Consideration of Resolution 2021-1 Re-Designating the Officers of the Flow Way Community Development District

Mr. Ward reported he generally served as Secretary and Treasurer. He asked how the Board wished to appoint the Officers of the Board. Discussion ensued: Mr. Zack Stamp was nominated to serve as Chairperson, Mr. Ron Miller was nominated to serve as Vice Chairperson, and Mr. Tom Kleck, and Mr. Martinn Winters were nominated to serve as Assistant Secretaries. Mr. Ward called for a motion.

On MOTION made by Mr. Tom Kleck, seconded by Mr. Ron Miller, and with all in favor, Resolution 2021-1 was adopted as above, and the Chairperson was authorized to sign.

Mr. Martinn Winters: Can we give Chairman Stamp the authority to designate Members of the Board, or assign duties, for tasks that are going to be coming before us?

Mr. Ward: No, not without making them formal committee members, so I would not suggest you do that.

Chairperson Zack Stamp: I want to "set the table" for what's happening here today and explain to the 15 listeners or whatever we have out there what's going on here, as well as the community at large. First, I would like to start by thanking the other members for their confidence in me by electing me chair. There is a lot of work in front of us, but I am very happy to undertake that. I would also like to thank Ron and Tom who have labored under a Taylor Morrison controlled board for these years when they couldn't really do much except show up and voice their objections. I can tell you that help has arrived and as you

know the balance has shifted. Taylor Morrison has for years, as we all know, with their Board control, systematically, repeatedly, improperly, prematurely, shifted their legal obligations to the residents of Esplanade. That ends today. Today we begin to slow down, stop, and reverse these actions by Taylor Morrison. I expect, and we should all prepare for Taylor Morrison with its vast resources and political connections, to strike back at court and with threats to the residents, the HOA turnover, and other developments back at our home community. The donations to the Esplanade Transition Fund, which Martinn if I could impose on you, how many donors do we have approximately?

Mr. Martinn Winters: 287.

Chairperson Stamp: 287 who have donated to the Esplanade Transition Fund, have allowed us to get a running start at the undertaking before us, but this is still going to take time at the best of times, and with COVID out there, these are not the best of times. We need to be prepared for a long hard slog. I want to tell the people, the residents, unlike the HOA and the ETF, the CDD is a unit of local government. A CDD is subject to the Sunshine laws and the ethics laws of the State of Florida. While the HOA and the ETF board members may feel free to talk to each other anytime, anywhere, about anything they want, the CDD Board cannot do that. The only time Members of the CDD Board can talk to each other is a scheduled Board Meeting given with all the proper legal notice. I cannot walk down the street two or three doors and ask Tom Kleck what he thinks about something at the CDD. It is just improper, and it's going to make things awkward. So, for the people out there listening, at times it may appear we are disorganized or unprepared, that comes from not being able to talk to each other and anticipate and prepare, but the State of Florida, and I'm not saying they are wrong, have traded efficiency for transparency. We will do everything we can to comply with the law. The law does, however, allow free and unlimited discussion between the residents and the Members of the Board at any time, on the golf course, at the tiki bar, wherever you run into us you are free to come up and talk to us, tell us what you think. Input and participation are very welcome. There may be some working groups or groups put together who will assist us in some of the things we are going to talk about. You are not bound by that; the Members are bound by that. Keep that in mind.

Okay, let's begin. I want to say there will be a period of public comment. Any time there is an item on the agenda, I will recognize anybody who wants to address that briefly, and then at the closing there will be another period for comment if we haven't talked about something that you want to address the Board about. So, with that, I'll start.

FOURTH ORDER OF BUSINESS

Consideration of Minutes

October 15, 2020 Regular Meeting Minutes

Chairperson Stamp called for a motion to approve the October 15, 2020 Regular Meeting Minutes.

On MOTION made by Mr. Tom Kleck, seconded by Mr. Martinn Winters, and with all in favor, the October 15, 2020 Regular Meeting Minutes were approved.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2021-2

Consideration of Resolution 2021-2, a Resolution of the Board of Supervisors of the Flow Way Community Development District Declaring Special Assessments; Indicating the Location, Nature and estimated cost of those Improvements which cost is to be defrayed in whole or in part by the Special Assessments; Providing the portion of the estimated cost of the improvements to be defrayed in whole or in part by the Special Assessments; Providing the manner in which such Special Assessments shall be made; Providing when such Special Assessments shall be made; Designating lands upon which the Special Assessments shall be levied; Providing for an assessment plat; Adopting a preliminary assessment roll; Providing for a Public Hearing to consider the advisability and propriety of said Assessments and the related improvements; Providing for Notice of said Public Hearing; Providing for publication of this Resolution

Chairperson Stamp asked Mr. Ward to explain Resolution 2021-2 and Resolution 2021-3. He indicated he planned to recommend these Resolutions be postponed until the December Meeting.

Mr. Ward: In 2018 or 2019, the District had issued it's final series of special assessment bonds for the Flow Way Community Development District and within the constraints of that bond issue, there was certain land Taylor Morrison had purchased or had under contract more commonly known as the Hatcher Parcel, which pursuant to those bond documents was anticipated to be annexed into the District at some point in the near future at that time. That land was, as I said, subject to annexation. The Board approved the process to go through that annexation September or October of this year. That has gone through the process at the County Commission level and the Hatcher land is now annexed into the District. Once that was done the contemplation was that the District would go through the process of levying special assessments on the Hatcher land for the capital funds included in the last bond issue done by the District. Resolutions 2021-2 and 2021-3 are the two initial assessment resolutions that are required by the Board to consider for levying those capital assessments on only the Hatcher land. If you choose to move forward with this issue the public hearing is scheduled for January 21, 2020. There is a rather long period of time between adoption of these resolutions and your public hearing in order to meet all the advertising requirements and notice requirements pursuant to law. 60 days is not it, but it is generally about 40 days of time from the day you start you process until you finish it in order to get these special assessments in place.

Chairperson Stamp: It is my understanding doing these resolutions in December would not imperil or impede anything.

Mr. Ward: No. The drop-dead date on this is March 15, 2021. If they are not adopted on or before that date, then what's remaining in those construction funds automatically will get used to redeem bonds on May 1, 2021. As long as you get through that 40-day process before that date, and I have time to notice the trustee of that then you are fine.

Mr. Ron Miller: What are the consequences of failing to pass these resolutions?

Mr. Ward: The authority of a Board to levy special assessments is truly at your desire. You may choose to do this or not as the case may be. You certainly have that within your authority. The bond documents clearly contemplated that would be done. I have no clue what the Hatcher owners would do as a result of not adopting these assessments.

Mr. Ron Miller: I think I understand the concept, what happens in the event of inaction.

Mr. Ward: Nothing, other than the bond funds will transition to a redemption account and bonds will be called on May 1, 2021. That is the consequence of the inaction.

Mr. Ron Miller: I think I heard you say that continued inaction on these resolutions, ultimately would result in the funds that have been received, the sale of the bonds, being used to redeem the bonds per the indenture.

Mr. Ward: Correct. That's what inaction would mean to the District.

Mr. Ron Miller: With that inaction, and the redemption of those bonds, the actual property that would require those assessments does not happen and the CDD would simply be unable to purchase the infrastructure assets?

Mr. Ward: Let me separate the special assessments. The special assessments are two parts. One is a capital assessment for the construction of infrastructure and operating assessments, so it is within the boundaries of the District, with respect to future operating assessments, this Board would always have the authority to levy those on a year by year basis as you solely determine. With respect to capital assessments, it simply means that those funds within that existing bond issue would automatically go away as a result of the indenture requirements. It doesn't preclude you in the future from levying assessments, but I will tell you practically speaking, levying capital assessments and trying to do a bond issue for \$1 million dollars is not practical.

Mr. Ron Miller: So, then the consequences of the capital assessments to simply have continued inaction on the capital assessments, aside from the debt to the infrastructure...one or two things happen, some of the assets like water and sewer, those are dedicated over to the County. The other items such as the pond... (indecipherable 18:00).

Mr. Ward: Correct.

Mr. Ron Miller: I will just say what I have said in the past (indecipherable 18:32). I don't have an appetite for (indecipherable).

Mr. Drew Miller: There was an agreement (indecipherable 19:48). That doesn't mean that there won't be other consequences. It doesn't mean we don't have to take credit; it just means that the funds we don't pay taxes, I don't know that it means the CDD can refuse the infrastructure. The stormwater infrastructure, that is the property of the CDD. The Master Engineers Report contemplated the stormwater to be part of the CDD. So, to complete what the CDD's obligation is and as a whole to all of the previous bond sales, original ordinance, and master engineers reports were all contemplated with the CDD taking over (indecipherable). I don't know the answer, but I don't think it's just as simple as (indecipherable 21:13).

Chairperson Stamp: Drew, you keep saying there was an agreement. Who were the two parties of the agreement?

Mr. Drew Miller: The CDD and the developer and the party of the bond sale.

Mr. Tom Kleck: I don't think (indecipherable 21:50). Hatcher property was going to proceed whether we liked it or not, and why they should be segregated, or not part of the Esplanade neighborhood, was one of my concerns.

Chairperson Stamp: This is why I'm saying nothing is hurt by putting it off another month. Maybe we can figure out where we are at. And maybe we will be at inaction in a month.

Mr. Martinn Winters: If the CDD lacks the funds to purchase these assets, does that mean that the assets don't transfer or does some other party have to pay for these assets?

Mr. Ward: To the extent that any developer, not just Taylor Morrison, is developing the Hatcher property, obviously that infrastructure has to go in, in order to ensure the entitlements that they have under the development allow them to do that. The CDD is simply a mechanism to do the financing for all of that, so whatever Taylor Morrison decides, or any developer decides, on how they are going to provide infrastructure, that is obviously within their purview. Where it gets transferred to ultimately in this specific instance could be the HOA, the CDD, it could be an HOA that is just over Hatcher. It could be a number of entities, but water management permits are probably the most complicated because those are probably under a Master South Florida Water Management District permit that is either in this District's name or Taylor Morrison's name and has to get transferred somewhere at some point, so someone will have an obligation to maintain that drainage system at some point in the future. I would have no clue who that is because I am not privy to any of those existing South Florida permits for that drainage system.

Mr. Ron Miller: The assets that would under normal process would be dedicated over to the county. Wouldn't that process just go on?

Mr. Ward: Yes. That process just goes on.

Mr. Ron Miller: So those assets that are not dedicated to the County, those would be looking for a home.

Mr. Ward: They need a home, yes.

Mr. Winters: To follow up, mechanically the developer pays for the infrastructure cost that the CDD is later to reimburse the developer for. Is that mechanically how it works?

Mr. Ward: Yes. I would change a few of the words but generally speaking that is the way it happens.

Mr. Winters: So, if the developer is not reimbursed for these costs, do the assets still get transferred?

Mr. Ward: That is up to the developer. The District has no control over that. Whoever put the asset in would transfer it somewhere. As Mr. Ron Miller indicated, utilities are easy. That's going to go to Collier County, they will accept them as a matter of course. The drainage system is really the one that "needs a home" as Mr. Ron Miller indicated.

Mr. Ron Miller: It seems like afterwards, those assets could still be transferred to the CDD and the CDD could take over the maintenance.

Mr. Ward: Yes. Whatever home they go to, that homeowners needs to take it.

(indecipherable 25:52 and unsure who is speaking)

Mr. Drew Miller: I would say we were (indecipherable 26:19) not doing the agreements that we have in place to fund this infrastructure. What is our personal drive? You just took the oath of office, both of you, we all have now, what would be the – there is no CDD benefit to this. It doesn't benefit or hurt the CDD. It is all outside of the CDD. All motivations for that infrastructure. CDDs are created for this exact purpose. All motivations for ignoring the funding mechanism already in place is not in the best interest of the CDD, especially if you say we are going to take the infrastructure.

Chairperson Stamp: It is a little strange to hear you argue about the best interests of the CDD after dumping the preserves on them and saying that's consistent with your oath of office. If you want to argue Taylor Morrison needs the money that's fine, but don't come in here and say for the good of the CDD. You have been here to try to do everything you can to destroy or burden the CDD, so I don't accept that argument. I'm for putting it off for another month so we can talk about it, have a discussion to the extent we can talk through Jim and obtain information, but don't lecture us on being here for the good of the CDD. We know who you are here for.

Mr. Drew Miller: Again, CDDs are created for that function. What we did – when you read the original ordinance that this CDD was established by it was created for the purpose of building infrastructure.

Chairperson Stamp: But not the preserves.

Mr. Drew Miller: The preserves are the mitigation. I don't know that I see the difference there. I just think, and I would say, we put it in the original bond, it has been above board all the way through the process what the intention is (indecipherable 28:22) just recently confirmed that they agree the CDD is the ultimate perpetual maintenance.

Chairperson Stamp: We will get to that in a minute. Let's just focus on what's in front of us.

Mr. Winters: If, the developer does not get reimbursed for this infrastructure, and the infrastructure gets transferred to the CDD, is it possible to go forward with the assessment, segregate the assessment, so that you strip out the portion that is allocable to the bond repayment portion of the assessment, and just do the assessment as it relates to the maintenance of the infrastructure so that the CDD doesn't get burdened with just the maintenance.

Mr. Ward: Yes. They are separate anyway as a matter of law, so the capital assessment stands on it's own and you, each year, when you adopt the budget, can levy an operating assessment that would include Hatcher because it is now within the boundaries of the CDD.

Mr. Winters: So, we can approve the operating assessment as part of the CDD function but disapprove the bond portion of the assessment.

Mr. Ward: Yes.

Mr. Ron Miller: (Indecipherable 30:05.) I wasn't able – I didn't have the information available (indecipherable), but I did take a look at this, (indecipherable). I did the math for perspective of what it costs residents(indecipherable). If the CDD were to (indecipherable) the CDD is not going

(indecipherable) about \$9 dollars, so it is a very, very inconsequential number. The bigger issue (indecipherable).

Chairperson Stamp: We have a few people who want to speak.

Various individuals began speaking simultaneously, the audience was muted to enable the Chairperson to gain control of the meeting.

Mr. Ward: For those of you who are on audio with us today, you have the ability to “raise your hand” and ask to speak. I see Mr. Boguslawski has his hand raised and would like to speak.

Mr. Boguslawski: I will be very brief. I just wanted to give you some audio feedback. The table setting is apparently in a way where who I cannot here virtually at all is Ron Miller. Drew is hard to hear, Tom Kleck is hard to hear, but whatever you can do with the mic or whatever would help the audience. Thank you.

Chairperson Stamp: My recommendation is there is more discussion to be had on this and more research to be done. Nothing is harmed by waiting another 30 days or whenever the next meeting is, approximately 30 days. Let’s defer this.

Mr. Winters: My only comment to that is, how can we make any progress in the next 30 days if we cannot talk to each other.

Chairperson Stamp: If you have any questions, you will have to talk either to counsel, when we get a counsel, or to Jim and try to gain information. Yeah, it’s going to be awkward.

Mr. Winters: Can we have a meeting ahead of time?

Chairperson Stamp: With notice.

Mr. Ward: Yes, 7 days in the paper, so I need 10 days to give notice.

Mr. Winters: So, we can have another meeting.

Chairperson Stamp: Right and we can also have another meeting after the next meeting because there is no magic – we can probably have it in early January. The point is, I don’t want to run to the wrong decision when we don’t have to make a decision at all today. Okay?

Mr. Ward: So, this item will stand deferred.

Chairperson Stamp: Deferred. Both of them.

This Item was deferred until the next Board Meeting.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2021-3

Consideration of Resolution 2021-3, a Resolution of the Board of Supervisors of the Flow Way Community Development District setting a Public Hearing to be held on January 21, 2021 at 1:00 P.M. and held at a Location to be determined during this meeting, for the purpose of hearing public comment on Imposing Special Assessments on certain property within the District generally described as the Flow Way Community Development District in accordance with Chapters 170, 190 and 197, Florida Statutes

This Item was deferred until the next Board Meeting.

SEVENTH ORDER OF BUSINESS

Staff Reports

Staff Reports

I. District Attorney

Mr. Ward: I think I sent to you this morning the letter from Mr. Urbancic resigning as general counsel from the District effective immediately with the submittal of his resignation. As a Board with respect to your professional team, you have the ability to decide as you deem appropriate to retain any law firm that you would like to handle the general affairs and any other matters that you have for the District. Since I just got the letter late last night, I will let you all discuss how you would like to handle that at this point.

Mr. Ron Miller: Do we need to take any action on that?

Mr. Ward: No. His resignation is effective as a matter of law as noted in his resignation letter. I just made it a part of the record, so you are fine.

Chairperson Stamp: My suggestion would be that you authorize me to engage legal counsel. I can say that Martinn and I through the ETF have been working with counsel which we are very comfortable recommending assume this role, as well as be litigation counsel. We put \$100,000 dollars in the budget for litigation and I would propose doing two agreements if you would give me that ability.

Mr. Ron Miller: So moved to authorized the Chairman to engage counsel.

Mr. Ward: I think the Chairman was saying authorization to engage counsel immediately, whoever he desires that to be, and that would give me the authority to engage that professional as he deems appropriate.

Mr. Kleck: Can we do the negotiation with an attorney as a group or as a meeting or separate outside?

Mr. Ward: No, you cannot do that at all. If you are going to negotiate with someone, I am the only one who can do that outside of the context of the Sunshine Law. If you want to give your Chairman individually the authority to do that, that's fine, but he may talk to any of you about that process. That's what the motion just did.

Mr. Ron Miller: (Indecipherable 38:10) we would rank the consultants (indecipherable).

Mr. Winters: Is this motion going to authorize Zack Stamp to pursue action against Taylor Morrison or just to engage the attorney to represent the CDD.

Mr. Ward: The motion was just to engage the attorney. The attorney can be for all matters as you choose it to be. It doesn't have to be limited to just general counsel. It can be counsel. We can separate that into whatever kind of counsel you want it to be, so if he engages counsel, or this District engages counsel, the form of it is not material.

Mr. Winters: So, are we giving Supervisor Stamp the authority then to engage in whatever legal action he deems necessary or would that be a separate motion.

Mr. Ward: That would be a separate action.

Chairperson Stamp: If this motion passes, we would engage the counsel. They are here sitting in front of you as a matter of fact. Then we would have a general discussion about how we would proceed on litigation, but I would not be comfortable, and I do not think you should be comfortable with me going out and authorizing litigation. I think the appropriate thing would be for me to come back at the next meeting ideally with a draft complaint and a memorandum supporting that litigation and let the Board vote on going forward. I am not asking for and do not want the authority. Now, if I continue in this role, I may ask for authority at some point on motions and that kind of thing, but not this step.

Mr. Kleck: Could we have some discussion about doing a financial audit?

Chairperson Stamp: We will get to that.

On MOTION made by Mr. Ron Miller, seconded by Mr. Tom Kleck, and with 4 in favor and 1 against, Mr. Zack Stamp was given the authority to engage legal counsel. Mr. Andrew Miller votes against the motion.

Chairperson Stamp: The firm that the CDD is going to engage through Mr. Ward is the Woods Law Firm (Woods, Weidenmiller, Michetti, & Rudnick) which the ETF engaged, and Greg Woods is the principle partner, sitting in front of you. I will ask him to say a little bit about his firm and introduce one of his staff attorneys.

Mr. Greg Woods: Greg Woods of Woods, Weidenmiller, Michetti & Rudnick. I have been in Naples 20 years. My firm has top 14 top lawyers. I do all kinds of complex commercial litigation and outside trial counsel for Collier County for the last 10 years, so I have familiarity with a lot of governmental,

environmental, and other issues. With me today is my qualified associate Jesse Tolin who works with me on county matters.

Mr. Ron Miller: (indecipherable 42:36) counsel would come back to you or us with a complaint (indecipherable). In order to get that process (indecipherable 43:41).

Chairperson Stamp: I don't think so.

Mr. Ward: No.

Chairperson Stamp: Just for the record, what I envision here is for them to review the situation and the law. They have done a lot of this work with ETF (Esplanade Transition Fund) already. And to see what remedies we have with Taylor Morrison, possibly Tim Hall, and almost certainly the Taylor Morrison Director of the Board and President. Those would be the three things, there might be four or five, but I can report through Jim if we have preliminary draft or something to be shared and can take it from there. I think I have all the authority I need.

II. District Engineer

No report.

III. District Manager

a) Financial Statements ending October 31, 2020 (Unaudited)

Mr. Ward welcomed Chairperson Stamp. He indicated he had no report.

EIGHTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

- I. Review of third-party consultants**
- II. Authorize communication of any changes to affected third parties**
- III. Discussion of HOA maintenance Agreements**
- IV. Discussion of Future Funding of preserve mitigation and maintenance**
- V. Request of full accounting of preserve mitigation and maintenance expenses through Fiscal Year 2020**
- VI. Authorization of communication with Esplanade residents regarding the current resident Board of Supervisors for the Flow Way Community Development District**
- VII. Discussion regarding change of venue for future Board meetings**

Mr. Ron Miller: I have a couple of things. I'd like to make a motion to remove Drew Miller's authority in any capacity.

Chairperson Stamp: Obviously, he can always represent himself as a Board Member, but he has no authority.

On MOTION made by Mr. Ron Miller, seconded by Mr. Martinn Winters, and with 4 in favor and 1 opposed, Mr. Drew Miller was stripped of his CDD Board Member authority. Mr. Drew Miller voted against the motion.

Mr. Ron Miller: The next thing I would like to do is make a motion to terminate Tim Hall and his firm and part of that motion would be to discontinue all activities/services related to the District.

Mr. Winters: Second.

Mr. Drew Miller: What is this exactly is all activities/services.

Chairperson Stamp: I can answer for Ron. I think we don't know and that's part of the problem.

Mr. Drew Miller: the Contract is for monitoring of the preserves only.

Mr. Ward: Monitoring of the preserves and it would not permit him to make any representations on behalf of the CDD.

Mr. Tom Kleck: Are there other companies that do this or is this something we can do without?

Mr. Ward: With as many preserves the answer is no, you cannot do without it, and yes there are other firms that do this work.

Discussion ensued regarding finding a new company to monitor the preserves and discussing this at a future meeting.

On MOTION made by Mr. Ron Miller, seconded by Mr. Martinn Winters, and with 4 in favor and 1 opposed, Tim Hall and his firm was terminated.

Mr. Ron Miller: I've got one more. This is not a motion, but a good idea, just to belay any possible apprehension about the Manager. Mr. Ward has done an incredible job of being fair and impartial in his counsel to the District Board.

Discussion ensued regarding Mr. Ward and his good work.

Chairperson Stamp: Okay, notifying the third parties, we've got on here as authorize communication changes to third parties. Obviously, South Florida Water Management District, South Florida, and I will come to that more specifically, the Corp, other groups, that there has been a change in the Board, that we are no longer a Taylor Morrison Board, but a resident Board, and they need to be notified. Any permits, anything in process, on hold. Does anybody know of anything out there pending? I would take a blanket motion to have Jim authorized to let anybody know.

Mr. Winters: I don't think we have a full accounting of Tim Hall's activities, so we don't really know what all permits Tim Hall has been up to or trying to modify.

Mr. Ward: I'm only aware of South Florida and the Corp of Engineer's, but we can verify that as we move forward. There can't be any more than that anyway, but I will verify with Tim. I will work with your attorney on the notification and get that ready for you all.

Chairperson Stamp: Which brings me to the status of the South Florida Water Management. Can you tell us what has happened there and what you propose to do going forward?

Mr. Greg Woods: The South Florida Water Management District has issued a notice of action letter. The time to appeal that letter is November 24. The notice to appeal is a fairly simple process, so if the Board wants to contest that latest action approving the permit transferring to the CDD you need to do that prior to Tuesday. If you want to authorize us to get to work on that notice.

Mr. Ward: That would require Board authorization.

Chairperson Stamp: There are two things, right? There is the appeal and then there is just to notify them, well, as co-app permittee we want to withdraw.

Mr. Woods: That is true. If you wanted to do just a notice letter. I would probably do a quick (indecipherable 52:00).

Chairperson Stamp: I just want to make it clear we are talking about two separate actions here in the same motion unless someone wants to divide the motion. I assume everybody is going to vote yes or no on the motions combined, but if somebody wants to split the motion that's something they are entitled to. So, I move that our counsel engage to one, file an appeal, and two, to notify the Water Management District that as a co-permittee we object to the issuance of the permit and do not comply with it and withdraw it.

Mr. Ron Miller: I'm all in favor, but have the (indecipherable 52:47)

Chairperson Stamp: Yes, we do.

Mr. Ron Miller: Then, second.

On MOTION made by Mr. Zack Stamp, seconded by Mr. Ron Miller, and with 4 in favor and 1 opposed, counsel was engaged to one, file an appeal, and two, to notify the Water Management District that as a co-permittee the CDD objects to the issuance of the permit and do not comply with it and withdraw it. Mr. Drew Miller voted against the motion.

Chairperson Stamp: The HOA maintenance agreement. There has been some discussion about whether we should get out of that, stay in that, what we should do with that. Here again I am going to suggest that we have a general discussion, but defer it until December and let legal counsel weigh in on what exactly they think we should be doing on that or we can thump it today, but that's going to be my recommendation. Thoughts?

Mr. Ron Miller: I essentially agree with you, but that contract, this contract item (Indecipherable 54:35). The other comment I would throw out there is that, I think it would make sense if we wanted to have this discussion to invite Dave Boguslawski to our CDD Meeting, so we can get some HOA perspective on this.

Chairperson Stamp: And probably the HOA counsel as well.

Mr. Ron Miller: Yes, so we are not acting unilaterally.

Chairperson Stamp: Okay, so the consensus is we defer. I know there had been some discussion a couple of months ago about what we ought to do with the funding of the preserves. Anybody have any thoughts on that?

Mr. Winters: I think we should put the third parties on notice that the way this new Board sees the funding of the maintenance of the preserves as an open question and that we would like these third parties, namely the Army Corp of Engineers, Fish and Wildlife, South Florida Water Management District to be partners with us in coming up with a resolution for this because the future funding of it is in jeopardy, that we don't discontinue funding immediately, but we do have a conversation about what is the limit of our willingness to continue to fund the maintenance and the mitigation of the external preserves.

Chairperson Stamp: Do we need a motion on that?

Mr. Ward: No. The only thing I will tell you, the maintenance contracts we have with that vendor I believe the work starts again next summer. May or June sticks in my head, so there is no money being spent on that existing vendor until May of next year, so we will have to come up with a solution since we just got rid of Mr. Hall, we have to come up with a solution for that piece of it by then if we are going to continue to engage that vendor or terminate that contract before that date, but I will look at that further in the next month or two.

Mr. Winters: I guess the question is, who is authorized to speak to these third parties and what is the form and format of those conversations?

Mr. Ward: If you would like to give that authority to myself and your attorney, we would both have the authority to do that.

Mr. Winters: Would a Board Member be allowed to have those conversations?

Mr. Ward: If you appoint him as a full Board, he becomes a committee of one, so no, but as the Chair he could help with that process with your attorney and myself, or the Vice Chair could do that. But as an appointed person to do something, that constitutes a committee in my world.

Mr. Winters: So, what is the best way to advance the conversation with these third-party permit holders.

Mr. Ward: I think we have the authorization already to do that. I think you are on solid ground.

Chairperson Stamp: And I can be around in my position.

Mr. Ward: Correct.

Mr. Winters: *Do we need a motion for that?*

Mr. Ward: *No.*

Chairperson Stamp: *Accounting firm has come up a couple of times today and has come up previously in the community: where people want to know if we are going to get some sort of accounting. Whats has actually been spent by the CDD on maintenance going back to the owners of the CDD. Martin you seem to have a better handle on this.*

Mr. Winters: *Well, I'm recommending that we do a full forensic accounting of all the expenses that have been paid by the CDD for mitigation and maintenance going back to fiscal 2014. I noticed that in the forward funding there was \$258,000 dollars taken in mitigation expense in 2015 simultaneous with the transfer of the external preserves to the CDD, so it appears that the CDD through a bond fund reimbursed Taylor Morrison for its mitigation expense. I would like all the direct operating expenses to be captured historically and put on the letterhead of our accounting firm certifying how much retroactively and through the current fiscal year has been spent for external preserve mitigation and maintenance expense including the expenses paid through bond funds. I would also like a legal opinion as to whether or not it is appropriate for bond funding to pay for external preserve mitigation maintenance expense since it has nothing to do with internal waterways, infrastructure, the development itself.*

Mr. Ron Miller: *I have an additional comment. When investigating (Indecipherable 1:00:10.)*

Chairperson Stamp: *Is it in my authority to appoint Martinn to be the lead person on that?*

Mr. Ward: *You cannot appoint anybody to do anything as a Board Member. You could ask him to do that.*

Chairperson Stamp: *Martinn will you?*

Mr. Winters: *I would be happy to.*

Mr. Ron Miller: *I wish I would have thought of this earlier, but I didn't. I would like accounting to look at unfunded liabilities and I'm going to talk a bit here and draw an analogy from my own personal experience. (Indecipherable 1:02:19.)* Mr. Ron Miller discussed Taylor Morrison, unfunded liabilities, and the external preserves as an unfunded liability.

Mr. Ward: *I can ask.*

Chairperson Stamp: *The lakes and littorals, I thought we should have a conversation about. Again, Martinn you seem to have spent a lot of time on that.*

Mr. Martinn Winters: *We have some outstanding performance bonds; Taylor Morrison has outstanding performance bonds on the lakes and littorals. There are also some outstanding performance bonds until mitigation is reached on the external preserves. The developer Taylor Morrison is currently involved in trying to bring the lakes and littorals up to a proper standard so they can get those performance bonds released. The HOA is looking at it from their side. I think we should look at it from our side because the*

CDD is going to be the recipient of these lakes and littorals once those performance bonds are released. They are going to try to transfer those assets over to the CDD. I think we should hire an engineer to work in tandem with Collier County before those performance bonds are released and do a full evaluation of the lakes and waterways to make sure they are up to proper standards before Taylor Morrison tries to transfer those assets over to the CDD.

Mr. Tom Kleck: I agree with that. My previous experience as a CDD member was that the littorals in particular need a chance to grow if they will grow. We had spent thousands of dollars in Vasari on the lake banks, and they didn't survive #1, and all the money that we spent was for naught. I guess, how long do we have to make it right if someone says it's okay, how much time is out there before we have to give them the money so to speak? Are there any guarantees?

Mr. Ward: Let's separate the issues. With respect to the performance bonds, those are between Taylor Morrison and Collier County. We have no input into that process. Well, you have input into that process all you want, but the county will do what it does. If you want to get the separate inspections by an engineer that Mr. Winters had raised, that certainly is a possibility. As far as the ownership of those things, the District has paid for and does already own that drainage system, the littorals, the lake banks, those things. The underlying fee title to the land, however, I believe most of it is still in the name of Taylor Morrison with an easement over top of it which grants the District the right to operate and maintain its drainage system, so your drainage system. If that clears it up for you any.

Chairperson Stamp: Can they turn over part of the water system? It seems like if you have an integrated water system, it seems like giving like half a bathtub.

Mr. Ward: The county permits are different. I am unfamiliar with the performance bonds Taylor Morrison has, or any development has, with the county. It is not my forte. With respect to your drainage permits. Generally, the regulatory agencies will let you turn those permits over at certain stages. It may or may not be completed at 100% at that time. Whoever it is going to turn it over to, that agency has to accept the operation and maintenance responsibility and that's where the rubber meets the road so to speak. If those permits are still in the developer's name, or somebody else's name for that matter, before that could come to the CDD you all would have to sign off on that.

Mr. Winters: If Taylor Morrison decides to deed these underlying assets over to the CDD, does the CDD have to receive them? Are we required to accept them?

Mr. Ward: It doesn't matter. You have an easement over them for operations and maintenance, so if you own the underlying title it makes no difference to you, but you don't have to take it because you already have an easement. From our perspective, it doesn't matter. You already have the rights to do whatever you want to do. They are going to want to obviously get that property out of their name at some point to some agency. It needs a home. At some point, that land needs a home to go to.

Chairperson Stamp: Will you look into this a little more?

Mr. Winters: I will be happy to.

Mr. Ward: I'm around all weekend if you need me.

Chairperson Stamp: *Next, communications to Esplanade. If you will let them know that there is a “new sheriff in town” and things are going to be different and to kind of give them an update on what’s happening today. Let’s talk about what we want to do, what we can do. I know what we can’t do. We can’t all sit down and write a newsletter together because that violates Sunshine, but I’m not sure what we can do.*

Mr. Winters: *Can we send an email blast out to the homeowners about the meeting, what was discussed, the minutes of the meeting?*

Mr. Ward: *Let’s talk about that. What’s important to recognize is if you as an individual place your email with a governmental agency it is in fact a governmental record and disclosable if I’m asked for that, so I do not keep, other than all of you who may have given me your email addresses, I don’t keep email addresses of your entire community and I would have actually no way to do that if you said for me to do that. The only way for me to get information to your community if I don’t have access to that is by direct mail. Direct mail being prepare a newsletter the old-fashioned way and mail it out to everybody. Or by sending it to the homeowner’s association and asking them to email blast it out to everybody.*

Discussion ensued regarding posting information on the HOA website, communication being important, Taylor Morrison refusing to allow communications, and submitting a synopsis of the meeting to the advisory committee.

Chairperson Stamp: *Tom, you mentioned this earlier, to replace Tim Hall. I know there is a process to do that in Statute which ties into what you said about ranking people specifically. The two questions are, do we want to do it and if so, what parameters do we have to do?*

Mr. Ward: *There are a number of statutes that you are required to abide by obviously. Under Chapter 190 there is no requirement for that. Chapter 287 is what we call the Consultants Competitive Negotiation Act. That controls the process to retain civil engineers, or any kind of an engineering firm, auditors, that kind of a thing and the auditors actually have their own statute for that, but an environmental consultant doesn’t fall under that statute because he is not acting as an engineer. He is acting as a different person. I don’t fall under that statute. The attorney doesn’t fall under that statute. Those kinds of things, so you can simply identify firms that do that work and I could get proposals from them, or do that on my own in concert with Greg and who might be able to do that, and bring those back to you, but for that particular service there is no specific statute that we need to follow. Especially if we limit it to just preserve consulting, and not engineering.*

Mr. Tom Kleck: *Can we set up contracts with vendors with a 30-day cancellation?*

Mr. Ward: *We do that all the time.*

Mr. Martinn Winters: *What’s the process for identifying environmental engineers, getting quotes from them, vetting them, etc.*

Mr. Greg Woods: *One of you could do that or you can ask Jim or I or both of us to put together a list.*

Mr. Ward: *Yeah, we can do that.*

Mr. Winters: *To me, it's also an open ended question about do we need approval for somebody to interview engineers to look at the lakes and the waterways, in addition to somebody who is going to do preserve maintenance. I would be happy to volunteer to that if you ask me to do that. I've already had some conversations and preliminary interviews with engineers. I know the HOA has gotten an RFP. The Advisory Committee to the HOA has gotten proposals back from an engineering firm to do both the infrastructure and the lakes and littorals. They are going to segregate those two contracts. We could interview that same engineering firm to do the lakes and littorals under our purview and then also I've had some conversations with some engineers about doing the ongoing maintenance for the external preserves. I would be happy to continue in that role if the Board wants me to.*

Mr. Ward: *I think that's fine to do that. That way –*

Mr. Tom Kleck: *The one other thing I think I would request is if we have a vendor who we are focusing on, that we bring the vendor in and let him pitch the Board so to speak. That way we can ask them questions if we've got them.*

Mr. Ward: *Why don't you let us identify them, and identify a scope and a fee structure, and then we can take it to the next step when we get to that point and you can interview them or not as the case may be. You may not need to. We may not have a lot of people who want to do that. We will work with Martin on identifying that. He seems to have done a lot of work in that regard already. No need to retry that whole issue. We will get with you and do that.*

Mr. Ron Miller: *I think I heard Jim earlier say that we do have some time. That there really isn't any need to work with this until summer.*

Mr. Ward: *Correct. Well, early summer, May.*

Mr. Kleck: *we wouldn't be behind the eight ball, but the littorals that could be more urgent than the preserves.*

Mr. Ward: *That is a little more urgent, and that's a civil engineer, but the Statute does give us the authority to spend, I think, up to \$20,000 or \$25,000 without going through the request for qualification process which it should clearly not cost that much money to do that.*

Mr. Martinn Winters: *I would like to have someone identified and brought before the Board at the next meeting, just to make a decision on them.*

Mr. Ward: *Why don't you get with us. The next meeting is a little short to do that because it is only basically a two-week time schedule to get that all in and on the agenda for December, so it might be January. I really don't see falling to January being a major problem, but we will work on that with you.*

Chairperson Stamp: *On my list of things, is the change of venue. Obviously, we are not going back to Urbancic's firm. Woods' firm is available. They've got a conference room. I would like to eventually go back to the development, but I think that's not going to happen until Taylor Morrison is out of there. I understand when we tried to have a meeting there before they were totally uncooperative in scheduling and facilities and everything else.*

Discussion ensued regarding a venue to hold future meetings.

Mr. Woods: *Our offices are at the Airport Vanderbilt in the galleria area.*

Chairperson Stamp: *I talked with Jim about this a little bit. I think I speak for everybody. I don't know where exactly our boundaries are. I've never been the preserves. I know we don't have access to the preserves even though we are supposed to have equestrian events out there according to the newsletter. I was thinking you could set up some kind of a tour and have us go one at a time with somebody and drive around and see. I would like to see what's –*

Discussion ensued regarding the possibility of meeting as a group to drive through the preserves.

Mr. Ward: *That constitutes a meeting, so it has to be noticed, you have to advertise it, it has to be transcribed, and the whole kit and caboodle. So, one at a time please.*

Mr. Drew Miller: *Just for the record, this Board said you cannot access it.*

Chairperson Stamp: *This Board has changed dramatically in case you haven't noticed, but I think there are some permits that prohibit us from going out there.*

Discussion ensued regarding which Board Members did and did not want to visit the preserves.

Chairperson Stamp: *That is all I had. Does anyone have any other items they wanted to cover?*

Mr. Ron Miller: *Have we approved/reviewed the contract with US Fish and SW Florida?*

Chairperson Stamp: *I think we implicitly did.*

Mr. Ward: *You have given the authority to staff to proceed to do that. We can clearly, as your staff, talk to the Chair as we deem appropriate.* He noted Chairperson Stamp had the authority to work with SW Florida.

Mr. Charles Cook: *I have spoken with some of you before. I'm with Taylor Morrison and helping to transition various points, particularly with the Flow Way CDD and with the regulatory agencies. If you need a point of contact, if I can be of help, I am happy to make myself available. I am local, unlike Drew who is in Tampa.*

Mr. Ward attempted to unmute the audience to allow for audience comments; however, this was not possible due to various audience members speaking in the background and creating too much background noise to hear individual speakers. Mr. Boguslawski “raised his hand” to request to speak. Mr. Ward un-muted Mr. Boguslawski individually.

Mr. Dave Boguslawski: *I just wanted to mention two things. First of all, I do like the discussion on the communications. I think this is where you landed, but I just wanted to confirm. I'll make it as a statement as opposed to a question. I think if you work from the CDD's side, developing product to communicate, we can help with the distribution thereof, with or without Taylor Morrison's support. Second thing, I think Martinn asked the questions I was going to ask regarding the engineering study. As I understand it, that is being left in a way where Martinn is going to do some work, come back to the group in the December meeting, and it will be up to the Board to decide whether to go ahead and hire*

somebody with whatever limit there is I guess Jim as you were noting. I think it's been left in a good place. I just wanted to confirm that that's where things are.

Mr. Ward: That is confirmed other than it may take until January just because we only have two weeks between now and the next meeting for me to produce an agenda. We will do the best – it is not urgent, especially on the preserves. The civil engineering may be a little different.

Mr. Boguslawski: Thank you, and lastly, I wanted to compliment the Board members. I thought this was a very good Board Meeting.

Mr. Ward: That is the only audience member I see who has raised his or her hand.

Chairperson Stamp: One other thing I did think of, and this is just for clarification, some of us talked again, when we could talk, about advisory committees, or putting together a group of CPA accountants or some of the environmental engineering people to assist the various Board Members in doing something. You had some guidelines. I thought you said don't call them a committee, don't call them a subcommittee, I don't know what the magic word is here, if you have directions on how to do that.

Mr. Ward: What I essentially indicated, the Sunshine law covers the Board, it does not include me or the attorney. If you appoint either one of us, or both of us to a committee, then that law applies to us at the same time, so we never want to be a committee. As a Board Member you may go do whatever it is you want to do. If you appoint, as a Board, individuals outside of the five of you to go do something, those people constitute a legal committee. They are then subject to the Sunshine law. They have to notice their meetings. They have to take minutes. They cannot talk to each other. They can't do anything – the same requirements that you all have sitting here today. What I suggest is if somebody wants to go do something, go do it. If you have a group of residents that wants to go do something, they can go do what they want and bring things back to you, give it to Greg or I and we can vet it for you before it ever gets to you. Whatever you want to do. But when you formally move to appoint people to whatever committee you want it to be it then becomes subject to the public records law, the Sunshine law, communications laws, all of those laws that you all have to abide by.

Mr. Tim Hall: How is it that Tim Hall was able to not do that when he was engaged by Taylor Morrison to represent the District

Mr. Ward: You appointed Drew individually to do that. What he did beyond that, which was as Taylor Morrison, engaged Turrell and Associates, to do that work. That's totally outside of our purview. Tim wasn't appointed to a committee. Drew wasn't a committee. He was just appointed as an individual to do something.

Mr. Winters: So, if I have a resident of Esplanade who volunteers to assist in interviewing engineers on an ad hoc basis, does that fall under any Sunshine laws?

Mr. Ward: No. You can do whatever you want.

Chairperson Stamp: Any comments or questions? If not, I need a motion to adjourn.

Mr. Ward adjourned the meeting at approximately 2:30 p.m.

**On MOTION made by Mr. Zack Stamp, seconded by Mr. Tom Kleck,
and with all in favor, the Meeting was adjourned.**

ATTEST:

Flow Way Community Development District


James P. Ward, Secretary


Zack Stamp, Chairperson