

**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, February 15, 2024, at 1:00 P.M. at the Esplanade Golf and Country Club, 8910 Torre Vista Lane, Naples, FL 34119.

Present and constituting a quorum:

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

Also present were:

James P. Ward	District Manager
James Messick	District Engineer
Michael Pawelczyk	District Counsel

Audience:

Stan _____
Paul Hervieux
Bob Wilson
Donald Whitlock

All residents' 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

Chairperson Stamp called the meeting to order at approximately 1:00 p.m. Roll call was conducted, and all Members of the Board were present, constituting a quorum.

SECOND ORDER OF BUSINESS

Public Comments

Public Comments for non-agenda items (Limited to three (3) minutes). Individuals are permitted to speak on items on the agenda during that item and will be announced by the Chairperson.

Chairperson Stamp reviewed public comment protocols.

THIRD ORDER OF BUSINESS**Consideration of Minutes****January 18, 20243 – Regular Meeting Minutes**

Chairperson Stamp asked if there were any additions, deletions, or corrections for the Minutes; there were none.

On MOTION made by Bart Bhatla, seconded by Ron Miller, and with all in favor, the January 18, 2024, Regular Meeting Minutes were approved.

FOURTH ORDER OF BUSINESS**Staff Items**

- I. District General Counsel - Billing, Cochran, Lyles, Mauro & Ramsey, P.A.**
 - a. Discussion of Refinancing for the Series 2013 Bonds**
 - b. Easement for CDD Facilities from HOA**
 - c. Funding Agreement with Master HOA for SFWMD/Corps permit requirements**

Mr. Michael Pawelczyk: The question that came up after the last meeting was there was some discussion about possibly looking to the Attorney General's Office for an opinion to extend the bond term and I don't think it was fully explained as to what that would entail. First, we are very convinced that you can't extend the term on the bond amortization schedule beyond 30 years. If we were to seek an Attorney General Opinion, it's not like we just write a letter and send it to the AG Office, we have to submit all our research showing that there is a conflict in the law basically and seek the opinion of the Attorney General. Once the Attorney General opines, that opinion is all it is. It's an opinion. It has no precedential value, no legal value, it's just what the Attorney General Office seemed to think at that time. We are not really inclined to spend all that time doing the research when we already have researched the matter sufficiently enough, and our opinion is that you cannot extend the term of the bonds beyond the 30 years. We independently sought the advice of two other bond counsels that my firm deals with, and they have said the same thing, you cannot extend that term. I spoke with an underwriter who said the only time he extended the term beyond 30 years was in a refinancing and new money deal where the new money was extended out less than 5 years to keep the assessment the same. They extended it out less than 5 years because if you go beyond 5 years it needs to be validated, but my firm didn't work on that, so I don't have the details of that deal. I wanted to bring that to your attention to see if we needed to do anything further. If we had an Attorney General's Opinion, I can tell you that my office, bond counsel, and underwriter's counsel are not going to rely on the Attorney General's Office when refinancing the bonds. We have to rely on the law at hand, not an Attorney General's Opinion, because there is sufficient liability there. Liability is essentially the amount of the bonds issued or refinanced.

Chairperson Stamp asked about the scope of the work involved to request an opinion from the Attorney General.

Mr. Pawelczyk explained it would take about 5 billable hours of research to put together the necessary documents. He stated regardless of what the Attorney General's Office opined, his firm would not give the opinion in favor of going beyond the 30-year period if the bonds were refinanced.

Chairperson Stamp asked about the timing of obtaining an Attorney General's opinion.

Mr. Pawelczyk responded he imagined it would take several months. He stated the Attorney General also had the option of doing an informal opinion which would not be posted on the website, or a formal opinion which would show up on the Attorney General's website. He stated the Attorney General might not even provide an opinion at all, as bond refinancing was not a matter typically dealt with by the Attorney General's Office.

Chairperson Stamp noted the Attorney General was not required to respond to a request for an opinion.

Mr. Pawelczyk agreed. He stated when this was brought up previously, he and his firm looked into it and determined it could not be done. He noted he contacted other bond counsel, who all agreed the 30 years could not be extended. He stated when the bonds were originally validated, they were validated to be paid back in a time period not to exceed 30 years.

Mr. Miller asked where it said in the law that the bond was restricted to the original 30-year time period for payback.

Mr. Pawelczyk noted this information was included in the memo to the Board. He stated it was in the Final Judgment, in the CDD statutes, and in the assessment statutes which indicated under statute 170, you could not go beyond 30 years. He stated he could send the specific citations to Mr. Miller.

Mr. Miller stated in the refinancing statutes it indicated it should be done "in a similar manner" to the bond, it did not give a specified time period.

Mr. Pawelczyk stated "in a similar manner" meant within the 30 year period allowed by law.

Mr. Miller stated "in a similar manner" also could mean refinanced to the original 30 years.

Mr. Pawelczyk stated he could pursue this further and do more research, but it was still necessary to get someone to issue the bonds for the refinance, and he did not know any bond counsel who would opine that the refinance could go beyond the original 30 year period. He explained the law had to be read as a whole, one statute would not stand by itself. He stated he understood it would be nice to extend the bonds out further, but he did not believe it could be done. He indicated he could talk with some underwriters he dealt with and ask informally if it ever had been done; perhaps it had been done for non-CDD bonds. He stated the underwriters he typically dealt with were FMS Bonds or MBS Bonds and he could ask them if this had ever been done before.

Mr. Miller stated it probably had not been done before and Flow Way CDD would be breaking ground.

Mr. Pawelczyk noted it probably had not been done before because it could not be done. He noted he was not willing to request an Attorney General Opinion for something he knew was not possible, but he was willing to speak with the underwriters.

Mr. Miller asked if would hurt to ask the bond underwriters, if the CDD received a positive Attorney General Opinion, would the underwriter be willing to extend the 30 years.

Mr. Pawelczyk responded he would ask the underwriters this as well. He stated he would reach out to the underwriters sometime next week, ask these questions, and get back to Mr. Miller and the Board.

Chairperson Stamp asked if there were any other questions regarding this matter; there were none.

Mr. Pawelczyk: Two other things to discuss, one is the easement for CDD facilities to be granted to the District by the HOA over multiple properties within the community, most of which probably should have been conveyed to the CDD by the developer but weren't. The second is the cost share agreement with respect to the mitigation work required by South Florida Water Management District and the Corps. I think we are really close on both of these items. I had a really good conversation with Charles Thompson, the HOA Attorney, yesterday, and with respect to some things that are outstanding, one is on the easement, the HOA is concerned that the CDD, once it's given these easement rights, and I'm going to use this as a drastic example, can install a pump house and paint it pink on the HOA property. They are really concerned with some exterior aesthetics with respect to the rights granted under the easement. What I would like to do with the Boards permission is craft a provision that would require some sort of notice to the HOA for changes to facilities that had an aesthetic issue, such as changing colors, adding structures, or moving structures on the property, to at least provide the Association some sort of notice. I know that's typically favorable for the District because we need to do what we need to do, but I think we could incorporate a 15 day or 30 day provision in there, that if they don't respond within 30 days, it's deemed approved. I think the HOA would be okay with that. They just want to make sure that we as a CDD, not this Board now, but potentially a future Board, doesn't put something crazy in there based on easement rights. He stated he would draft something up and present it to the Board before sending it to the HOA. He stated the HOA would like the CDD to add something to the Agreement which, if there was a change which obligated the HOA to more than \$125,000 dollars, would enable the HOA to get out of the Agreement and for the CDD to show in the financials where the \$250,000 dollars was going, much like the District Counsel line item, identifying how the funds were being spent. He explained this would enable the HOA to look at the Agenda Package and see what the CDD was spending and ask questions if they wished.

Mr. Ward stated before the Board commented, he and Mr. Pawelczyk should draft the language and send it to the HOA.

Mr. Pawelczyk indicated he would not send anything to the HOA without Mr. Ward's approval.

Mr. Miller asked about the HOA's request for an out if the cost went up over \$250,000 dollars.

Mr. Pawelczyk stated he felt the problem with the cost sharing agreement was the CDD did not know what it would spend until it was budgeted. He stated technically the CDD was agreeing to

move forward and budget accordingly, but at least from the CDD's side, the budget could be changed at any time. He stated the HOA understood the \$250,000 dollars would likely be per year for the next two years, and then it should start to go down. He stated this was certainly the intent, to bring the preserves into compliance and make the high cost go away, but the cost should go down over time.

Mr. Miller stated if the HOA was concerned, then the HOA could do the budget.

Mr. Pawelczyk explained the cost share agreement already provided that if it were more than \$250,000 dollars, the HOA was only obligated for \$125,000, so if the cost went up to \$300,000 dollars the CDD would be responsible for the additional \$50,000 dollars unless the HOA agreed to cover half of the \$50,000 dollar overage. He noted the CDD was only asking the HOA to commit to \$125,000. He stated maybe an amendment process could be incorporated where after two years, the cost sharing agreement could renegotiate the agreement to adjust the budget in accordance with actual needs.

Mr. Miller noted big picture, the costs would all be paid out of the same pocketbook. He asked if the CDD as a government agency could say it would cover all cost overages.

Mr. Pawelczyk responded in the affirmative; as long as the CDD budgeted for it, or amended the budget, this could be done. He said the HOA was essentially helping the budget of the CDD to fund this project going forward; the CDD could go ahead and fund the whole thing.

Chairperson Stamp stated he felt the HOA was "over-lawyering" this.

Mr. Pawelczyk agreed, noting the agreement had a clause indicating the HOA could get out of the agreement with a year's notice. He stated the year's notice was needed to give the CDD enough time to increase assessments to cover the HOA's portion of the cost.

Mr. Bart Bhatla: I think we are getting involved with the minutiae and our advisors and counsel should come up with a plan we can make a decision on.

Mr. Pawelczyk: That's what I'm trying to do with Jim, and we are really close, but this was on the Agenda and we're just trying to report to you what we're doing at this point. Like I said, I would've had something for you if I had had the chance to talk with the HOA counsel before yesterday, but due to scheduling issues we didn't have a chance to speak until yesterday. This is more of a status report. I'm just asking if you have input let me know, if not, we are going to proceed as I outlined.

Mr. Martinn Winters: It seems like, if they want to pull out of this agreement because it's outside of their (indecipherable), what position does that put us in if we don't have the cash, if we have a catastrophic event, there's a forest fire, something forces us to come out of pocket and we don't have the money now, what do we do? Do we have a special assessment? Do we go to the bank again and get another loan? What position does that put us in?

Mr. Ward: Realistically, this project is a quarter of a million dollars a year for the next three years. We are not going to spend more money than that because it's impossible to do more work than \$250,000 dollars for the next three years. In three years, this will taper off, we hope, because we will hit the success criteria and then the yearly maintenance is probably no more than \$15,000

dollars or \$20,000 dollars per year at that point in time. The agreement would not really even need to be in place after we meet the success criteria, which I think is what we are intending to do. I told Mike, and I still am of the opinion, that if they don't want to do it, that's fine, we can move on with it because everybody pays whether it's coming out of that pocket or our pocket. It doesn't matter at the end of the day. I did say, you have to commit to \$125,000 dollars a year. If you don't want to commit to it in the next year, either you just tell us or we write a provision in the agreement that says if you don't agree to it, you can send us a letter and tell us we don't want to do it. It's as simple as that. Our budgets already have a lot of details in them. I'm not going to agree as the manager to require budgeting line items that we have to do to a private organization. That's not going to happen. But in my simple mind, it's \$250,000 per year, they give us \$125,000, we send them the invoices, we send them the contracts if they want it. We do everything that they want, but that's it. We have to stop at that point. If we can't get there, then we can't get there. I think Mike is 99% of the way there. These little technical issues are really just somebody asking a bunch of legal questions that really aren't necessary.

Discussion continued regarding the cost share agreement; splitting the cost 50/50; forgoing the cost share agreement if the HOA did not agree in the next 30 days; and the over-lawyering of the agreements.

Chairperson Stamp: Going back to the refinance, if everything goes smoothly, this will be on the 2025 tax bill, not the 2024 tax bill. There is no way it will be done in time for that.

Mr. Pawelczyk: It's important for the public to know we are doing this in advance of the time we are actually allowed to refinance without a penalty.

Chairperson Stamp: I just wanted people to understand it was nothing we are doing as part of this year's budget that we are going to be reviewing in the next few months.

II. District Engineer – Calvin, Giordano & Associates

a. Engineer's Report

1. Strategic Operational Plan

1) Current Operations

i. Landscape Maintenance

ii. Lake Maintenance

iii. Irrigation Pump Station

iv. Entrance Maintenance

v. External Preserves Compliance

2) Capital Projects Plan

i. Lake Bank Restoration

3) Future Operations Plan

i. Bridge Painting

4) Prior Board Inquiries

5) Golf Range Improvements

6) Pickleball Siting Review

Mr. Jimmy Messick: (Indecipherable). I've set up a different format. I've integrated pictures into the different assets and the locations of those pictures are shown on the map on page 15. Going through current operations, our typical assets we are in charge of, I'll start with landscaping. We

continue to trim and shape shrubs and trees at the front entrance, all new plantings (indecipherable), treating annuals with fungicide. The (indecipherable) have gotten their second treatment to prevent leaf yellow and other diseases, and the third treatment will be in March. We have updated and re-graveled the stone driveway up to the pump station and (indecipherable). He discussed the lake maintenance being undertaken including treating shoreline weeds, cleaning up litter, treating littoral shelves, etc. He discussed the maintenance being performed at the entrance to improve the overall appearance including fountain maintenance, paver repair, etc. He noted the grass along the west bank of the east berm was scheduled for repair.

Chairperson Stamp asked about the fountains.

Mr. Ward: In the recent two months, both of the fountains, we've had all of the internal components of the fountains checked, the pumps, the motors, and everything else that goes with it. They are 13 years old at this point in time. They are nearing the end of their life. The motors that are in the fountain pumps are no longer made, so if any one of those pumps goes down, the fountains will be off for a minimum of 3 months until we can get new parts again. Pretty much the guts of both of the fountains will need to be replaced sometime in the near future. It will be dealt with in the budget you will see. I am hopeful we will be able to fund it in the 2025 fiscal year budget in our capital program. If not, we will have to figure out a way to deal with this. I just wanted to bring this to your attention.

Mr. Tom Kleck: I assume that the fountains in the middle of the lake were put in by the HOA?

Mr. Messick: No, those are our fountains. [Mr. Messick stated on record – that the fountains in Lake 7 are owned by the CDD. However, let the record be corrected to reflect on that the CDD does not own those].

Mr. Kleck: How many did we put in?

Mr. Messick: There are three out there.

Mr. Kleck: I had an experience with this in another neighborhood. Those fountains are extremely expensive to maintain, and the HOA convinced the CDD in this facility to take over the maintenance of those fountains after about 5 years. It's a nightmare, is all. (Indecipherable).

Mr. Messick: That is the preferred water quality method. The fountains are pretty –

Mr. Kleck: But somebody's got to pay for it.

Mr. Messick stated the last item was the external preserve compliance and the CDD was finalizing the specks which were drafted with the environmentalist with the hope to go out to bid on February 23, opening the bids two weeks later, so in the March Board Meeting a recommendation could be made. He discussed the capital projects including lake bank restorations which were underway and on schedule.

Chairperson Stamp stated he lived on lake 7 and the vendor was installing the Geotube. He stated it was an interesting process and invited the Board to come by and watch.

Discussion ensued regarding the work being done on lake 7.

Mr. Messick discussed future operations which included weeds and aquatics which needed to be addressed, erosion washout on the canal banks, etc. He discussed the map he included in his packet. He stated the last thing he had to talk about was the golf range improvements. He discussed proposed golf range improvements and options, including moving the boom, and noted the golf range vendor would coordinate with the lake bank restoration vendor before making improvements.

Chairperson Stamp noted a resident sent an email about a fence request which he forwarded to Mr. Messick. He asked Mr. Messick to review the email.

Mr. Messick indicated he would.

Mr. Miller asked about the moving of the boom.

Mr. Messick indicated the golf club recommended relocating the boom. He explained the boom prevented golf balls from traveling and funneled the balls to a certain location for ease of retrieval.

Chairperson Stamp stated he asked Mr. Messick to review the suggested relocation of the booms to ensure it would not cause the CDD any difficulties. He discussed why the booms, or a boom, were to be relocated.

Mr. Stan ____ stated the fountains were looking very poor. He stated he understood this was due to the age of the fountains and there was nothing which could be done until the fountain pumps could be replaced in a year or two; however, the eastern fountain went up significantly higher than the other fountains. He asked if the pressure could be adjusted to balance the pressure between all the fountains.

Mr. Ward explained the fountains operated independently and unfortunately were at the limit of what could be done with them as the pumps were not working perfectly due to age. He stated the fountains had been adjusted as much as possible, there was nothing more which could be done.

Mr. Donald Whitlock noted a few weeks ago the pumps were adjusted and were looking better, but the fountains seemed to have reverted back.

Discussion ensued regarding the age of the fountains; replacing the pumps in the fountains next year to improve the situation; not being able to do much to improve the fountains until the pumps were replaced.

Mr. Messick discussed the HOA's proposed golf course expansion with two plans, Plan A and Plan B, both on lake 7. (Indecipherable). He stated both Plan A and Plan B were in his report which provided a little more detail. He stated both expansion plans would be acceptable. He stated the (indecipherable) permitted the improvements with the appropriate agencies; Collier County and the South Florida Water Management District should be notified, and permits were

required to be verified by the appropriate agencies. He stated in his opinion, Plan A would require a permit for the proposed lake modification; the type of permit and extent would be determined based on the calculations the HOA's engineers would provide. He stated mitigation for the lake expansion, golf range expansion, would be enhanced somehow to make up for the volume loss for the golf range Plan A improvements. He indicated he prepared an exhibit showing what the impacts would be. *If you don't show equal amounts of volume offsetting the impacts then the District is going to require a very lengthy calculation model for the entire community and potentially a new ERP, not just a modification, to make sure those reports and calculations are submitted for approval. My recommendation is that we provide some sort of offsetting (indecipherable) where we dredge the lake an equal amount. If SFWMD accepts the offsetting volumes as shown below, just a minor permit modification may be acceptable, and the engineering calculations could be limited to reduce design and permitting costs. If the not acceptable, permits with SFWMD could be very difficult (indecipherable) and may not allow for golf range improvements for Plan A. Plan B does not involve lake modifications, so South Florida permitting would be minimal. (Indecipherable).*

Mr. Bhatla asked how much time it would take to implement the permitting action for Plan A. He said Plan A might take a very long time to get started.

Mr. Messick: It's hard to tell without getting proposals from engineers (indecipherable). (Indecipherable) with South Florida to discuss what they would require in a formal proposal. It would take longer to permit Plan A than Plan B. Plan B is more of an exemption, maybe not even a permit modification.

Mr. Bhatla: (Indecipherable). The permitting process could take a long time.

Mr. Miller: What would the cost of Plan A be? Ballpark.

Mr. Messick explained he was not an expert on golf range improvements, so he was unsure. He noted the HOA should be able to provide this information.

Discussion ensued regarding the CDD not being required to approve these improvements; whether the CDD was required to be involved in any permit modifications; whether there was enough silt in the lake to dredge up to offset the volume changes.

Mr. ____57:28 asked if there had been any thought to egress and ingress for the construction equipment to do this work.

Mr. Messick indicated he had not looked at this. He noted based upon the location there was not a lot of vehicular access to this area because it was behind the tennis courts and there was no roadway. He stated the construction equipment would need to use the parking lot and restoration of the damage caused by the construction would need to be done upon completion of the project.

Discussion ensued regarding the problems construction would cause the golf course and those who wished to golf.

Mr. Messick indicated he would review the plans to ensure nothing negatively affected the CDD and ensure the CDD was in agreement; for example, materials could not be set up in the preserves, and there could be no impact to the lakes other than what was proposed, etc.

Mr. ____ 59:14: (Indecipherable).

Mr. ____: *If they are making modifications to our facilities, we need to be overseeing what those improvements are. They need to come to us. Ultimately the permitting agencies have the approval over that. We just are maintaining those facilities. If they are impacting what we are maintaining, I think we should have a say in what they are proposing.*

Discussion ensued which was largely (indecipherable).

Mr. Messick: *So, the banks are eroding, and we have a responsibility to maintain those banks, but the root of the problem, we believe, we've done a study where we walked the lakes and looked at where these areas are, is because there is water running along the surface creating these eroding pockets. Our recommendation is to underground the water as much as possible, whether that means the rainwater from a downspout, or maybe a yard drain would be more appropriate, and tie into the (indecipherable).*

Chairperson Stamp: *Would you identify yourselves for the record?*

Mr. Paul Hervieux: 1:01:49 *I'm the HOA President. (Indecipherable).*

Mr. Bob Wilson: *Board Member (indecipherable).*

Mr. ____: *When the construction is happening, are they supposed to work with the CDD? In other words, during construction shouldn't they (indecipherable) put that into the ground, so it goes into the lake?*

Discussion ensued regarding working with the developers to direct rainwater; why rainwater was not automatically sent underground into the lake by the developer.

Mr. Ward: *That particular requirement is generally in the land development codes of the County or the City, wherever the property is located. In this case obviously it's Collier County. So, those county codes, the developers, whether it's Collier County or anybody else, they meet generally whatever the minimum code requirement is, which I am guessing is exactly what happened here. I see this all over the state, not just in this community, and then you have this kind of a problem, and it has to be a coordinated effort between the CDD -- the CDD doesn't have the right to tell any developer or homeowner what you can or can't do on your own property. We don't have that authority. We can recommend to you what you need to do, and we can repair the lake banks. We would repair the lake banks even if you didn't do what we recommended, it would just happen over and over again unless the adjoining homeowner did something on his side of the coin. We can work with you to help you, but to your original question, the county codes in all of Florida, not just Collier, are kind of consistent on the rainwater problems.*

Chairperson Stamp: *And keep in mind that until 3 years ago Taylor Morrison controlled the CDD and the developer, so they did whatever they wanted to do.*

Mr. Bhatla: What is the issue? I missed it.

Mr. _____ 1:04:21: (Indecipherable). Basically, there is one area where you can see (indecipherable).

Mr. Messick: Lake 20/21 has a lot of condos on it, and the rainwater leaders are taking on water from the large roof.

Discussion continued regarding rainwater causing lake bank erosion issues on lake 20/21; the possibility of erosion close to the buildings threatening the integrity of the foundations; and asking the Collier County Engineers to ensure the development was according to code. Some of this conversation was (indecipherable).

Mr. _____ 1:07:33 asked about the grass along the lake bank.

Mr. Messick: The spike grass in the water is a littoral which helps absorb nutrients and treats the water to make it cleaner. Those are good for the lakes, but the grass usually stops right (indecipherable). Those are two different types.

III. District Manager – JPWard & Associates, LLC

a. Financial Statements for the period ending January 31, 2024 (unaudited)

Mr. Ward: I am probably, hopefully, going to be in a position to do a budget amendment for your next Board Meeting to deal with putting the preserve monies back in there one way or another. I've been holding off for this cost agreement, but one way or another, that will be on your agenda for next month. We are anticipating getting a budget to you at your April Board meeting and I'm looking at Jimmy because I've got a lot on his plate, but that's in his ball court at the moment to do so. We are going to get that ready for you for April. I will just mention to you, as a financial thing in the current year, as this gentleman just mentioned about the insurance, ours also went up dramatically in the current year for two reasons. One is insurance rates have just gone through the roof. Many of our assets, we've revalued all of them, so we have a better handle on that, that has had a pretty dramatic affect also on our insurance. Just to give you the flavor of the numbers, we've budgeted \$15,000; our insurance is now at \$98,000 dollars a year. That's not going to change on a going forward basis, but that's just an aside note. Otherwise, from a budget perspective we are doing fine on everything else.

Mr. Messick: Vendors insurance rates go up and contractor insurance rates go up, so we are seeing those numbers too in the budget.

Mr. Miller: What is our biggest risk to damage to assets? Is it a hurricane? Is it fire?

Mr. Ward: Well in Florida it is generally hurricanes, so it's property damage to the vertical assets.

Mr. Miller: Have we thought about changing deductibles or something?

Mr. Ward: The deductibles are pretty high at the moment. I think they are maybe \$25,000 dollars or something. We really don't have the funds to go higher than that. If we have more reserves

over the coming years, I will automatically take on more risk with higher deductibles going into our program, but at the moment, we just don't have that capacity.

Mr. Miller: We could think about the possibility (indecipherable) it could make sense to self-insure.

Mr. Ward: I agree. The \$98,000 dollars just hit us this year. It was an astounding number to me, so that's on the plate in your 2025 budget to consider how to better manage the deductibles on the insurance part of this.

Mr. _____ 1:11:14: On the same line, just by way of example, my homeowner's insurance, after Ian, went up from \$1,500 dollars to \$4,000 dollars. I called my broker, and he said I could eliminate the wind insurance and save \$2,500 dollars. I have coverage for everything else, and since my overall damage from both Ian and the one in 2017 was less than \$2,000 dollars, I could recover that in one payment so to speak. Of course, then I'm self-insured for any wind damage. How much wind damage, or hurricane damage, did the CDD incur during Ian?

Mr. Ward: This is all just physical damage. We don't really carry what you call hurricane damage. It's just physical damage to the investments that we have in place. I don't keep a high deductible right now because there literally is no money that we could use to deal with that. I think Ron is on point. That is something that I would normally do if we were able to start building our reserves, which is in the plan for me to present to you in your 2025 budget.

Chairperson Stamp: Is a good chunk of that liability?

Mr. Ward: The liability hasn't changed much. It's really the physical damage.

Discussion ensued regarding insurance and the CDD's assets which needed coverage including the bridge, fountains, and other assets.

FIFTH ORDER OF BUSINESS

Supervisor's Requests

Chairperson Stamp: Are there any Supervisor's Requests?

Mr. _____ 1:13:48: Question, I got a notice about the ethics training meeting, and there was a fee of \$79 dollars or \$39 dollars. I'm wondering what that's all about.

Mr. Ward: I have that scheduled for your May meeting to go over that with you, or April, whichever. I will do that because I want to spend a few minutes and go over what they require. My staff got that out to you early and I asked them to do that, but if you would just give us another – in either April or May it will be on your Agenda. Mike and I will spend some time and go over that in detail with you.

Mr. Miller: This ethics training, is it a one-time deal?

Mr. Ward: It's annual. I'm in the same boat. I've got to do it too. He indicated the good thing was the CDD Board was not required to file a Form 6 which was significantly more invasive than the Form 1.

SIXTH ORDER OF BUSINESS

Public Comments

Public Comments: Public comment period is for items NOT listed on the Agenda, comments are limited to three (3) minutes per person, assignment of speaking time is not permitted, however the Presiding Officer may extend or reduce the time for the public comment period consistent with Section 286.0114, Florida Statutes

Chairperson Stamp: I see no member of the public managed to stick with us, so there are no public comments.

SEVENTH ORDER OF BUSINESS

Announcement of Next Meeting

Announcement of Next Meeting – Regular Meeting March 21, 2024

Chairperson Stamp announced the next meeting date.

EIGHTH ORDER OF BUSINESS

Adjournment

The meeting was adjourned at approximately 2:16 p.m.

On MOTION made by Ron Miller, seconded by Tom Kleck, and with all in favor, the Meeting was adjourned.

Flow Way Community Development District


James P. Ward, Secretary


Zack Stamp, Chairperson