

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

The Regular Meeting of the Flow Way Community Development District's Board of Supervisors was held on Thursday, June 11, 2013, at 1:30 p.m., at the Offices of Coleman, Yovanovich & Koester, 4001 Tamiami Trail North, Suite 300, Naples, Florida 34103.

Present and constituting a quorum were:

John Asher	Chairman
Don Milarsik	Assistant Secretary
Dennis Gilkey	Assistant Secretary
Ron Waldrop	Assistant Secretary

Also present were:

James P. Ward	District Manager
Greg Urbancic	District Counsel
Jeremy Arnold	Waldrop Engineering
David Willems	Waldrop Engineering

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Ward called the meeting to order at 1:40 p.m. The record will reflect that all supervisors are present at roll call.

SECOND ORDER OF BUSINESS

Administration

Acceptance of the Resignation of:

- a) Anthony Squitieri
- b) Dutch Neuweiller

Mr. Ward stated I've enclosed a copy of the resignation letters in the agenda package, and though not required by statute, I'll just ask you to accept it for purposes of inclusion in the record.

<p>On MOTION made by Mr. Waldrop and seconded by Mr. Milarsik, with all in favor, the resignation letters of Supervisors Squitieri and Neuweiller were accepted.</p>

THIRD ORDER OF BUSINESS

Consideration of the Appointment of Two(2) Individuals to Fill the Unexpired Terms of Office for Seat 3 (Anthony Squitieri) and Seat 4 (Dutch Neuweiller)

Mr. Ward stated the way this statute works is that the balance of the Board will appoint two individuals to serve the balance of those unexpired terms. Both Mr. Squitieri and Mr. Neuweiller's terms expire November of 2016, so you just need by a simple motion and second, and then affirmative vote of at least two of you to appoint two individuals to fill those terms.

On MOTION made by Mr. Waldrop and seconded by Mr. Milarsik, with all in favor, the appointment of John Asher and Keith Berg to fill the positions vacated by Supervisors Squitieri and Neuweiller was approved.

FOURTH ORDER OF BUSINESS

Administration of Oath of Office for the Newly Appointed Supervisors

- a) **Guide to the Sunshine Amendment and Code of Ethics for Public Officers and Employees**
- b) **Form 1 – Statement of Financial Interests**

Mr. Ward stated I see Mr. Asher is with us today, so I'm going to take a moment and swear him in. For the record, I am a notary in the state of Florida and authorized to administer this oath, and I'll ask that you please repeat after me. Thereupon, Mr. Asher was duly sworn. I'll ask that you sign it and print your name in the two spots on the oath, return it to me, and I will notarize it and make it a part of the permanent record. As a public official, you're required to fill out a Form-1, Statement of Financial Interests. If you currently sit on an existing CDD Board, you'll just need to amend your Form 1 to include this new CDD. If not, you'll just need to fill out the whole form, and it gets returned to the Supervisor of Elections in the County in which you reside. So if you live in another county besides Collier, you have to return it to that Supervisor of Elections. It's required to be done within in 30 days of today's date, so it will be due by July 12, and supervisors do have the authority

under the statute to fine you for lack of compliance with that particular statute, and some are not so nice about that. So I would strongly suggest that you do that.

If you have any questions, just call Greg or I, and we'll help you through the form itself.

Mr. Asher asked do you fill out a Form 1 if I wasn't on any Board's in '12, so I've been put on a couple now, so is this a '12 or '13 thing?

Mr. Ward stated it's going to be a '12. And if you've already filled them out for the new boards you're sitting on, then you don't need to fill out the whole form, just fill it out with this name as an amendment to your existing Form 1.

Mr. Asher stated it's all in the computer, so it's real issue.

Mr. Ward stated okay, just print it out and put the stamp and be done with it. Sounds good.

Mr. Asher stated that means when you get them in the mail, then have to be in by the end of July or whatever that cutoff date is. I don't need to do that again.

Mr. Ward stated yes, you do need to do that again.

Mr. Asher stated but I wasn't on any boards in '12. I thought this one I'm filling out for now is '12.

Mr. Ward stated this one is for 2012. The July disclosure is also for 2012, so you need to do both. It's a little redundant but, unfortunately, the statute is kind of archaic.

FIFTH ORDER OF BUSINESS**Consideration of Minutes****a) October 24, 2012, Regular Meeting Minutes**

Mr. Ward stated you've been previously distributed a copy. If there are any additions, corrections or deletions, it would be appropriate at this time to indicate, otherwise a motion for their approval would be in order.

Mr. Gilkey stated there's a spelling, I think, on Don's name, a couple of them, the October one and then also, I believe the Januaries, I assume that's Don there, but maybe that even comes off, because they're listed at the top, and then it lists it's as an audience, as we're in the audience on the bottom part of it.

Mr. Ward asked which set of minutes are you looking at?

Mr. Gilkey stated I was looking at the October 24th, the spelling, and then on the January 24th, down in the audience, you got me and Don, but were at the top, so I'm not sure. I mean that just comes off.

Mr. Ward stated it comes off, okay. So let's do October 24th first, so a motion to approve with those amendments would be in order.

On MOTION made by Mr. Milarsik and seconded by Mr. Gilkey, with all in favor, the Regular Meeting minutes of October 24, 2013, were approved with the corrections noted.

b) January 24, 2013, Landowner's Meeting Minutes

Mr. Ward stated the Landowner's meeting minutes, we'll accept for inclusion in the record, subject to the changes made.

On MOTION made by Mr. Waldrop and seconded by Mr. Asher, with all in favor, the Landowner's Meeting minutes of October January 24, 2013, were approved with the corrections noted.

c) January 24, 2013, Regular Meeting Minutes

Mr. Ward stated a motion to approve would be in order, subject to the changes made earlier.

On MOTION made by Mr. Waldrop and seconded by Mr. Asher, with all in favor, the Regular Meeting minutes of October January 24, 2013, were approved with the corrections noted.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2013-11 Re-designating Certain Officers of the Flow Way Community Development District; Providing for Severability and Invalid Provisions; Providing for Conflict and Providing for an Effective Date.

Mr. Ward stated Resolution 2013-11 redesignates the officers that we appointed at the last meeting, and at the last meeting, you had Mr. Gilkey as your Chairperson. I ask that

we reagendaize this item, so you could have a discussion as to who you want to be the officer's. It would be appropriate for you all to discuss who you would want to be your chairman, vice chairman; the remaining three Board members will be assistant secretaries. I'll act as your treasurer and secretary.

Mr. Gilkey stated John, are you going to be the chair?

Mr. Milarcik stated you look like a good chairman to me, John.

Mr. Asher stated I don't know. Was that the intention.

Mr. Milarcik stated probably the best, and then do you want to have Keith as the vice chair.

Mr. Ward stated we can't have Keith as the vice chair until he's on the board. So if you want to do that, we could still do all of these and just leave that one vacant or change it at a future time. Whatever you prefer.

Mr. Asher stated I guess leave it vacant for now.

Mr. Ward stated so Mr. Asher will be your chairperson, Mr. Milarsik and Mr. Waldrop and Mr. Gilkey will be assistant secretaries, and then I will be your treasurer and secretary, and with those changes that resolution is in order.

<p>On MOTION made by Mr. Waldrop and seconded by Mr. Asher, with all in favor, Resolution 2013-11 was approved with the changes noted above.</p>

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2013-12 of the Board of Supervisors of the Flow Way Community Development District Amending the Date of the Public Hearing on the Fiscal Year 2013 Proposed Budget; Providing for Severability and Invalid Provisions; Providing for Conflict and Providing for an Effective Date

Mr. Ward stated Resolution 2013-12 amends the public hearing date for your fiscal year 2013 budget to Thursday, September 12, 2013, at 9:30 here at the offices of Coleman, Yovanovich & Koester. If you have any questions, I'd be glad to answer them.

On MOTION made by Mr. Waldrop and seconded by Mr. Asher, with all in favor, Resolution 2013-12 was approved.

EIGHTH ORDER OF BUSINESS

Consideration of Resolution 2013-13 of the Board of Supervisors of the Flow Way Community Development District Approving a Proposed Budget for Fiscal Year 2014 and Setting the Public Hearing Thereon, Pursuant Florida Law; Providing for Severability; Providing for Conflict and Providing for an Effective Date

Mr. Ward stated Resolution 2013-13 approves your proposed budget for Fiscal Year 2014 and sets your public hearing for September 12, 2013, at 9:30 here at the offices of Coleman, Yovanovich & Koester. Attached to this resolution is the proposed budget for Fiscal Year 2014. It is consistent with what we have in the current year. In the current year, if you recall, this District has only been operational for nine months during that fiscal year, so the differences in all of the numbers in all of the line items are to reflect a full year's operation instead of a partial year's operation. It will, by the time we get to the public hearing, be funded through a developer's agreement with Taylor Morrison for Fiscal Year 2014.

The approval of the budget doesn't really bind you to any of the costs that are included here in this budget, it just merely allows you to move forward through the process towards your public hearing, at which time I will ask you to adopt the budget in final form for Fiscal Year 2014. Any questions, I'd be glad to answer them, otherwise that resolution is in order also.

Mr. Gilkey stated I had a question on the engineering. That \$1,000, does that cover things like the engineering reports and all that?

Mr. Ward stated this is general engineering for attendance at a Board meeting, those kinds of things, anything related to the Capital Infrastructure Program isn't included in this budget. They'll be funded through bond proceeds at some point in the future.

On MOTION made by Mr. Waldrop and seconded by Mr. Gilkey, with all in favor, Resolution 2013-13 was approved.

NINTH ORDER OF BUSINESS

Consideration of Resolution 2013-14 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; and Providing for and Effective Date

Mr. Ward stated the next two items on your agenda are related items. They are the start of the process for you to levy non-ad valorem special assessments for the development of your capital infrastructure program for the Flow Way CDD. The first resolution indicates that the Board will be declaring special assessments, and that we're going to go through a process that we identify all of the costs associated with the Capital Improvement Program (CIP), including the cost of the issuance of bonds. The resolution also adopts a preliminary

assessment roll, and we'll set a public hearing at some point in the future. So this we will do in two parts.

The first part, what I'm going to do is ask David Willems to go ahead and take some time and go through both the Master Engineering Report and the Phase I and II Engineer's Report, which will set the tone for the levy of the assessments. Then I'll take some time and go through the methodology.

Mr. Willems stated generally, the Master Report is an overall development. It sets the framework for the project as a whole, and it estimates the entire development cost on the CDD properties. The Phase I & II Report, what that outlines is just the Phase I and II parts of the project. It also details a framework for how the funds are going to be allocated how the assessment is going to be allocated to each unit. Then it gives specifics on the cost associated with the Series 2013 bond issuance. What I'm going to do is, I'm going to go through each report. I'll go into some specifics about what was in the report, and highlight some of the details in the report that are pertinent to the CDD.

I'm going to go over the Master Report first. The purpose and scope of that report is to describe the infrastructure that will be serving the District, and the probable cost associated with those. That's for the entire District as a whole. Then we discuss the CIP, the financing and construction, and the type of infrastructure that the CDD would be owning, operating and maintaining. The total area within the report is 829.74 acres, with about 144 acres in storm water, and about 215 acres in conservation. It covers 1,121 total units, which are distributed between single family and multi-family. The project has all of its permits right now. The developer is actually out there constructing. They have permits from Collier County, South Florida, and FDEP to construct all the improvements that are needed.

As far as the improvements the CDD is going to be working on or accepting, exterior landscaping is something they're going to be owning, the CDD will be owning, operating and funding. The water and wastewater facilities is something that the CDD will be funding, but it's going to be owned and operated by the county. The residential irrigation system is going to be owned, operated and funded by the CDD. There's two changes to the report that was sent out previously. We had previously shown that the CDD and HOA would be owning the irrigation system. That's going to change, and it's just going to be the CDD, so we'll send out a revised version that gets rid of the HOA part of that.

The same thing for the storm water. We had previously shown the CDD and HOA as ownership. That's now just going to be the CDD. For the storm water operation and maintenance will be the CDD and HOA, and then funding will be the CDD. Offsite improvements, the CDD will fund, but as far as ownership and operation, it will be the County.

Mr. Gilkey asked the plat, by the way, I think that is to the HOA, correct, on the storm water?

Mr. Waldrop stated but that could be assigned to the CDD.

Mr. Gilkey stated it will be just signed over or deeded over.

Mr. Willems stated a big part of the Master document is the construction cost. We came up with cost estimates for each of the uses that will be turned over to the CDD. The total cost that we came up was \$35,250,000. To that, we added a ten percent contingency, which brings the total cost to \$38,775,000. The summary within the report, a couple of things I wanted to note is that the improvements outlined in the report are a necessary for the functional development of the lands of the District. Planning and design of these improvements are in accordance with current government regulations, and the improvements described in the report benefit and add value to the District.

Mr. Gilkey stated on page six, you have the wrong name for the developer. Collier Joint Venture is the developer.

Mr. Willems stated the second report is the Phase I and Phase II Engineer's Report. In this report, we just got into a lot more detail. The purpose of this report is to establish the costs for the Phase I and Phase II development. They will be financed by the Series 2013 bonds. We establish the cost allocation methodology, and then we allocated the cost for this Phase I and II special assessment. For the Phase I and II, we have 322 units, both multi-family and single family. What I'm going to do now is go over the allocation for each of the different types of assessments. The first one is the surface water allocation. The function of the surface water management system is to provide treatment and flood protection for the entire property. It's an integrated system; basically, what it's doing is treating and attenuating all the runoff, so that no single property needs to provide treatment or attenuation. Another thing that it does is, in building the system, we actually are raising

the finished floor elevations above the FEMA-based flood elevations, so that those homes won't need to get flood insurance once the modification is made with FEMA to remove them.

Because it's an integrated system, it can't be split apart. It's one system, and it provides treatment and attenuation for every part of the property, including the golf course and all the amenities, and the roadways and residential units. How we set up the cost allocation, since it's an integrated system, everybody benefits equally. It's not piece-by-piece. It was set up to have two levels of assessment; the first is for the common areas. Since everybody has use of those common areas, it's going to be just the cost associated, and it's going to be distributed per unit, since they're all able to use those common areas. Those common areas are Esplanade Boulevard, the golf course, the Discovery Center, and the storm water management facilities.

This constitutes about 70 percent of the entire District area, so what we did was we took 70 percent of the total cost for the storm water management divided by the number of units, and that cost was applied to each unit for that part of that assessment. The second part of the assessment for the storm water is the individual property's benefit for the use. This is about 30 percent of the storm water cost based on the area, the land area, and how we calculated that was using equivalent residential unit as a base unit that's used as the baseline for the assessment. How we came up with that was we used the rational method to calculate the flow. That is a universally accepted method for calculating runoff, and it takes into account both the impervious and pervious areas on the property.

How we came up with the impervious area was using the maximum allowable square footage based on building setbacks and other restrictions by the County. What we came up with is the equivalent residential units for a 55-foot lot as the base rate, so you have 1 ERU for that. The 57-foot are 1.36; the 62-foot product is 1.2; the 76-foot is 1.7; and the multifamily is .4. Those costs for the 30 percent are applied to those ERUs, and total assessment is the individual plus the shared amenities added together, and that is what accounts for the entire assessment.

The potable water was done similarly; it's based on an ERU. The function of the potable and sanitary systems are to provide water and sanitary sewer service to each unit. All properties in the District are going to be required to connect into that system. They're not allowed, because of the County and other regulations, to create their own onsite; they can't

build their own well, and they can't build their own septic tank. A survey will be required, including the golf course. The cost allocation is based on the flow, and how we came up with those flows are the Collier County has specific flows for each type of use, and we applied those flow rates. For the single-family, multifamily, commercial and golf course uses on the site. What we came up with is a single-family as the base unit, which is 1 ERU, multifamily is .67 ERUs, the Discovery Center is 2.1, and the golf and amenity is 13.3. So what we did was you add up all the ERU's for the entire project, then multiply the ERU value for that unit, and that's what their allocation is.

Irrigation system, similarly, it's based on the use. What the irrigation system does is it takes the irrigation water and distributes it across the property to each user. Similar to the potable and the sanitary, no property owner on the site is going to be able to build their irrigation. They're not going to be able to do their own well and irrigation system. They'll be required to connect into the Master system. The golf course is excluded from this calculation, because they have their own separate irrigation system. They'll be getting their irrigation water in a different way. That's the only exclusion. The ERUs for this use were based on the pervious area for each unit. For the discovery center, this is simply just the pervious area.

For the amenities part of it, it's just the pervious area around the clubhouse and tennis facility, because the golf course has its own use. The ERU values that we came up with, for a 52-foot lot, which is the base unit is one; 57-foot lot is .9; 62 is 1.1; 76 is 1.1, multifamily .3, the Discovery Center is 13, and the amenity is 84.2. Exterior landscaping, the function of that is for aesthetics, and it's required for the development permitting. It's required by local ordinance. The cost allocation, this is a requirement for the development as a whole, so there isn't a specific value for each unit, so the way it was assessed was is that each unit would be assessed one share, so each property is the same share.

Offsite improvements, these are the improvements to County Road 951, and those improvements are required by the county to provide access. It was required due to traffic volume increases, so how we calculated that is similar to the ERU, but it's based on the trip generations for each use. The golf course amenities, because they're private and the residents are the ones that will be using it, they did not get assessed a value, because it's all internal traffic generation. What we came up with is that a single-family generates ten trips,

multifamily generates seven, so the ERU value for a single-family, we established at one, and the multifamily is .7.

The mitigation, the function of it is to preserve natural areas, and the need for it was to preserve, create and enhance natural areas. The need for it is to offset impacts associated with the development as a whole. Similarly to the offsite improvements, the landscaping, it's required as a general requirement for the development as a whole, and the costs are associated equally among all the property owners within the District. Professional permit fees, the function of the professional permit fees is for the design and permitting and implementation of the District's CIP. This is required, again, similar to the mitigation for the overall project development. It basically covers the services of the planners registered surveyors and mappers, engineers and attorneys, and that's paid for as professional consultant fees.

Because it's needed for development as a whole, it was allocated equally among the property owners within the District. At the end of this report in the conclusion, a couple of other things I wanted to highlight was the cost set forth in the Engineer's Report has been allocated in a fair and unarbitrary fashion. The cost allocated is based on the anticipated usage of each of the District's funded improvements by the properties served, and this anticipated usage is what was calculated and utilized to design and size the infrastructure appropriately. That was being funded by the District to ensure that their services would be provided to all properties lying within the District. If anybody has any questions, I could try to answer those.

Mr. Ward asked any questions from Board? Part two is to take that cost allocation study that David had referenced to you and to meld that together with the special assessment methodology, which will tell you exactly how much each type of unit would pay for all of the infrastructure associated with this. I'm not going to go through all of this methodology in detail, because it follows exactly what David went through with you with respect the costs that are identified, with a couple of major comments and I'll add to that. When we prepare a methodology, there are two kinds of benefits that the courts really recognize. One, does the property have a special benefit that flows to the property from the construction of all of those facilities. Secondly and most importantly, are the costs fairly and reasonably apportioned in relation to the size of the benefit that's included within it.

This report goes through and identifies for you how the cost allocations were identified by all of the various categories and all of the various units, and it allocates them across the various product types. When you look at those two court recognized special benefits, the courts really look at a couple of different issues; one is added use, two is added enjoyment, three is enhanced value, and then four is really decreased insurance premiums as a result of the construction of these facilities. So when you look at that, when you add his cost allocation methodology to this report, you take those costs, you add those four different components to it, and then you can allocate the special benefits that accrue to each of the properties from all of the construction of all of these facilities.

When I took a look at all of those, you have an opportunity to change based upon whether it's decreased insurance premiums, increased value, added use enjoyment, etc. Based upon the types of facilities that we are constructing here in Flow Way CDD, then I did not make any changes to those four categories, they are essentially the same as the cost component categories that you have. Once you go through that analysis, you are able to determine with some specificity exactly what you will levy on all of the properties in the District. I'm going to take you back to one of the back pages of this report, I will review that with you, and that's on page 24.

If you look at the top chart, and we'll just focus on that top chart, there is roughly, as David mentioned to you, \$10,600,000 in construction costs. When you raise that up to include the cost of issuance, including the reserve account, capitalized interest on the bonds, cost of issuance of the bonds, that equates to roughly a \$12,900,000 bond issue for all of the facilities. From that, then we can make the determination of exactly how much debt is levied on all of the units within the District, and they range in anywhere from roughly \$31,000 to \$56,000 in debt per unit, based upon the type of units, and you can see that where I have it labeled 2012 outstanding per unit, which will obviously change to 2013. That will give you the flavor of what the total capital assessment will be for each of the units in the District.

Then the max annual debt service and collection costs indicate what the annual assessment will be for each of the various unit types. They range anywhere from \$2,550 per unit per year for a multifamily project upwards to a \$3,600 for a 75-foot lot in the District, then the Discovery Center and golf course would have different values. That's how

you determine from a methodology perspective how you levy the assessments on all the property and what the estimated annual assessments would be for all of the properties within the District itself. When I wrote this report, we were contemplating issuing either taxable or tax-exempt bonds, and you will see on page 24 that I have a chart for taxable. That will be removed in the final run, since the lawyers have all determined that the District will be able to issue tax-exempt bonds at this point.

With that, if you have any questions with respect to it, I'd be glad to answer them for you.

Mr. Milarcik stated I had seen this one IRS ruling from the May 30th, does that affect this at all?

Mr. Ward stated that ruling has just come out, although I don't definitively know the answer to the question, I can tell you that none of us think that will have an adverse impact on the issuance of these bonds.

Mr. Gilkey asked is that ruling going to be challenged in some way, that determination?

Mr. Ward stated I don't know. That's the Villages CDD, and I don't know what it's counsel will eventually do.

Mr. Asher asked did you get the information to fill in the blanks, like the overall area of the project?

Mr. Ward stated I have all of that, right.

Mr. Asher stated there's one in that third paragraph of **Unclear 34:39** report where it says the District encompasses, it should be northwest of the intersection of Immokalee and 951, not northeast.

Mr. Ward stated if you don't have any questions, the first Resolution 2013-14, which declares special assessments, indicates the location, nature and estimated costs of those improvements, which cost it 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 assessments, providing the manner in which the assessments shall be made, providing when the assessments shall be made. Designates the land up on which the assessment shall be levied, provides for an assessment plat, adopts a preliminary assessment roll, provides for a public hearing to consider the advisability and propriety of

the assessments and their related improvements and provides for notice. That resolution is in order and recommended for your consideration.

Mr. Urbancic asked just to confirm, we'll be filling in the total estimated cost of \$10,606,041.46, and then the assessments defray in \$12,900. It's filled in based upon the reports that will be attached as exhibits.

On MOTION made by Mr. Waldrop and seconded by Mr. Gilkey, with all in favor, Resolution 2013-14 was approved.

TENTH ORDER OF BUSINESS

Consideration of Resolution 2013-15 of the Board of Supervisors of the Flow Way Community Development District Setting a Public Hearing Date to be Held Tuesday, July 30, 2013, at 9:30 a.m. at the Offices Coleman, Yovanovich & Koester, P.A., 4001 Tamiami Trail North, Suite 300, Naples, Florida 34103, for the Purpose of Hearing Public Comment on Imposing a Special Assessment 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; and Providing for an Effective Date

Mr. Ward stated the second resolution that's a companion to this is just the resolution that sets the public hearing. It's set for August 1st, 2013, at 9:30, at the offices of Coleman, Yovanovich and Custer. With that, if you have any questions, I'll answer them, otherwise that resolution is in order.

Mr. Urbancic stated on your text on item ten, you had Tuesday, August 1; I think that's Thursday.

Mr. Ward stated it should be Tuesday, July 30. I'll make that change.

On MOTION made by Mr. Waldrop and seconded by Mr. Gilkey, with all in favor, Resolution 2013-15 was approved.

ELEVENTH ORDER OF BUSINESS

Consideration of Resolution 2013-16 Authorizing the Issuance of Not To Exceed \$45,000,000 Aggregate Principal Amount of Flow Way Community Development District (Collier County, Florida) Special Assessment Bonds, Series (to be Designated) in One or more Series to Pay All or a Portion of the Design, Acquisition, Construction Costs of Certain Improvements Consisting of Exterior Landscaping Improvements, Water, Wastewater Improvements, Storm Water Management Improvements, Environmental Preservation and Mitigation and Off-site Roadway Improvements Pursuant to Chapter 190, Florida Statutes, as Amended; Appointing a Trustee; Authorizing the Execution and Delivery of a Master Trust Indenture in Substantially the Form Attached Hereto; Providing that such Bonds Shall Not Constitute a Debt, Liability or Obligation of Flow Way Community Development District, Collier County, Florida, or of the State of Florida or of Any Other Political Subdivision Thereof; But Shall Be Payable Solely from Special Assessments Assessed and Levied on the Property Within the District Benefited by the Improvements and Subject to Assessment; Providing for the Judicial Validation of Such Bonds; and Providing for Other Related Matters,

Mr. Ward stated this is a bond counsel resolution. What this resolution does is authorize the District to validate its bonds in Circuit Court, and it adopts a master trust

indenture. The validation preceding is a procedure we go through in Florida that's required by law. It means we ask the Circuit Court to opine that the District has the legal authority to issue these particular bonds. Once the Court does that, it will also adopt the engineers report and the methodology whichever forecloses anyone from challenging the capital assessments on the District itself. The master trust venture that's attached in the backup, is a form of indenture that we will use one of the documents that we would use in the issuance of our bonds. It becomes the agreement the District has with what will be the trustee, which in this resolution is named as Wells Fargo bank for holding of the funds related to the issuance of the District's bonds itself.

The terms of the Master Trust Indenture are relatively consistent with what we had used for years. They will be modified at the time we issue the bonds for any of the specificity related to those particular bonds, i.e., the size of the issue, some of the terms might change a little bit, maybe there's some additional reporting, things of that nature that might be required. With that, that resolution is also in order and recommended for your consideration.

On MOTION made by Mr. Waldrop and seconded by Mr. Asher, with all in favor, Resolution 2013-16 was approved.

TWELFTH ORDER OF BUSINESS

Consideration of Resolution 2013-17 of the Board of Supervisors of the Flow Way Community Development District Expressing the Intent of the District to Use the Uniform Method of Levy, Collection and Enforcement of No-Ad Valorem Assessments as Authorized and Permitted by Section 197.3632, Florida Statutes; Expressing the Need for the Levy of Non-Ad Valorem Assessments and Setting Forth the Legal Description of the Real Property Within the District's Jurisdictional Boundaries That May or Shall Be Subject to the Levy of District Non-Ad Valorem

Assessments; Providing for Severability and Invalid Provisions; Providing for Conflict and Providing for an Effective Date

Mr. Ward stated Resolution 2013-17 is commonly referred to as the notice of intent to utilize the uniform method of collection. In Florida, the District can use a procedure where we place our assessments on the tax rolls of Collier County each year, so that residents will then pay their assessments at the same time and in the same manner as they pay their regular ad valorem taxes. In order to utilize the Collier County tax rolls, we have to go through a public hearing process and adopt this resolution, and a resolution that we'll adopt at the public hearing. We then notify the state, the county, the Property Appraiser and the county Tax Collector. Then once that is done, pursuant to statute, we will enter into an agreement with those two constitutional offices that will then permit us to utilize the county tax rolls for the levy of our assessments, and the way in which they pay those.

The public hearing for this one is set for Tuesday, July 30th at 9:30 here at the offices of Coleman, Yovanovich & Koester. With that, if you have any questions, I'll be glad to answer them, otherwise that resolution is in order also.

On MOTION made by Mr. Waldrop and seconded by Mr. Asher, with all in favor, Resolution 2013-17 was approved.

THIRTEENTH ORDER OF BUSINESS

Consideration of Ranking of Engineering Proposals To Serve As District Engineer and Agreement(s) with Waldrop Engineering

a) Ranking of Engineering Proposal

Mr. Waldrop stated that I would like to announce that I have a conflict.

Mr. Waldrop stated I've been waiting for this one

Mr. Ward stated Mr. Waldrop, who is declaring a conflict, since his firm is one of the proposers. He's provided me a copy of the conflict form. He may either stay in the room and vote on the matter, and he may leave the room and abstain, whichever you prefer.

Mr. Waldrop stated I'll stay is fine, and I'll just excuse myself from the vote.

Mr. Urbancic stated you can just stay, and we'll mark it as you abstained.

Mr. Ward stated so you have two proposals that you received, one from Waldrop Engineering, and the second Weston & Sampson. The statute requires you to rank them number one and number two, and once that ranking is finished, then you would authorize your staff to negotiate an agreement with the number one ranked firm, and bring that back to you at the next meeting. I tried to shorten that process by having on your agenda also a form of Master Engineering agreement with you, so it would be appropriate at this time for you to discuss that. You may use the ranking form that I provided to you, there's no requirement that you do that; you may just discuss it and, amongst yourself, rank them, and then I'll ask for a motion for the ranking.

Mr. Asher asked well, what do you think?

Mr. Milarcik stated I'm kind of thinking Weston & Sampson.

Mr. Asher stated yes, I'm not familiar with them.

Mr. Asher stated I'm thinking Waldrop is not looking bad.

Mr. Gilkey stated my understanding is that Weston & Sampson, they have other firms that are partnering with them on this.

Mr. Ward stated yes, because when I read their proposal, it looked like there were a number of sub-consultants that they use in terms of providing services.

Mr. Gilkey asked we really need those others, like the environmental consultant for this type of service?

Mr. Asher stated I would think if we needed those services, we would obtain proposals from people that have the most experience for the project. I guess I would say that we would rank Waldrop one and Weston & Sampson two.

Mr. Milarsik stated I agree with that.

On MOTION made by Mr. Asher and seconded by Mr. Milarsik, with all in favor, the ranking of the engineering proposals as Waldrop first (1) and Weston & Sampson second (2) was approved. Mr. Waldrop abstained from voting.

- b) Preparation of Master and First (1st) Supplemental Engineer's Reports for the Capital Improvement Program**

Mr. Ward stated the companion item that I had to go with this is a Master Engineering Services Agreement, which identifies the basic business terms and conditions upon which the District will do more work with the engineer. It talks about how they will do that, it talks about how they notify the District with respect to how they will be compensated, which is pursuant to either an hourly rates or lump sum. The hourly rates will also be attached as a part of the agreement once it's finally negotiated. How we reimburse them for costs, including special consultants, and billing and accounting records. One of the important parts of this is the ownership of all of the documents related to the preparation of any public infrastructure is the ownership of the District in whatever form that that is done. If an engineer prepares a document in a CAD file, that document belongs to the District at that point.

The insurance requirements that are required for the firm to be held with respect to it, and another important feature is the contingent fee that means that they have not paid. Wherever the engineer is, when we negotiate this with whoever, that they have not paid any other firm or individual with respect to trying to gain this contract with us. They provide indemnification to the District for all of its board members, officers, agents and employees and subsidiaries thereof with respect to all of the work done for the District. The public, all of the records that they do in preparation of this are public records pursuant to Chapter 119 of the statutes, and they must produce them in whatever form they have made them with respect to it.

An important feature is the termination clause. There is provided a 30-day termination clause by the District, and a 90-day termination clause by the engineer. It just means that this is an ongoing contract for in perpetuity unless otherwise terminated by the District. If you have any questions, I'd be glad to answer them. Otherwise the form of agreement is recommended.

<p>On MOTION made by Mr. Asher and seconded by Mr. Milarsik, with all in favor, the preparation of Master and First (1st) Supplemental Engineer's Reports for the Capital Improvement Program was approved.</p>

c) **Master Engineering Services Agreement**

Mr. Ward stated the other agreement that we have on here is with Waldrop Engineering for the CIP that David went through with you in detail a few minutes ago. It tends to be very consistent with what the Master Engineering Agreement does. We had this on the last agenda but deferred it from that time. That agreement is in order and also recommended for your consideration.

On MOTION made by Mr. Asher and seconded by Mr. Gilkey, with all in favor, the Master Engineering Services Agreement was approved. Mr. Waldrop abstained from voting.

FOURTEENTH ORDER OF BUSINESS**Staff Reports****a) District Attorney**

Mr. Urbancic stated the only thing I want to report is there was a change in the law. There was a new law that was passed which is intended to allow more public comment at governmental meetings, which you can take whether it's good or bad. They've taken the Sunshine Law one step further now allowing people to be present and allow them to speak on agenda items. It shouldn't affect us while we're in the developer stage, because we usually don't get very many participants. But, to the extent there are people that end up showing up, we'll have to make some accommodations for those in the future; we can deal with it at that time. Otherwise, I don't have any further report.

b) District Manager**I. Report on the Number of Registered Voters in the District**

Mr. Ward stated the only think I have for you is the report on the number of registered voters within the District. This is a statutory requirement, and the statute says that the Board shall determine from the qualified electors rolls in Collier County each year, as of April 15th, the number of registered voters in the District. In Flow Way that is zero. It becomes important when you hit two thresholds: one is 250 qualified electors, and the second is six years from the date of establishment, which you have already exceeded that one. Once you hit 250 qualified electors, it just means you'll begin the transition of the Board from a landowner based election to a qualified elector based election.

We'll go through this process every year, there's no action required by the Board at this point in time, and that will just be made a part of the record.

Mr. Asher asked so it's whichever occurs first?

Mr. Ward stated no, you have to meet both thresholds. So you have already met the six years from the date of establishment, so you've met the one, so once you hit 250, then you begin that transition process.

Mr. Gilkey asked it needs to be registered voters?

Mr. Ward stated registered voters within the District.

Mr. Asher asked second homes don't count, but husbands and wives do, right?

Mr. Urbancic stated yes, you could have multiple per household.

Mr. Ward stated yes, you can have multiple renters can be registered voters.

Mr. Gilkey asked then how is that transition?

Mr. Ward stated at the next general election.

Mr. Gilkey asked but I mean is it one Board member per number of voters or percentage?

Mr. Ward stated once you hit that threshold, then at the next general election, which would be in an even year, 2002, so it would be at a general election in November of an even year once you meet that threshold. Then two of the Board members whose terms would expire are then up for the registered voters or the qualified elector based election; there's always three up, so the third member up at that time stands for the landowner-based election, and then two years thereafter, the remaining two Board members are elected landowners would then stand for election qualified elector-based election. Then that third seat or that final seat would be two years thereafter that, so it's a transition process.

Mr. Asher asked if there's no residents that run, what happens? Then the existing Board stays intact or has it been turned over?

Mr. Ward stated the terms serves until, unless otherwise elected, so, yes. To be frank with you, I've never, ever had a District that hasn't had a qualified elector-registered vote.

Mr. Urbancic stated I think what would happen is the Board has the authority to appoint; if there becomes an empty seat because of resignation in combination with nobody running, the Board can appoint somebody that's qualified.

Mr. Ward stated that's all we had for you, unless you have anything else.

FIFTEENTH ORDER OF BUSINESS

Supervisors' Requests

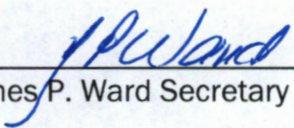
None

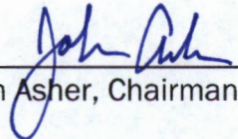
SIXTEENTH ORDER OF BUSINESS

Adjournment

Mr. Ward stated a motion to adjourn would be in order.

On MOTION made by Mr. Waldrop and seconded by Mr. Gilkey, with all in favor, the meeting was adjourned at 2:30 p.m.


James P. Ward Secretary


John Asher, Chairman

OATH OR AFFIRMATION OF OFFICE

I, John Asher, a citizen of the State of Florida and of the United States of America, and being an officer of the **Flow Way Community Development District** and a recipient of public funds as such officer, do hereby solemnly swear or affirm that I will support the Constitution of the United States and of the State of Florida, and will faithfully, honestly and impartially discharge the duties devolving upon me as a member of the Board of Supervisors of the **Flow Way Community Development District**, Collier County, Florida.

Signature John Asher
Printed Name: John Asher

STATE OF FLORIDA
COUNTY OF COLLIER

Sworn to (or affirmed) before me this 11 day of JUNE, 2013, by JOHN ASHER, whose signature appears hereinabove, who is personally known to me or who produced _____ as identification.

James P Ward
NOTARY PUBLIC
STATE OF FLORIDA

Print Name _____
My Commission Expires _____
