

**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 Tuesday, August 19, 2014, at 3:00 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
Keith Berg	Assistant Secretary
Dennis Gilkey	Assistant Secretary
Steven Reiter	Assistant Secretary
Sal Simonetti	Assistant Secretary

Also present were:

James P. Ward	District Manager
Greg Urbancic	District Counsel
David Williems	District Engineer

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Ward called the meeting to order at 3:05 p.m. The record will reflect that all supervisors are present at roll call.

SECOND ORDER OF BUSINESS

**Administration of oath of office for
Mr. Sal Simonetti, the newly
appointed supervisor**

Mr. Ward stated Sal Simonetti was appointed a few months ago to fill the unexpired term of seat five (5). I am a notary of the state of Florida, for the record, and I’m authorized to administer this oath to you. I’m going to take a moment and do so. (Mr. Ward administered the oath of office accordingly.) I’ll ask that you will please sign the original oath that I provided to you. Put your name in the two spots, return it to me, I’ll notarize it and make it a part of the public record.

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

Mr. Ward stated attached to the oath of office are two documents. The first is a Form 1 -- Statement of Financial interest. You are required to file that form with the Supervisor of Elections in the county where you reside within 30 days of being sworn. So within 30 days of today's date, you'll need to file that with the Supervisor of Elections. I strongly encourage you to do that. The state now fines board members for not doing that, and it's kind of a hefty find. It's around \$500, if my memory serves me correctly.

If you need any help with the form, please give Greg a call or myself a call, and we'll be glad to walk you through the process. It's not particularly difficulty, but definitely get the form filed. We do not need a copy of it, but I would strongly suggest you also keep a copy of it and the date that you either mailed it or dropped it off to the Supervisor of Elections Office. Remember it goes to the Supervisor of Elections in the County you reside, so if you live in Lee County, it goes there; if you live in Collier County, it goes here, and definitely keep a copy of it.

The second document that's attached is the Code of Ethics for Public Employees. I won't take a lot of time to go through that with you. Greg and I will point out to you that the biggest issue that we will make you aware of is what we call the Sunshine Law here in Florida. It simply means that no two members of a board may do business about a matter that may appear before the board or foreseeably appear before the board, nor may you use a member of the public, nor a member of the staff to communicate to another member on a matter that may foreseeably appear before the Board. If you have any questions whatsoever, please give Greg or me a call, we'll be glad to help you through the process.

In the days in which we live today, the internet is a big issue, so emails are public record, so any emails between you and other board members can foreseeably constitute a violation of the law, so be very careful with the emails you have between board members. Again, if you have any questions, just give Greg or me a call. If you're uncomfortable with that, just at the next board meeting bring up whatever matter you may have.

Mr. Simonetti stated okay.

Mr. Asher stated specifically, the email is related to any board businesses.

Mr. Ward stated correct.

Mr. Asher stated because we all do communicate for Taylor Morrison operational purposes.

Mr. Ward stated that's true, you may do that , and if you're going to play golf, you may do that also. However, if it's going to appear before this Board is really the substance of the communication that's a matter of public record.

THIRD ORDER OF BUSINESS

Consideration of the acceptance of Mr. Donald Milarcik from the Board of Supervisors and replacement to fill the unexpired term of office for seat two (2)

a) Acceptance of the resignation of Mr. Donald Milarcik

Mr. Ward stated the resignation, as a matter of law, is effective on the date submitted, which was August 6th. We simply ask the Board to accept it for purposes of inclusion in the record only. I'll ask that you do that by motion.

On MOTION made by Mr. Asher and seconded by Mr. Berg, with all in favor, the acceptance of the resignation of Mr. Donald Milarcik was approved.

b) Appointment of replacement member

Mr. Ward stated Mr. Milarcik's term is set to expire November of this year. The way the statute works is the balance of the Board appoints an individual to fill his unexpired term for the balance of that term. So, at your leisure, you may simple discuss this, and by motion, second and affirmative vote of the members present, appoint an individual to serve the unexpired term of Mr. Milarcik.

Mr. Asher asked, Dennis, were you going to resign?

Mr. Gilkey stated after this meeting, yes.

Mr. Asher stated after this meeting. When is Mr. Gilkey's seat up?

Mr. Ward stated same, November 2014.

Mr. Asher stated okay, so it doesn't matter.

Mr. Ward stated no.

Mr. Asher stated I would like to appoint Mr. Steven Reiter to the Board.

Mr. Berg asked that's to replace Don's seat, right?

Mr. Asher stated yes. I just didn't know if there was a difference in the period, if you were another two years or time extended on it. It may have made more sense to let you resign and appoint him, but it doesn't make a difference at this point.

On MOTION made by Mr. Asher and seconded by Mr. Berg, with all in favor, the appointment of Steven Reiter as the replacement member for seat two (2) was approved.

I. Administration of oath of office

Mr. Ward stated I know Mr. Reiter is with us, so I'm going to provide you an original copy of the oath of office and, again, for the record, I am a notary in the state authorized to administer this oath, and I'll go ahead and do that. (Mr. Ward administered the oath of office accordingly.) I'll ask that you sign it in the appropriate spot, and print your name at the top of the oath and below your signature, return it to me, I'll notarize it, and make it a part of the public record.

II. Guide to the Sunshine Amendment and Code of Ethics for Public Employees

III. Form 1 – Statement of Financial Interests

Mr. Ward stated I know you were here with us when I went through the information for Mr. Simonetti. Again, if you have any questions on the For 1, just give us a call. As I said, it needs to be filed within 30 days of today's date and with the Supervisor of Elections for the county in which you reside. Did you have any questions on the Sunshine Law that I had gone through a few minutes ago?

Mr. Reiter stated no.

Mr. Asher stated just a general comment on that Form 1. The financial part of it, it's all general, there's no details required. If you've got a mortgage, it's just a home mortgage with such and such bank, right? No personal details are required as part of that application.

Mr. Ward stated, again, if you have any questions as you fill it out, it's not particularly difficult, but it's difficult to read the form, because it's a state generated form, so if you have any questions, give us a call.

FOURTH ORDER OF BUSINESS

Approval of Minutes

a) June 10, 2014

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

On MOTION made by Mr. Gilkey and seconded by Mr. Berg, with all in favor, the above minutes were approved as presented.

FIFTH ORDER OF BUSINESS

Consideration of agreement with the Collier County Tax Collector and the Collier County Property Appraiser related to the non-ad valorem assessment roll collection and enforcement thereof

Mr. Ward stated what this agreement does is permit both the Property Appraiser and Tax Collector and, more specifically, the District to place any of its non-ad valorem assessments on the tax rolls that will come out each year. As we discussed at your last meeting, the non-ad valorem assessments for both your debt service and your general fund will be on the November tax bills. Your agreement is required in order to permit the Appraiser and the Collector to place those on the rolls, and to collect those assessments and remit them to the District.

Sometime ago, we went through the process of the public hearing to notify the Appraiser and the Tax Collector and the State that we would be utilizing the rolls of Collier County to do such, and this is actually the final step in the process. The agreement is a standard form agreement; every District in Collier County uses it, so if you have any questions, I'll be glad to answer them for you. It specifically identifies that we can do it and the fee that they, which is two percent for the Collector, and one and a half percent for the Property Appraiser, so if you have any questions, I'd be glad to answer them. Otherwise, the agreement is in order and recommended.

On MOTION made by Mr. Asher and seconded by Mr. Berg, with all in favor, the agreement with the Collier County Tax Collector and the Collier County Property Appraiser related to the non-ad valorem assessment roll collection and enforcement thereof was approved.

SIXTH ORDER OF BUSINESS

Consideration of the agreement with the Esplanade Golf and Country Club, Inc., for the inspection and maintenance of the District's assets

Mr. Ward stated I've enclosed the form of agreement that Greg and I have worked out and used for a number of Districts that we deal with. Waldrop Engineering prepared the exhibit to the agreement, which outlines the scope of services that the homeowners' association will provide to the District. If you have any questions with respect to it, I'll be glad to answer them for you, otherwise the agreement is in order and also recommended for your consideration.

Mr. Asher asked is there an exhibit that goes along with this? I know it's probably not completed yet.

Mr. Ward stated it's attached to the agreement in the agenda materials.

Mr. Asher stated there is a graphic, a map of some of these area.

Mr. Ward stated no.

Mr. Gilkey stated there's just a description.

Mr. Asher stated going forward, it's probably going to become an issue on lake bank areas and what is grass, and what is cord grass, and is the District doing it, is the HOA, are the homes doing it? So it's going to get a little clunky three years from now. Right now it doesn't matter, it's coming out of our pocket. But we need to, I think, identify some of these areas without getting too deep in the minutia, but having an answer in the future when the people start understanding they're paying the CDD to do one thing, and homeowners' to do others, and there's a golf course component that's, again, separate.

To avoid the ugliness five years down the road, I think they're in the process of preparing a more detailed exhibit of which areas go to which entity, so, at some point, I'd want to bring that back to the Board, and make sure everybody is in agreement with it, as

well as the Taylor Morrison side on the HOA. Has anyone from Taylor Morrison looked at this agreement from the HOA side?

Mr. Ward stated no, other than I think we sent it to you, but other than you, we haven't.

Mr. Asher stated I mean I would move approval of this, subject to review by the Taylor Morrison's HOA counsel.

Mr. Ward asked do you know who that is?

Mr. Asher stated Mark Grant, used to be Ruden McClosky, it's Greenspoon Marder.

Mr. Urbancic asked do you want me to send it to him?

Mr. Asher stated yes, that's fine, and his paralegal over here is Angela Thompkins.

Mr. Urbancic stated I'll send it to her, and I'll copy both of you.

Mr. Asher stated like I said, I don't anticipate any issues, but it's just keeping it in the loop.

Mr. Urbancic asked so, at a future date, then you'd want to come back and maybe amend this to add a map?

Mr. Asher stated basically, yes. I have reviewed this and it all seems to make sense from a technical standpoint, but once you lay it on the ground, it's not quite as clear which area is going to which entity.

Mr. Gilkey stated we've got two platted phases, so as you add platted phases, wouldn't this need to be amended anyway to incorporate those?

Mr. Asher stated yes, just to update it.

Mr. Ward stated yes, and the way this agreement currently is, basically, what this is, is if it's a District asset, wherever it might be, the HOA is maintaining a District asset pursuant to the terms of this agreement, wherever it may be. It's kind of broad in its scope.

Mr. Asher asked how does the funding of this maintenance flow?

Mr. Ward stated however the HOA funds the HOA is how it would be funded. The District doesn't pay the HOA for any of the services contemplated under it.

Mr. Asher asked would that always be the case?

Mr. Ward stated under this agreement, it would be -- the District would not be able to fund the HOA for its services. We could contract with the HOA, but we would have to literally assess for the services, and then whatever the vendor might be, which could be the HOA.

Mr. Asher stated right, and, obviously, there's no residents, and there won't be a whole lot coming here, but probably after that, we should probably get that set up.

Mr. Ward stated we can do that. This is not an unusual way to fund it, even on a long-term basis, especially when the developers are in control of the HOA specifically. The way this agreement works is, if at any point the District wants to separate out its assets and take them back, we have the ability to terminate this agreement under certain terms. We can do that and separate them out, and then assess for it and then fund it, and then pay whatever vendor we want for it at that point.

Mr. Urbancic stated it would have to be prepared from a budget standpoint.

Mr. Asher stated right. It probably doesn't make sense to try and get anything incorporated for 2015, but by that time, we'll have residents, and they won't understand any of it, but we need to kind of get them trained.

Mr. Ward stated the way the termination provision is written in here, the association may terminate the agreement on September 30th of each calendar year provided they give us termination notice by May 30th. Why it's written that way is that way I would have time to put the maintenance services and fees in the District's budget for you in June, so you could assess for it and be ready for it on October 1, so that's the way it's written in here to be done.

On MOTION made by Mr. Asher and seconded by Mr. Berg, with all in favor, the agreement with the Esplanade Golf and Country Club, Inc., for the inspection and maintenance of the District's assets, subject to review the HOA counsel was approved.

SEVENTH ORDER OF BUSINESS

Staff Reports

a) District Attorney

Mr. Urbancic stated no separate report.

b) District Manager

I. Financial Statements – Period ending June 30, 2014

Mr. Ward stated I have nothing for you. I did include your June Financial Statements in your agenda package, but I have nothing other than the Financial Statements at this point

for you. The only one thing I'm going to provide to you, at your last meeting, the approved proposed budget for Fiscal Year 2015, I have revised this budget. At that time, if you recall what we did, I didn't know whether we were going to fund it through an agreement with Taylor Morrison, or we were just going to put these assessments on the roll. What we talked about it at that meeting was that we would put the assessments on the roll, so his revised budget, which is the one we'll go to the public hearing with, has the assessments in there for the general fund. If you look on page two, that will give you the proposed assessment rate for next year, which is \$310.78 per unit, and I believe there's 322 units in this phase of development that will be subject that assessment level.

If you look on page five at the bottom on the right side, it will give you the capital assessments for the debt service fund for next year. These are about one half of what the assessment rate will be in 2016, and that is because we have capitalized interest in the bond issue through half of next year, and then this will start the assessment process for us. You'll see these rates for next year, and then the following year, they will go up to double that, but that was what we had contemplated them to be on the assessment process when we did that a few months ago.

Other than that, there were no changes in the financial numbers at all. It was just to show you the assessment rates for next year for the Fiscal Year 2015 Budget. That's all I have for you.

c) District Engineer

No report

EIGHTH ORDER OF BUSINESS**Supervisors' Requests**

Mr. Ward asked anything from the Board?

Mr. Asher stated no, I'd just like to ask David, if you could get with Jeremy and make sure you help him map out the areas graphically, and that you include it in for the maintenance, and just identify any of these. If it's a dry retention area or the conservation area is clear, the flow way. Again, the tricky part is on the flow way where it the environmental side begin and where does the golf course end, and whose doing that. It sounds nitpicky, but when we get to the maintenance cost of a two-mile flow way with all the

cord grass and the florals and the vegetation we've planted there, it's a big number if you want to split hairs on who's paying for it, that maintenance. So we need to do the best we can to make it the right way up front, and then when there's ever an issue, and when we get residents on the Board and they start nitpicking, we'll be in better shape to defend it.

Mr. Gilkey stated the plat is to fine who each tract was dedicated to, so it would be based on that, the tracts that go to HOA or the CDD.

Mr. Asher stated yes, the tract.

Mr. Gilkey stated but at this point, not all of it has been platted.

Mr. Asher stated all the District tracts and all the water management conservation area areas have. But, again, behind the home, we're going to have the home take care of down to the waterline.

Mr. Gilkey stated it's good to have an exhibit attached, so they don't have to go somewhere else to find it.

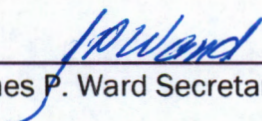
Mr. Asher stated so the golf course will take care of their areas, but common areas and conservation areas, there's that gap in there. Again, on a limited basis, it's not a big deal either way, but, if you get people questioning budgets, and why it's so much for this, it could get ugly. Dennis if you remember in Mediterra, no one ever wanted to maintain the lake banks, and you fought over how to make them look nice, and they fluctuated, and we were arguing what we were supposed to do and weren't supposed to do. Who had the legal right to be on there, and I wouldn't do it, because we didn't have an easement on it. Those are the things I want to avoid.

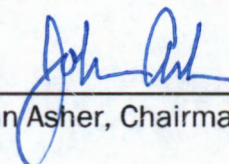
Mr. Ward asked anything else from the Board?

NINTH ORDER OF BUSINESS

Adjournment

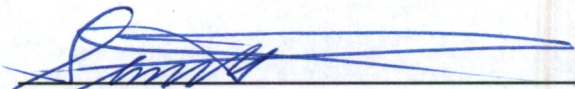
On MOTION made by Mr. Asher and seconded by Mr. Berg, with all in favor, the meeting was adjourned at 3:30 p.m.


James P. Ward Secretary


John Asher, Chairman

OATH OR AFFIRMATION OF OFFICE

I, SALVATOR SIMONETTI, 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.

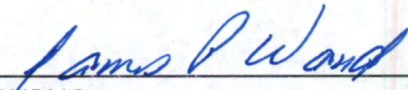


Signature

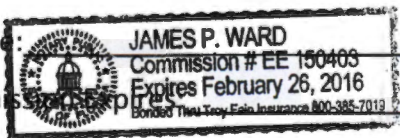
Printed Name: SALVATOR SIMONETTI

STATE OF FLORIDA
COUNTY OF COLLIER

Sworn to (or affirmed) before me this 19 day of AUGUST, 2014, by SALVATOR SIMONETTI, whose signature appears hereinabove, who is personally known to me or who produced _____ as identification.

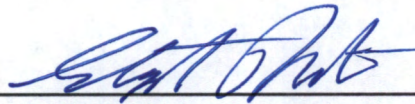


NOTARY PUBLIC
STATE OF FLORIDA

Print Name: _____
My Commission Expires _____


OATH OR AFFIRMATION OF OFFICE

I, STEPHEN REITER, 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.

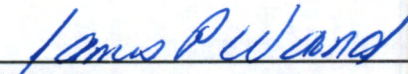


Signature

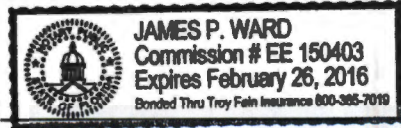
Printed Name: STEPHEN REITER

STATE OF FLORIDA
COUNTY OF COLLIER

Sworn to (or affirmed) before me this 19 day of AUGUST, 2014, by STEPHEN REITER, whose signature appears hereinabove, who is personally known to me or who produced _____ as identification.



NOTARY PUBLIC
STATE OF FLORIDA



Print Name: _____

My Commission Expires: _____