

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

The Regular Meeting of the Board of Supervisors of Flow Way Community Development District was held on Monday, September 18, 2018, at 3:00 p.m. at the offices of Coleman, Yovanovich & Koester, PA, 4001 Tamiami Train North, Suite 300, Naples, Florida 34103.

Present and constituting a quorum:

John Wollard	Chairman
Adam Painter	Vice Chairman
Andrew Miller	Assistant Secretary
Chris Nirenberg	Assistant Secretary

Absent:

Stephen Reiter	Assistant Secretary
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Also present were:

James P. Ward	District Manager
Greg Urbancic	District Counsel
Jeremy Fireline	District Engineer
Tim Hall	Turrell, Hall and Associates
Tammy Campbell	McDermitt, Davis

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Ward called the meeting to order at 3:04 p.m. and all members of the Board were present at roll call with the exception of Supervisor Reiter.

SECOND ORDER OF BUSINESS

Consideration of the Acceptance of the Resignation of Mr. Tony Burdett

Mr. Ward stated he had put a copy of the resignation letter in the Board's agenda package which would be effective, as a matter of law, on June 22, 2018. He called for a motion to accept this resignation.

On MOTION made by Mr. Miller, seconded by Mr. Nirenberg, and with all in favor, the resignation of Mr. Tony Burdett was accepted.

Mr. Ward asked for the Board to consider a replacement for Mr. Burdett's seat. The Board made a motion to appoint John Wollard to this seat.

On MOTION made by Mr. Miller, seconded by Mr. Painter, and with all in favor, Mr. John Wollard as a replacement for Seat 1 was approved.

Mr. Ward stated Mr. Wollard was present at the meeting, and as Mr. Ward was a notary, he administered the Oath of Office to him. Mr. Ward explained the Statement of Financial Interest to Mr. Wollard. He asked him if he was familiar with CDDs, and Mr. Wollard responded that he was. Mr. Ward provided him with a copy of the Sunshine Laws, and said if Mr. Wollard had questions to please contact him.

THIRD ORDER OF BUSINESS

Consideration of Resolution 2018-13

Mr. Ward stated this item named the officers of the District. He said the officers could be left as is and the Board could name a Chairman. Mr. Ward called for a motion. A motion was made to name Mr. John Wollard as Chairman.

On MOTION made by Mr. Miller, seconded by Mr. Painter, and with all in favor, Resolution 2018-13 and naming Mr. John Wollard as Chairman were approved.

FOURTH ORDER OF BUSINESS

Consideration of Minutes August 20, 2018

Mr. Ward stated copies of the minutes had been previously distributed and asked if there were any deletions, corrections or additions. Hearing none, he called for a motion for approval.

On MOTION made by Mr. Painter, seconded by Mr. Miller, and with all in favor, the minutes of the August 20, 2018 meeting were approved.

FIFTH ORDER OF BUSINESS

Consideration of Landowners' Meeting

Mr. Ward asked the Board to consider December 18, 2018 at 3:00 p.m. at the offices of Coleman, Yovanovich & Koester, PA as the date, time and location of the Landowners' Meeting for Seat 1, which was the final landowners' seat for the Board. He said he had enclosed in the agenda packet the required disclosure information, which were the instructions, official ballot and proxy. He called for questions, and hearing none, called for a motion.

On MOTION made by Mr. Painter, seconded by Mr. Miller, and with all in favor, the Landowners' meeting was set as described above.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2018-14

Mr. Ward explained this Resolution accepted the conveyance of tracts P-1, P-2, P-3, P-4, P-6 and P-7, which were essentially the preserve area within the boundaries of the District. He said the Resolution also was an acceptance of the Bill of Sale for the transferred improvements, and the Resolution from the Board of Directors of the HOA, and a quit claim deed conveying the transferred interests. He said he had enclosed a copy of the exhibit which had the tracts. He called for questions.

Mr. Ward stated the only other thing the resolution did was recognize that the value of the tracts are \$18,289,962.50, based on 1,024.82 acres at a price of \$17,847 per acre, which was the original land price by the developer. He said this would also satisfy any outstanding obligations of the developer, whether it was a contribution, either financial and/or assets for all of the existing series of bonds that had previously been issued and the anticipated 2018 or any further bond issues beyond that. He said there was also a map attached to the letter from Waldrop identifying the value for the preserve areas. He called for questions, and hearing none, called for a motion.

The question was asked if once the transfer was done on the tracts, then would the Water Management District's permits need to be made. Mr. Ward responded positively.

On MOTION made by Mr. Miller, seconded by Mr. Painter, and with all in favor, Resolution 2018-14, as described above, was approved.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2018-15

Mr. Ward stated this Resolution appointed Turrell, Hall & Associates as the Environmental Asset Management and Field Services provider for the District. He said a copy of the agreement and the fee structure was enclosed in the agenda package. He called for questions, and hearing none, called for a motion.

On MOTION made by Mr. Miller, seconded by Mr. Painter, and with all in favor, Resolution 2018-15 was approved.

EIGHTH ORDER OF BUSINESS

Consideration of Award of Bid for Exotic & Nuisance Vegetation Maintenance

Mr. Ward stated this item awarded the bid for maintenance of the exotic and nuisance vegetation of the 1, 024 acre preserve. He asked Mr. Tim Hall to give information on the bidding along with his recommendation for award.

Mr. Hall said he had received bids from only four of the original six companies who had expressed interest. He stated as the preserves would need less maintenance as time went on, he had structured the maintenance on a progressive basis. He said the bids received ranged from \$895,000 to \$1.37 million. He explained he reviewed the bids on an annual basis and an overall basis. He said there was an issue with the lowest bidder in the way the cost breakdown was presented with 80% of the cost in the first two years with the amount in the last three years being really low. He felt this arrangement would be problematic. He also considered the highest bidder as not responsible as well. He said the two bids in the middle were less than \$10,000 apart. He recommended Aquatic Weed Control due to the lower up front cost as well as the lower overall cost. He called for questions.

It was asked if Mr. Hall had a working relationship with Aquatic Weed Control, and he said he did.

Mr. Ward called for a motion to approve Aquatic Weed Control as the lowest responsive bidder.

On MOTION made by Mr. Miller, seconded by Mr. Painter, and with all in favor, Aquatic Weed Control's bid for Maintenance of Exotic and Nuisance Vegetation was accepted.

NINTH ORDER OF BUSINESS

Consideration of Audited Financial Statements for Fiscal Year 2017

Mr. Ward stated from the firm of McDirmit Davis, Tammy Campbell was on the phone to give this information and review the audited financial statements. He said these statements had been filed as a matter of law.

Ms. Campbell stated Page 1 of the audit report showed the District had received an unmodified opinion, the best that can be received. She said Page 5 showed some comparisons of balances between 2016 and 2017. She noted overall assets had decreased \$122,000 as a result of decreases in capital assets, which was offset by an increase in investments; liabilities increased \$3.9 million primarily due to the new bonds; revenues increased \$426,000 due to increased assessments received; expenses increased \$4.6 million due to \$3.7 million in infrastructure which had been conveyed to the County and reported as an expense. She said Page 12 showed expenses were slightly over budgeted amount. She pointed out Note 4 on P. 22 showed the detail of capital assets; Note 6 showed the details of various bonds; Note 8 disclosed the concentration of revenue received from the developer. She said Page 29 showed the District was in compliance with various laws and regulations. There were no comments or recommendations for improvement, and the District was in compliance with the Florida Statutes on investment of public funds.

Mr. Ward called for questions, and hearing none, called for a motion.

On MOTION made by Mr. Painter, seconded by Mr. Miller, and with all in favor, the Audited Financial Statements for Fiscal Year 2017 were accepted.

TENTH ORDER OF BUSINESS

Consideration of Resolution 2018-16

Mr. Ward said this Resolution authorized the acquisition of certain potable water, wastewater and utility facilities from the developer and then transferring of them on to Collier County.

Mr. Urbancic said the material which was in the Board's agenda package included the engineer's certificate of standard completion which certified the cost of \$262,853.11. He said typically Taylor Morrison would convey to the CDD and the CDD would convey to County. He said in this case bonds had not been issued yet for these particular funds, so there was a promissory note for \$262,853.11. He said included was the utility facility bill of sale, the owner's affidavit, utility facility's warranty deed and bill of sale, owner's affidavit, and attorney's affidavit. He said these would be given to Collier County. He said this resolution would approve those documents and authorize him to convey them to the County.

Mr. Ward called for questions, and hearing none, called for a motion.

On MOTION made by Mr. Painter, seconded by Mr. Miller, and with all in favor, Resolution 2018-16 was adopted.

ELEVENTH ORDER OF BUSINESS

Consideration of Resolution 2018-17

Mr. Ward said items 11 and 12 were the start of the special assessments process for the issuance for the next series of bonds. He said the first resolution declared the special assessments and attached an engineer's report and a methodology which were the same as what the Board had seen for the last five bond issues that had been done.

Mr. Ward said the second resolution set the Public Hearing. He said this was set for November 7, 2018, at 10:00 a.m. at the offices of Coleman, Yovanovich and Koester, PA.

Mr. Ward stated the assessment levels were consistent with past levels with one difference: It financed the Phase 7 Esplanade units which were part of the last series hearings, but the bond issue had not been done, plus the balance of the 2018 project. He said the final change was a new product line was a multi-family Esplanade Large which was to deal with a potential annexation of land by the developer. Other than that, he said the assessment

levels, the methodology and the engineer's report were consistent with what had been seen in the past.

He called questions, and hearing none, called for a motion to adopt.

On MOTION made by Mr. Miller, seconded by Mr. Painter, and with all in favor, Resolution 2018-17 was adopted.

TWELFTH ORDER OF BUSINESS

Consideration of Resolution 2018-18

Mr. Ward said this Resolution set November 7, 2018 as the Public Hearing date, time and location, Wednesday at 10:00 a.m. at the offices of Coleman, Yovanovich, and Koester, PA.

On MOTION made by Mr. Miller, seconded by Mr. Painter, and with all in favor, Resolution 2018-18 was adopted.

THIRTEENTH ORDER OF BUSINESS

Staff Reports

- a) District Counsel – No report given.
- b) District Engineer – No report given.
- c) District Manager – No report given.

FOURTEENTH ORDER OF BUSINESS

Supervisors' Requests and Audience Comments

There were no supervisor's requests and no audience comments.

FIFTEENTH ORDER OF BUSINESS

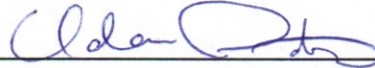
Adjournment

Mr. Ward adjourned the meeting at 3:30 p.m.

On MOTION made by Mr. Miller, seconded by Mr. Painter, and with all in favor, the meeting was adjourned.



James P. Ward, Secretary



Adam Painter, Vice Chairman