

**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, April 16, 2020 at 1:00 p.m. via telecommunication.

**Present and constituting a quorum:**

Drew Miller	Chairperson
John Wollard	Vice Chairperson
Ronald Miller	Assistant Secretary
Tom Kleck	Assistant Secretary

**Also present were:**

James P. Ward	District Manager
Greg Urbancic	District Counsel
Jeremy Fireline	District Engineer
Tim Hall	Turrell, Hall and Associates, Inc.

**Audience:**

Tom Coffey  
Martin Winters  
Dave Boguslawski

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

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

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

District Manager James P. Ward called the meeting to order at approximately 1:07 p.m. He reported with the State of Emergency in Florida, and pursuant to Executive Orders 20-52 and 20-69 issued by Governor DeSantis on March 9, 2020 and March 20, 2020 respectively, and pursuant to Section 120.54(5)9b)2., Florida, Statutes, this meeting was being held utilizing communication media technology due to the current COVID-19 public health emergency. He explained all Members of the Board and Staff were present via videoconference or telephone; no persons were present in the on-site meeting room location. He asked all speakers to indicate their names prior to speaking. He called roll and all Members of the Board were present constituting a quorum.

**SECOND ORDER OF BUSINESS**

**Public Comments**

- I. The Public comment period is for items NOT listed on the Agenda, and individuals 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.
- II. Individuals are permitted to speak on items on the Agenda in accordance with the procedure in I. above.

*Mr. Ward: Item 2 on the Agenda, we normally do a Public Comments section at the beginning of the meeting. Since we are doing this telephonically today, and by video, I think with the Board's permission we will skip this, go through each Agenda Item, ask for public participation during the Agenda Item, and then if it's a matter that doesn't appear before the Board we can have an audience comment section later in the Meeting. The Board agreed.*

**THIRD ORDER OF BUSINESS**

**Consideration of Resolution 2020-2**

**Consideration of Resolution 2020-2 Re-Designating the Officers and consideration of Replacement Member for Seat 3.**

**I. Consideration of Replacement Member for Seat 3**

Mr. Ward asked if the Board wished to consider a replacement Member for Seat 3 to fill Mr. Martin's vacated seat, or if the Board wished to continue this Item and move on with today's Agenda. The Board consensus was to move on with today's Agenda.

**II. Oath of Office**

**III. Guide to the Sunshine Amendment and Code of Ethics for Public Officers and Employees**

**IV. Form 1 – Statement of Financial Interest**

**FOURTH ORDER OF BUSINESS**

**Consideration of Minutes**

**February 20, 2020 Regular Meeting Minutes**

Mr. Ward asked if there were any additions, corrections, or deletions for the February 20, 2020 Regular Meeting Minutes. Hearing none, he called for a motion.

**On MOTION made by Mr. John Wollard, seconded by Mr. Drew Miller, and with all in favor, the February 20, 2020 Regular Meeting Minutes were approved.**

**FIFTH ORDER OF BUSINESS**

**Consideration of Resolution 2020-3**

**Consideration of Resolution 2020-3 of The Board of Supervisors of Flow Way Community Development District approving a proposed Budget for Fiscal Year 2021 and setting a Public Hearing Thereon pursuant to Florida Law.**

Mr. Ward reported Resolution 2020-3 was the Resolution to begin the Budget process for Fiscal Year 2021. He indicated the Statute required the District Manager to present the Budget to the Board prior to June 15 annually for Board consideration and the Board must approve the Budget for purposes of setting the Public Hearing only. He explained approval of the Budget at this point did not bind the Board to any of the programs or costs contained in the Budget, it merely permitted the Board to move forward through the process towards a Public Hearing date at which time the Board must adopt a Budget and set the assessments in place. He stated pursuant to the Resolution, the Public Hearing was scheduled for Thursday June 18, 2020 at 1:00 p.m. He noted the address was written as the Esplanade Golf and Country Club in Naples; however, he suspected the State would still be under a State of Emergency in June and subject to holding the meeting via videoconference. He indicated attached to the Resolution was a copy of the proposed Budget.

Mr. Ron Miller asked if Mr. Tim Hall was present on the call. Mr. Ward responded in the affirmative. Mr. Ron Miller asked if Mr. Tim Hall could make his presentation prior to discussion of the Budget. It was agreed.

Mr. Tim Hall asked Mr. Ward if he distributed the prepared memo and maps to the Board Members. Mr. Ward responded in the affirmative.

*Mr. Hall: First thing I'll do is just run through the status of the preserves as they exist today. The internal preserves, wood stork foraging areas and the western preserve have all been treated and undergone the initial maintenance activity for this year, for 2020. The internal preserves are compliant with all of the permits. They have been meeting their success criteria for the last three years and the District has agreed that they no longer need to be subject to the annual monitoring reports to the District. They've declared the internal preserves as compliant. The wood stork and western preserve areas are also still compliant, but they have another year to go after this year's monitoring report. I would anticipate the western preserve being compliant and no longer needing future monitoring reports to the District. The wood stork areas we anticipate being done in 2021. The northern preserve areas and the section 11 are undergoing treatment now. Anticipate that being done probably the end of May and with some followup treatments to occur on some of those areas. There was some work done back in December to get some initial treatment on some of the grasses that were coming in on the northern end. This year the monitoring of those northern areas also includes an analysis of the regeneration of vegetation and whether or not any supplemental plantings are going to have to be done. We think that there may be a couple of areas along the very northern line where some of the mechanical staging occurred that may need to meet the criteria for replanting. We should know that in a couple more months what the extent of that might be once the treatment is done and we complete the monitoring that's associated with those areas. This is year two. All of the areas are supposed to have at least 50% vegetative coverage. Next year, year three, it's supposed to be up to 75% and then compliance is 80%. We are still working towards that. The vast majority of the area is within those parameters right now, except for some of the little staging areas along the very northern north property line. That's kind of it for the status of the preserves. I know I had also provided a couple of exhibits a while back to Mr. Ward related to adjacent property owners around the preserves and some of the existing easements that are adjacent to or through the preserve areas and I am happy to answer questions related to those as well.*

*Mr. Tom Kleck: What kind of plantings are you doing and are you doing any of them on the lake banks?*

*Mr. Hall: The plantings that would be associated with the preserves are only in the preserve area and those would be depending upon the type of habitat. There are some pine areas where if we do plantings it will be three to four-foot-tall pine trees and possibly some ground covers like Andropogon or saw palmetto. Then in the more open prairie areas there may be very limited number of trees and mostly grass planting like Aristida and Maidencane, that would help fill in the ground cover component of those areas. The littorals and all of those would be associated with the lake bank or the actual Flow Way conveyance along the outside edge of the development area are not part of the preserves, so they are not really part of what I'm doing any plantings associated with those would be up to the civil engineer or the CDD association if you are trying to increase plantings in some of those areas.*

*Mr. Kleck: As of right now we are not doing any lake bank plantings. Is that how I understand that then?*

*Mr. Hall: No sir. Not any of the work that I have been asked to do anything with has anything to do with the lake banks.*

*Mr. Kleck: Okay. I would like to know personally if and when that starts, that we as a Board be made aware of it.*

*Mr. Hall: Any planting associated with the lakes that was going to be done, I would think would be done already. That would be part of the overall signoff. If it's not done yet it would have to be done before any turnover or any signoff with the Water Management District.*

*Mr. Drew Miller: What Tim's saying is we would have to initiate it Tom. I think it would have to be initiated by the Board.*

*Mr. Kleck: I was involved with an area on another CDD Board where we planted a lot of littorals on the lake banks, Greg is very familiar with it, and it was a complete disaster. I don't want to be throwing money away planting in an area that wont grow. That's why I would like to at least discuss it when we get to that.*

*Mr. Hall: If the Board wanted to move forward with any plantings and all, I can help to guide or offer advice in terms of the types of plants that could go in and where they would be most appropriate or least appropriate in terms of their ability to survive and the conditions that they would be subjected to. There are no lake bank plantings that I am aware of that we are doing at the moment.*

*Mr. Kleck: I agree that we shouldn't do anything until we discuss it further with the lake banks within the development.*

Mr. Ward asked if there were any other questions for Mr. Tim Hall.

*Mr. Ron Miller: Tim, I listened as well as I could to your update on the preserves and thank you for that update. If you would please help me understand which preserves – there are half a dozen*

*categories of preserves or so that you went through – and I think I heard you say that the internal preserves have met the success standards, but I didn't hear that any other preserves have yet met the success standards. Am I hearing that correctly? Or please help me understand.*

*Mr. Hall: I may have said it that way. The internal preserves have met the success standards for three consecutive years and so no longer have to be included in annual monitoring reports to the Water Management District. The Corps has not signed off on them yet, but they know that the Water Management District has. The wading bird foraging area has met the success criteria for two years, but they were not consecutive, so they way it stands right now, it has met it for one year and this year it's compliant, and if it's compliant next year then that would be the three consecutive years and it could be signed off on. The western preserve, which is to the west of the project, has met success criteria for two years and we anticipate this being the third year that it will meet, so at the end of this season, when the monitoring reports go in, we will request that the western preserve be signed off on and approved, so it no longer has to be included in. The northern preserves in section 11 areas are into the second year right now and once we finish the monitoring, I will be able to say whether they meet the success criteria or not. I believe that there are some small areas at the north end that are going to require some supplemental planting in order to meet that success criteria and if that happens this would be the first year for them to be compliant and then they would have two more successive years before they could be signed off on by the agencies. Does that help?*

*Mr. Ron Miller: Is it a correct statement for me to say that apart from the internal preserves, no other preserves, at this very moment, met the success criteria.*

*Mr. Hall: No, they still meet the success criteria, but they haven't met it for the three years that are necessary to get the agencies to sign off on future monitoring.*

*Mr. Ron Miller: So, you agree they have not fulfilled the success criteria time period?*

*Mr. Hall: The time period, correct. The western preserve should fulfill it this year. We haven't completed the monitoring out there, but once we complete the monitoring every I've seen to date says it will meet it, so the western preserve will have met it this year and could be signed off on. The wading bird area has one more year to go and the northern areas have two more years to go.*

Mr. Ward asked if there were any more questions for Mr. Hall; there were none. He continued with discussion of the Budget.

*Mr. Ward: I'm really going to focus primarily on the first three pages of the Budget that you all have in front of you. That is your General Fund Operation. The remaining Budget that you see behind that area the Debt Service Funds related to the various series of bonds that this District has issued. That entire budget is driven only by the principle an interest that's due on the bonds. The revenue is driven by the assessments that come in from property owners related to those bonds and there is nothing we really can do about those versions of the budget. We will focus on the General Fund. From a high level perspective the budget is consistent with what we have had in the prior year, what has been added to this budget are the assets that are currently being maintained by the home owner's association which include landscaping at the entrance to the community, the entire lake's littoral shelves, lake bank systems within the District itself and some amount for the irrigation system which also belongs to the District. The budget numbers for those*

are driven at the moment only from the information I have been able to ascertain from the homeowner's association for what their existing budget levels are in 2020 for that program. So those are the numbers that you have in here for those portions of the budget. If you choose to move forward and keep this in the budget, there is essentially an accompanying item, which is the next item on the Agenda, that requires the District to give notice to the home owner's association that we are going to terminate that existing contract and the District will assume that on a going forward basis. Secondly, the next major part of this budget is obviously the preserve areas. That budget is consistent with basically – basically it is exactly the same – it is slightly different, but it is basically exactly the same financially as what we have had in the 2020 year going into 2021, and then the lesser part of this entire budget is the administrative side of the budget. That generally remains consistent from year to year for this budget. With that, you will see on the bottom of page 3 the assessment rates that it generates as a result of the preparation of this budget. The way in which I was able to keep this essentially the same – let me go back and explain this in more detail. The District, a couple of years ago, established what we call a cap rate. A cap rate is a rate that as long as our overall operating Budget does not exceed that number then we do not have to do mailed notice to all individual residents of the community. With the operating side of this the addition of the operations for your landscaping etc., the rate becomes \$525.08 for next year. The cap rate is \$525.10, so we were able to bring this in without having to do the mailed notice and that is in comparison to your existing rate which was \$487.67 per unit per year for 1,150 units. The way in which I was able to do this was that I did have in here \$119,000 dollar reserve in the existing budget, Fiscal Year 2020 budget, that essentially gets consumed by the assumption of the lake program, landscaping program and the irrigation system going into 2020 to keep your rate under the cap rate. I'll stop at this point and open it up to the Board for any discussion, comments, or questions that you all may have.

Mr. Kleck: I would like to read a statement from one of the homeowners Mr. Tom Coffey: "The proposal to terminate the maintenance contract with the HOA and put charges in the 2021 CDD budget, based on his comments, I think terminating the contract between the HOA and CDD is a good thing since we have to maintain a clear delineation between the two legal entities. The cost will be technically the same. Budget looks like to me that the preserve maintenance cost is expected to be about \$260,000 dollars in 2020 and the same in 2021. This does not consider insurance, some contingencies and other costs required by the NCOE permit. Treasury bills are one year for 0.16%, ten year will be a 0.62%, 30 year 1.27%. If you factor in future inflation an effective yield is equal to or possibly even negative. So, how much would be required for an escrow fund? \$260,000 plus 10% contingency at 0.0127 equals \$22.5 million dollars. Note: This is using the 30-year treasury bond rate which is not considered the risk-free rate and with no inflation. The risk-free rate is usually considered the 90-day T bill rate which is currently 0.09%. \$286,000 dollars equals \$318 million dollars."

Mr. Ron Miller: How much did you say?

Mr. Kleck: The T bill rate which is currently 0.09% -- \$286,000 at that percentage rate equals \$318 million dollars. Continuing Mr. Tom Coffey's comments: "We need to stop having our Board Members throw numbers out like \$8 to \$10 million dollars. We need a professional assessment of the true future costs before we can calculate the present value required for an escrow fund. What is the real cost of a controlled burn? How often will these have to occur? What other costs are truly involved? The clearing of down trees in 2020 is only estimated at \$1,000 dollars and the same in 2021. Why is this? There are downed trees all over the preserve. What is the responsibility

*of the CDD to have these trees cleared now and in the future? Environmental consultants reporting on regulating agencies, sampling and monthly visits are a total of \$31,700 dollars for 2020 and 2021. Why are the monthly reports and copies of the reports to agencies part of the Board presentation and Agenda? I believe these are reports to stay in compliance, so I would deem this to be material information. Tim Hall has included overall status report for each preserve area as part of the current month's agenda. This report gives an estimate of future maintenance cost and no mention of controlled burning. Why not as this was stated as a primary way to control the preserves in the future in the overall mitigation, monitoring and maintenance plans. Maps, who owns the trails and canal? New lake bank maintenance costs in 2021 of \$81,600 dollars. Where were these costs in 2020? How do we know that the lakes and the lake banks were in compliance before Taylor Morrison turned them over? We know they are already doing additional work because of the lake bank erosion and not adequate littoral shelf plantings in Tivoli to begin with. New landscaping budget's amount of \$80,400 dollars, 2013 bonds at 6.5%, 2015 bonds, phase 3, at 5%, and 5.375%, 4%, 4.8%, 5%, 2017 bonds at 3.4%, 4%, and 5%, 2019 bonds at 3.35%, 3.7%, 4.125%, and 4.375%. Shouldn't all of these bonds be considered for refinancing now with historic low interest rates? What would be the cost benefit of refinancing each series? I think we should hold firm on not accepting Taylor Morrison's nominee." He asked Mr. Ron Miller to comment on a Cheryl Palmer (ph) letter dated March 2, 2020. Mr. Ron Miller asked if Mr. Coffey was on the conference call. Mr. Kleck responded in the negative.*

*Mr. Ron Miller: Well, thank you for reading that. If Tom were present, I would like to thank him for his comments because I think they are very good comments and get to the point and I've got some further comments to make on that in a few moments. In any event, to respond to Tom's question about the Cheryl Palmer letter which I have written and sent to her and to the Taylor Morrison President of the Florida Division; she received a letter as well. By the way, I will apologize for my lack of technical skills. The letter which I sent to Jim Ward, which is included in the Agenda material, had some edits that weren't properly done. I want to assure the Board members that I did get out a clean letter to both Cheryl and the other president and the letter I sent to Jim Ward still had some red line edits that thanks to my lack of technical skills was an accident, but the proper letter without edits went out to the recipients of the letter.*

*Mr. Ward: We do have a number of audience numbers present who are on voice call. They do include Mr. Coffey. They are muted at the moment and in order for them to speak I have to unmute them for purposes of this call. At this point this is a Board discussion. I will let you all discuss that. When we open it up to Public Comment, I will unmute them and ask them for any comments they may have at that point. The audience can hear you is what I'm telling you at this point.*

*Mr. Ron Miller: Good. Tom Coffey, you can hear me, and thank you for the research and the input that you have provided to the Board today. I will make some further comments on that in a few minutes. The letter that went out to Cheryl Palmer was a summary version recapping all of what we have discussed in the past about the payment of past preserve expenses, the lack of funding for future expenses. The same things that Tom Coffey has put in the information that Tom Kleck just read to us. We could go over that letter together and read it together if we wanted to, but I think it's pretty self-defining in the letter, so maybe just open it up for comments. It's just going over the history of this thing. But I was asking for Cheryl Palmer to intercede and to do something to rectify this situation. I have had no feedback from anyone at Taylor Morrison with respect to that. So, I have nothing further to report.*

*Mr. Ward: This is a novel experience for all of this in doing it this way, so would you like to reserve any future Board Comments, we will open it up to Public Comments, we will close it and then take it back to the Board so you can decide what you want to do with this budget at this point? Is that a reasonable way to handle this? (No response heard.) I'm guessing that's a yes, so Steve, do you want to unmute the audience for me please? We do have a number of audience members on the phone with us today. I cannot see them because they are on audio and not video. If an audience member would like to make some comments specifically related to the item on the Agenda, which is the consideration of the District's Fiscal Year 2021 Budget, I'll ask that you please state your name, make your comments, we will try to respond to you, and at the conclusion of that we will close the audience portion of this and go back to the Board's consideration. Do we have any audience comments on the Budget?*

*Mr. Tom Coffey: Tom, thank you for reading those comments. I'll try to go through the comments that Tom provided. My comment on the \$260,000 dollars for the preserve maintenance for 2021, and it looks like the same number for 2020, it's really an observation. That observation was looking back to the Army Corps of Engineer's permit which requires a 10% contingency, and insurance and some fencing and some other things to be included as well, and really my calculations were just looking at the current T bill rates and doing nothing more than mathematics and the calculation was just an observation. The calculation if there was a funded escrow fund, the present value of that would be, could be, a pretty significant number, but the question I have, and I guess this is a question for Tim Hall, is that we have the current maintenance budget for 2020 and 2021 but there is no mention anywhere in the budget so far as to what he puts in his mitigation, monitoring and maintenance plans where he says that the largest long term maintenance will be controlled burns and I'm curious as to what that means, how involved that will be with getting all the interested parties involved such as Fire, Fish and Wildlife, etc., how complicated that is, how many acres would you be allowed to do at once? Is there any idea of what really the long-term maintenance cost, all in, complying with the permits, will truly be? That's my first question and rather than go through the whole list of other questions, maybe, do we want to hear Tim respond to that or do you want me to go through my other questions?*

*Mr. Ward: Let's do it one at a time, I think that's more sensible at this point. Mr. Hall?*

*Mr. Hall: The question about the burns – you're talking about the mitigation, monitoring and maintenance plan where we talked about the controlled burning? Most of the public entities that do this kind of work use burning as their primary maintenance tool. It's not required, but it's generally a lot cheaper for them to burn than it is to go in and do other types of mechanical maintenance, so from a monetary and manpower standpoint they are able to burn their properties a lot easier. That's why it's in the plan. Burning is not a requirement, but the plan and the permitting that was established for it allows that to happen if that is a future maintenance event that wants to occur. You are correct, numbers for that have not been added or included in any of the budgeting that we do. The budgeting right now is simply for the hand spraying and removal of exotics and material by hand is what's included in the budget right now. If fire does get added, most of those habitats out there are an open type community where the frequency of burn would probably in the neighborhood of 9 to 12 years would be about right for them and that would have to be coordinated with all of the surrounding communities, as well as the Department of Forestry and most likely the Water Management District. Most of the entities that do things like that will contract with the Department of Forestry to actually conduct the burn and in that case, a cost standpoint, it can be anywhere from \$16 to \$60 dollars an acre depending on what they think is*



*going to be required to protect all of the surrounding communities from that. But like I said, it's not a requirement, it's an option that's available if the CDD or long-term entity decides to pursue it.*

*Mr. Coffey: Thank you, I understand much better now. So, we have budgeted is the handpicking and work we are doing for 2020 and 2021. Your expert opinion is by continuing that long term, at that size of dollar value, factor in inflation or whatever else, irrespective of controlled burning, that would be adequate to continue to maintain these preserves?*

*Mr. Hall: Yes, I think so. There are a limited number of upland, like palmetto communities up there, where if a load gets heavy or whatever we could bring in a mower for a year and kind of mow the area to do that as a replacement or alternative to burning. You don't have to deal with all of the adjacent communities being concerned about smoke or fire getting away from you or something. There may be little things like that that come up, but the actual maintenance cost, like for 2020 and 2021, I expect that number to continue to go down when the preserves are all brought under control and all of the exotics are on top of where it is mostly these grasses now. I expect the long term cost to go down somewhere around \$80 to \$100 dollars an acre, whereas right now we are looking at \$150 because we are having to do 2 and sometimes 3 treatments a year to stay on top of these little pockets of exotic grasses that we are still trying to deal with.*

*Mr. Coffey: Okay. I see in 2020 we are estimating \$1,000 dollars for clearing of downed trees and in 2021 the same number. What does that encompass? Because as I walk the trail, I see all kind of downed trees, so obviously \$1,000 dollars isn't enough to clear those downed trees. What downed trees are we speaking about in the budget?*

*Mr. Hall: That was to cover trees that fell into the berm itself. Most of the trees that fall into the preserves and are not a danger to any structures or anything else are just left as they are, but the money for if a tree needs to be cleared is if one falls from the preserve across the walking path, or into berm to the point where it's an obstruction that needs to be removed. That's why that number is so low because the incidents of that happen, we don't think will be very often.*

*Mr. Coffey: Who owns the walking trail and the canal?*

*Mr. Hall: The trail outside of the Flow Way itself is part of the berm protecting the Flow Way, so whoever owns the Flow Way is going to own that trail as well. It is not part of the preserves. It is actually tied to the water management feature of the swale itself.*

*Mr. Coffey: Do we know who owns the swale or the canal?*

*Mr. Hall: If it has not been turned over yet, then it would still be under Taylor Morrison's ownership.*

*Mr. Coffey: Okay, so that will be part of the HOA?*

*Mr. Ward: I can't answer for what Taylor Morrison will do. To the extent it is part of the water management system, those properties, if we don't already have easements over them, should be dedicated to the CDD, especially the drainage system. As I understand what Tim said, that is a*

*part of the water management system, but it is outside of the preserves or next to it. We can find that out for you. I don't know off the top of my head.*

*Mr. Jeremy Fireline: The CDD does have easements over those.*

*Mr. Ward: Mr. Fireline is our District Engineer, so we have an easement. I think the question, Jeremy, is who owns it, so I suspect if we have an easement, it is still in Taylor Morrison's name, but we will check that for you.*

*Mr. Ron Miller: Are we coming to the point where we think that when it is turned over, we think it will be turned over to the CDD?*

*Mr. Ward: It is not in the ownership of the CDD, but it would normally get turned over to a CDD. It can get turned over to your homeowner's association. The District has an easement over it which means we have the right to use it for our purposes, so the ownership becomes less important to the CDD, but either entity would be fine. Personally, I think it should be the CDD but --*

*Mr. Ron Miller: That is yet to be determined is what we think?*

*Mr. Ward: Correct.*

*Mr. Martin Winters: I have two questions. I understand we are going to be terminating the HOA contract which I presume means the CDD is going to be taking over maintenance responsibilities that are currently being billed through the HOA. Does the \$260,000 dollars that's in the 2021 Budget take into account the maintenance responsibilities that the CDD is going to be taking over from the HOA or should that number be higher?*

*Mr. Ward: The \$260,000 dollars is only related to preserves. The Budget includes additional line items for the water management system which is \$81,600 and for the landscaping which is \$80,400. Those are included in the Budget, but they are in addition to the \$260,000.*

*Mr. Winters: So that does take into account what the HOA is currently doing?*

*Mr. Ward: It takes into account what they are currently doing of the CDD's assets. As I indicated, that number is based on the information I have that is used by the HOA in their budgeting process.*

*Mr. Winters: Okay. My second question is, I see in the budget an amount for insurance of \$6,300 dollars which I presume does not include much liability coverage for anything that happens in the CDD. Have you priced or shopped a higher general liability limit in the event that something happens in the CDD that impacts the surrounding community?*

*Mr. Ward: I think our limit is \$2 million dollars on this policy. Generally, my experience tells me that works just fine for a CDD. We don't have that much intrusion or problems. But I certainly don't have a problem bringing additional information to the Board that would give them additional options, or looking at that myself, either one.*

*Mr. Coffey: I see in the budget that Mr. Hall submits regular reporting to various agencies for sampling, monthly visits, and my comment would be, and this is not a yes or a no, it's something*

*the Board might want to consider. I think those reporting to regulatory agencies, if I was on the Board, I would be in favor of material reports, especially considering the preserves, I as a Board Member would like to have those as part of access to the records we could look at periodically. This is just a comment. The Board has to consider that. The other observation I would make is that as I go through the bonds and the interest rates that Tom Kleck was referring to, the 2013 bonds were 6% and 6.5% interest respectively, the 2015 phase III bonds were 5% and 5.8% respectively, the 2015 phase IV 5.38%. You down these lists and with today's interest rates, obviously there is a cost of refinancing, but I think it would be prudent for the Board to bring in the finance expert with the current historic low interest rates and consider whether plausible, feasible, and economical, especially considering the constituency of all the residents, to refinance these bonds. That's something I, as a resident, would suggest the Board might want to consider.*

*Mr. Ron Miller: I couldn't agree more. If you can refinance today, then you're going to get a much better interest rate than is currently in place. It is my understanding and please Jim, or anyone else that might have some information on this please, speak up. But I think we raised this, or I raised this perhaps a year or year and a half ago, and my memory, which may be poor, but my memory is that with respect to each of the Bond issuances, the first call that we have the possibility of doing a refinancing is 10 years, so we are stuck with the current interest rates for ten years from date of issue. If that is correct, then certainly as a Board we should be very much on top of this and refinance each and every one of them as soon as possible, but my understanding is there is a 10-year call period.*

*Mr. Ward: Ron is absolutely correct. He did raise this question a year or more ago with me, and each Bond issue separately has a 10-year call protection on them. That is what all CDDs in the entire State and some local governments use also. The first opportunity for refi would be 10 years from the issuance date, so the 2013 Bonds would be 2023. That is always on my radar screen as we get closer to that 10-year call period for us to do that. So, not in 2021, but sometime later next year we will have to look at that process. I don't remember the exact date of the issuance of the 2013 Bonds, but probably at the latter part of next year when we should start doing that, and then they renew in sequence from there based on the issuance dates.*

Mr. Ward asked if there were any other questions or comments from the audience; there were none. He indicated as such Board discussion would continue at this point.

*Mr. Kleck: One of the questions I have for you, and it's more curiosity than anything else, I understand and know what a simulated burn is. I believe you alluded to it's more of a mechanical and a spraying burn, or simulated burn that eliminates a lot of the ground cover that needs to be taken out. From a cost standpoint how less is a real burn versus a simulated burn per acre?*

*Mr. Hall: Honestly, it depends a lot on the habitat type that you are working in. It could be as simple as running a mower or a small disc through the area – roller choppers they call it that kind of chops up the palmettos and it puts a lot of the dead material down onto the floor where it will break down really quickly and opens up the upper components so that the plants can sprout out and put out a lot of new growth. Something like that is really inexpensive in terms of it's a guy on a tractor pulling the piece of equipment. That can be very inexpensive. A burn can be inexpensive or expensive. I would anticipate if we do try to do actual controlled burns on this property it will be a little bit more expensive because of the care and the labor intensiveness that would be needed to make sure that it doesn't get away into the surrounding communities. Because our preserve is*

*kind of a cul-de-sac going down into communities on really three of the four sides the care that would be needed and the timing – just because you want to burn doesn't mean you would be able to if the conditions and the wind and the relative humidity and all are not right, then you're not going to be able to get permission to burn, so sometimes the conditions don't present themselves for several years to be good for doing that. When we wrote the management plan, we wanted to leave burning in there as an option so that no matter who took them on as a long-term project, that they would be able to manage them in the manner that they are accustomed to.*

*Mr. Kleck: Thank you Tim.*

Mr. Ward asked how the Board wished to proceed.

*Mr. Ron Miller: I have some suggestions. My suggestions go down the path of moving the Budget forward by severing the Budget in two pieces, which I'll make a motion on in a few moments. But I intend to motion to sever the Budget into two pieces: The Debt Service piece and the Operational Budget piece. With respect to the Debt Service piece only, I want to make it very clear that I am in favor and do intend to vote in favor of its approval. We do not want to do anything at this point which would jeopardize the debt service as I think there would be some significant consequences to both the residents, as well as to Taylor Morrison if we did not fund the Debt Service.*

*Mr. Drew Miller: You're going to have to explain to me how that would work Jim. So, if we sever those two, who processes the payments? Who manages that? Who actually manages the Budget Operation in the Debt Service Budget?*

*Mr. Ward: I do that.*

*Mr. Drew Miller: Where is your budget in there?*

*Mr. Ward: Within the Operating Budget itself you'll see there is a section called appropriations. It has legislative, executive, other contractual, all the way down.*

*Mr. Drew Miller: So, it would be in the Operational portion. It's not in the portion that he's looking to separate.*

*Mr. Ward: Mr. Ron Miller is separating it into two pieces. The General Fund Budget does include the generalized administrative part of the District, and then the Debt Service Budgets are just the principle and interest due on the Bonds. There are no administrative costs within those budgets.*

*Mr. Drew Miller: So, if that Budget gets passed, but the other Budget does not get passed, the General Budget does not get passed, there is nobody to manage and actually fund and pay and do all the pieces to manage it. So, we are not in any better position. On that note I couldn't support that motion.*

*Mr. Ron Miller: Looking ahead to the operating portion of the Budget, first of all I want to really emphasize, and I'm saying this from a high integrity level of fiduciary obligation capacity and whatnot, that we need to fund the Debt Service. For that to fail, I believe, and this is just my opinion, there could be some dire consequences to both the residents and to Taylor Morrison. I think it is imperative that the debt portion of the budget be approved and move forward as always.*

*With respect to the Operational Budget, where I'm going to go with that in a few moments with a motion is to motion that we do approve the Operating Budget but for taking out of the Operation Budget all of the funding related to Tim Hall and all of the Budget related to maintaining the preserves for all the same reasons we have been over this time and time again. We should not be paying for those. I know Tim Hall is on the phone, and I'm glad he's on the phone, because I would like to talk a couple of comments there as well. Nothing I'm saying here is meant to be at all disrespectful to Tim Hall's expertise. He has a great deal of expertise on what he does, and I respect that. That's not my point. My point is, and I'll give you a couple of words of history on this thing where I've been before, is that I now know of two specific situations where Tim Hall has represented Taylor Morrison outside of the CDD: One is where he represented them to amend the Corps of Engineers permit and the other is when he represented Taylor Morrison in a true executive committee meeting. He was clearly representing Taylor Morrison and not the CDD. It would be interesting for me to know, and we will eventually find out. Mr. Hall can maybe make a comment now if he wishes. He doesn't have to. But it would be interesting to know whether his representation of Taylor Morrison on those two instances were billed separately by him, or whether he is being paid by the CDD for those representations, but either way it goes, I am for defunding Tim Hall and defunding the preserve maintenance. We can vote on that as a separate thing where Drew Miller's good observation, I do not propose to de-fund Jim Ward because we do need for the CDD to go onward and to be properly managed.*

*Mr. Drew Miller: There are a couple of items on the Budget that I think are worth discussing. From what I understand there is time to discuss this couple of line items before we do the final approval; however, I think we have an obligation to these preserves, so in my mind there is no option to not fund that. The CDD is responsible for paying that and we have a responsibility. I wanted to put a motion on the Board to move this Budget forward as it stands, asking for a second.*

**MOTION made by Mr. Ron Miller, seconded by Mr. Tom Kleck, and with two in favor (Tom Kleck, Ron Miller) and two opposed (Drew Miller, John Wollard), to sever the Budget into two pieces: Debt Service and Operational Budget failed.**

*Mr. Ron Miller: I would like to make a couple consequences because I do think there can be some diabolical consequences and I really want the Debt Service to be funded and go forward. I think as Board Members we have that fiduciary responsibility for that to occur. The consequences I see by not approving the Debt Service would be, and I've read the indenture on, at least I looked at the indenture on one of the Bond Series and I presume the others are the same. This would, and I'm speaking off the top, but I believe all it would take is some time, maybe a year or two years, the Bond holders do have some rights in the bonds and they would ultimately put liens on the resident's homes. We don't want that to occur. What would happen more quickly in my humble opinion, and I believe I'm the only person on the Board who has ever had real time experience in working with rating agencies such as, specifically, S&P, Standard and Poor's and Moody's and actually going to Wall Street to raise funds. I've had that experience. If we were to miss a debt service payment, even one, apart from the consequences of a year or two later when the bond holders would exercise their rights, I doubt that Taylor Morrison could do another CDD. And also, Taylor Morrison is a public company. I took a look at their financial statement, their balance sheet. Taylor Morrison current has about \$2 billion dollars in debt on the balance sheet. That would go probably immediately to junk status for default on the bonds. I think we should get together on this thing, because*

*we have common interests and approve that debt service. I can't emphasize that more by saying we should approve that so there is not a default.*

**On MOTION made by Mr. Drew Miller, seconded by Mr. John Wollard, and with two in favor (Drew Miller, John Wollard) and two opposed (Ron Miller, Tom Kleck), to approve the Budget as presented failed.**

*Mr. Greg Urbancic: I just wanted to make sure everyone understands what we are doing is preliminary approval of the Budget. This is not the final approval of the Budget. We actually have to have a public hearing, so this allows us to set a public hearing, and while we cannot go up on the Budget, we certainly can go down. I just want to make sure everybody understood that this was a first order of process for us to have this so we can set a public hearing. This isn't the last bite of the apple for this discussion.*

*Mr. Ron Miller: Thank you for that observation. I was aware of that, but I think we should get this on the table today, so we don't come to the public hearing and have this discussion.*

*Mr. Urbancic: That's fair. I just wanted to make sure everybody was on the same page.*

*Mr. Drew Miller: I understand at one level what you're trying to do with severing this, but I read into that saying that we are going to get a continued 2 to 2 vote on the General and the rest of it. I'm having a hard time understanding what one does or benefits us more than the other. Separating it is just causing us to push the issue we are having. We still have to address the issue at hand which is passing a budget which pays for the responsibilities and obligations of the CDD. All I hear is we are trying to maneuver a situation to keep us out of one problem and jump us into another problem and I don't think that solves our problems. If we need to have the discussion on the preserve maintenance, I feel like now is the time to have a discussion on maintaining the preserves and not try to do one thing so we can postpone and have catastrophe not happen on one thing, but have catastrophe happen on something else. I feel like, lets just have the conversation. It's the CDD's obligation to fund those. I don't think that there is a disagreement with that. I understand where your disagreement is, but the CDD owns them, the CDD has, through many documents and budgets and last year's budgets, and acquisition documents. We have accepted that responsibility. I think walking away from that responsibility is not acceptable of the Board.*

*Mr. Ron Miller: I do appreciate where you're coming from on that. Let me offer up some additional thoughts. These thoughts are not toward Drew Miller or John Wollard personally, but we've all been through this time and time again. I do want to fund the debt service very, very much. For Drew and John. I do recognize that you're in a tough position. I understand that. And I'm sorry that we can't have this kind of conversation outside of a Board Meeting where we can dig into this kind of stuff in more detail and share ideas and thoughts, but unfortunately, we can't. we just have to surprise each other at Board Meetings. There's nothing we can do about that. But this is a very serious matter that we're talking about, quite serious. I would just throw this out for Drew and John that if they're having some nervousness here, which they may very well be, perhaps, and this isn't really your call so to speak, this is probably above your pay grade and if you just want to stop the Board Meeting and we all go home and you take this information back to Taylor Morrison in corporate we can have another Board Meeting next week.*

*Mr. Drew Miller: I don't know what information you mean. I'm trying to understand how are we, as a Board, going to vote to fund our obligations. Those obligations include the preserves. I guess that's the problem. We are running on a time clock. We're trying to get a Budget approved, so I feel I don't understand what –*

*Mr. Ron Miller: I'm being transparent. I do not intend to approve the funding of the preserves or Tim Hall's contract. If we are going to cause the entire Budget to be not approved, and the debt service not to be approved, that's a very significant matter that Taylor Morrison corporate may want to know. I'm just offering this up, not to catch them by surprise, maybe let them think about that and have you come back.*

*Mr. Drew Miller: I'm going to need some help here just understanding what is your take on this. What's our obligation as a CDD Board to fund the General Fund as well, and the preserves specifically?*

*Mr. Greg Urbancic: Ultimately the Statute provides basically "thou shalt." Thou shall approve a Budget. So, from your standpoint as Board Members you have an obligation to go ahead and approve a Budget to maintain your facilities and fulfill your obligations. We have existing contractual obligations, so a concern of mine is that if we decide to un-fund some of these provisions, we do have contractual obligations out there and otherwise it could have ramifications for our maintenance obligations. Either not approving a budget or approving a budget in part for operation and maintenance is going to have some other ramifications in term of contractual or other potential liabilities for us. We had better get our hands around all those things if we are only going to approve it in part.*

*Mr. Ron Miller: It's perfectly okay with me if Taylor Morrison would come to the table and fess up and pay for their obligations for the maintenance of the preserves. That's where I think this goes to. It is not the CDD's obligation to do so.*

*Mr. Drew Miller: I think the CDD and even what Greg just said – that obligation is to fund our maintenance responsibilities and to fund this. I don't know how in good conscience we can say if the residents there have something to take up with Taylor Morrison, I don't know that this is the venue to do so. The CDD right now has an agreement in place and has obligations to maintain those preserves. I don't see how our position on the Board is, what you kind of hinted to. I don't know if it is fiduciarily responsible for us to not fund our contracts and fund our obligations and fund the assets that we accepted and that we are responsible for maintaining.*

*Mr. Ron Miller: The obligation to fund the preserves is Taylor Morrison's, not the CDDs. I think we've just reached an impasse is all. Taylor Morrison can step up to the table, and they can fund the CDDs, and we heard Tim Hall tell us succinctly in his presentation that apart from the internal preserves, no other preserves have yet met the success criteria.*

*Mr. Drew Miller: I understand the distinction. The internal preserves were maintained by the HOA and funded through the HOA up until the point in time where they were funded through the CDD, so the funding mechanism – there was an agreement in place. The HOA maintained it. There are some nuances there, but I don't fully understand the difference. There was a responsibility to*

*maintain, they were maintained, and they are getting turned over. Again, I can't vote for anything that will not fund the CDD's obligations.*

*Mr. Ron Miller: So, you are in favor of voting Taylor Morrison's pocketbook, not your fiduciary obligation to vote in the best interest of the CDD. That's what I'm hearing you say.*

*Mr. Drew Miller: I don't think I understood what you said.*

*Mr. Ron Miller: As Board Members we have a fiduciary obligation to vote in the best interest of the CDD, not Taylor Morrison. What I'm hearing you say is you would rather vote in favor of Taylor Morrison's pocketbook as opposed to the CDD's pocketbook. We are simply at an impasse.*

*Mr. Drew Miller: I absolutely disagree with you. Vehemently disagree with you. And we have had this discussion ad nauseum. So, no. I don't like you putting words in my mouth. I think you heard me completely wrong and I think you know that. I do believe that this Board and the question at hand has nothing to do – it wasn't a question of do we take and do we accept responsibility for these things. That's not the motion on the floor. We have already accepted the property. It is in the ownership – the contract was written – I'm pretty sure that you guys voted for the Budget and the contract at the time. That was the time to have those discussions. Now we are at a point in time where we have to maintain that. If there is a grievance with it, it's not this Board's grievance with the contract or with the budget or with those things. We have an obligation. Greg has just confirmed we have taken on those assets. We have an obligation to fund the maintenance responsibilities of those assets. That's the question at hand and that's where I feel my fiduciary responsibility lies as a CDD Board Member and that's why I can't vote to not fund our obligations. I can't do it. If we need to think about it, we have next month. We can take a breath, but I really want – and we can table it and come back to next month, but I implore you guys to think really hard about that. That is our obligation and I'm hoping that we are going to be able to make that happen. I feel like it's the only choice we really have.*

*Mr. Ron Miller: I want to correct you on one thing. No resident CDD Board Member has ever approved the transfer of the preserves and their funding requirements to the CDD. That was done by a Board of five Taylor Morrison personnel. I am not taking this lightly. This is a serious matter and we are not able to discuss it outside of a Board Meeting, so this is catching you by surprise and I understand that. So I am offering up the possibility that we just end the Board Meeting, you take this information back to Taylor Morrison Corporate because it's a big decision for you guys and it's catching you by surprise.*

*Mr. Drew Miller: I don't know if it's catching me by surprise. I think you guys have been pretty transparent along the way about what you were going to do on this. I just think that – that's find, if we're at an impasse, we're at an impasse. I think there is a motion on the floor.*

*Mr. Ward: No. There are no motions on the floor. Both motions failed.*

*Mr. Drew Miller: Okay, we can table this until next month if the Board needs more time to think about it. Do we have time to think about it?*



*Mr. Urbancic: Yeah, our deadline for adopting a preliminary Budget is June 15. I know Jim likes to have it done before that so he can make sure we have all the notices done, but that is our deadline for adopting a preliminary budget.*

*Mr. Drew Miller: I just want to touch base on one other thing that popped up on this budget and with the resolution that follows this one is the contract to void the agreement with the HOA. I do think, and that was my only comment on two of the line items in this budget, I'm okay with the dollar value and some of that, but I don't know that we have worked out enough of the details with the HOA and what that would look like, so in terms of it, I do think, we'll probably need to revisit some of the maintenance budget items in this thing, as well as that agreement. I think it needs a little more work before terminating any maintenance agreements.*

*Mr. Ron Miller: In response to the motion which hasn't yet been made to cancel that agreement with the HOA – I'm in favor of doing that, but if you wish to have more time to think about it, that's perfectly okay with me.*

*Mr. Drew Miller: The last meeting we met and had asked the District Engineer to put together an exhibit to start looking at it. Like, there are some landscaping questions I have up front. What we've got budgeted in here for littorals – it looks like some of the stuff in here came from the HOA, but I just want to make sure that that's been vetted out with the HOA, that they're on Board with what the changes are and I don't know if there has been enough discussion. Maybe there has. Who's had those conversations, that kind of stuff. I guess why I'm going that direction is if we are looking at it for next month, maybe there is some research that needs to be done ahead of time.*

*Mr. Ron Miller: I'm quite amenable to that.*

*Mr. Ward: I've remained relatively silent but let me respond to Drew's question on the maintenance. The numbers that are in this budget are wholly from the homeowner's association's budget. As the manager, I don't know whether those numbers are right or wrong at this point. In order to get them done correctly, I clearly need to have some firm that is capable of evaluating the system and determining what we need maintain, what the numbers need to be, what the scope of services need to be with respect to that. That can be done by the District Engineer or another firm as the case may be. But if you want to proceed, it's something that's, although not budgeted, we clearly have sufficient funds to do that, and come up with a better set of numbers for you. If you want to move down that path it was going to be an item that I recommended that we proceed to do at this point in time, giving me the authority to retain the necessary firm to do that. I think the number, probably to do it correctly, is somewhere in the \$10,000 to \$15,000 dollar range. That's what I have traditionally been used to spending when these turnovers retain the firm correctly to evaluate these assets.*

*Mr. Jeremy Fireline: One of the things on the landscaping. So, definitely Drew I hear what you're saying coming up with which piece is which. The difficulty and the challenge that we're having right now is that we've got what we refer to as code minimum and scaping, and I know you know what that means. That's the minimum number of trees required by the code to be put in for instance on a permit or buffer. In addition to that, the communities such as Esplanade and Naples are built to a much, much higher standard than what would be required for code minimum. It's a beautiful community. So, the question that we have is how we tease apart some of the dollars associated with what's the quantity of trees for instance. I think there is comingled landscaping,*

*and it's hard to tell from just the specific documentation specifically what is what. We know the areas, we just, for instance, one of the requisitions calls out trees and sod, so we definitely know what that is, but if there are pieces over and above that, how does that maintenance work then if both the HOA and the CDD were to have assets in the same location.*

*Mr. Ward: Jeremy, maybe I can help you. Frankly, that doesn't make any sense. If the District owns an asset, whether it's landscaping or a drainage system, whatever it's constructed to now is the scope of services and the cost that need to be in this Budget. It's not split between an HOA and the CDD. It's either one or the other. It doesn't matter which one. If we can't put our fingers on what the District owns, that in my mind is a big problem. But if we can at least identify what we own and what our maintenance responsibility is, and the scope of service is, then it's not hard to put together a budget for all of this stuff. It doesn't matter whether it is code minimum or built with gold standards. It doesn't matter. It is what it is.*

*Mr. Drew Miller: I was just thinking more along the lines of do we have HOA's approval. Has the HOA Board said yes? Does this make sense? They are going to do this; we are going to do this. That's my point. I want more clarification and maybe some buy-in on both sides of the equation to make sure that everybody agrees what the scope is and why we're doing which one we're doing, and whatever. I think last meeting I said I'm amenable to working through it, but let's just make sure everybody's good and on the same page of why we're doing the things we're doing.*

*Mr. Ron Miller: The real issue we're talking about, and the CDD has unilateral right to cancel this contract, so the real issue is do we believe that it should be canceled and to put that maintenance expense and responsibility back onto the CDD, or should we continue to have the HOA acting as a subcontractor and comingling the two organizations. With respect to the amount of money it takes, whether the numbers Jim has estimated are correct or not, is in some respect irrelevant because whatever the numbers turn out to be in the end are going to be the numbers and the CDD would have the responsibility to do that, or the HOA has to do that, and when you get down to the pocketbooks it's the same pocketbooks. It's the residents. So, without trying to opine whether Jim's estimates or numbers are correct or not correct, I think it's a little higher issue on do we think this is the right thing to do and then move on. I'll repeat myself. I'm okay, Drew, if you want to postpone this and give this some more thought and touch base with your folks back on the HOA. I'm okay with that.*

*Mr. Drew Miller: Okay. That sounds good.*

*Mr. Ward: Okay. So, we are punting on Items 4, 5 and 6 for this meeting? It was the consensus of the Board to continue Items 4, 5 and 6 until the next meeting.*

## **SIXTH ORDER OF BUSINESS**

### **Consideration of Resolution 2020-4**

**Consideration of Resolution 2020-4 of the Board of Supervisors of Flow Way Community Development District Authorizing the District Manager to Notify Esplanade Golf and Country Club of Naples, Inc. of the Termination of that certain agreement between Flow Way Community Development District and the Esplanade Golf and Country Club, Inc.**

It was the consensus of the Board to continue this Item until the next meeting.

**SEVENTH ORDER OF BUSINESS****Staff Reports****Staff Reports****I. District Attorney**

Mr. Urbancic had nothing to report.

**II. District Engineer**

- a) District Asset Report (Waldrop Engineering)**
- b) Preserve Maintenance Report (Turrell & Associates)**

Mr. Fireline had nothing additional to report.

**III. District Manager**

- a) Financial Statements January 31, 2020 (Unaudited)**
- b) Financial Statements February 29, 2020 (Unaudited)**
- c) Financial Statements March 31, 2020 (Unaudited)**

Mr. Ward stated he had no report. He asked if there were questions regarding the financial statements. There were none.

**SEVENTH ORDER OF BUSINESS****Supervisor's Requests and Audience Comments**

Mr. Ward asked if there were any additional Supervisor's Requests. There were none.

Mr. Ward asked if there were any further audience comments.

*Mr. Tom Coffey: I think one of the questions Drew was asking regarding the lake bank maintenance issues and the littoral plantings and the maintenance costs that are going to be assumed by the CDD and taken out of the HOA budget. If the CDD owns the property, I think they should be maintaining it. I think one of the questions in my mind is, I know there was a memorandum put out by the HOA that they were doing some lake bank restoration, remediation, or whatever you want to call it because of erosion on Arrizo Court (ph) and Trivoli Terrace (ph), and they want to look at other lake banks also. I really believe that is because the County came and said certain standards weren't met. The question in my mind is not just a simple transfer of what might have been budgeted by the HOA for lake bank maintenance or what the CDD would assume, but if it's one of those remediation costs to be absorbed by Taylor Morrison and not the HOA. That's a question we all should be asking at present. But the real point is, from a budget perspective, as long as we know what the CDD owns and as long as we have a separate contract with a contract or separate billing as to what they are going to do for those things the CDD owns, if you budget, for instance \$100,000 dollars an actually billing comes in to \$80,000 dollars, well it's budget versus actual variance or if you budget and it came in at \$110,000 and you budgeted at \$100,000 dollars. It's still budget versus actual. So, from a budgeting perspective, the dollar amount doesn't matter as much as the actual*

*maintenance of the property owned by the CDD. I think everybody understands that, so I think it's really definitional.*

*Mr. Dave Boguslawski: Tom hit one of mine, but a related comment or question really is, this whole line of demarcation on who owns what assets. Drew mentioned that there's some work. There are some exhibits that were going to be prepared. Who is doing that and who is overseeing it?*

*Mr. Ward: Mr. Fireline with the District Engineers is responsible for the preparation of that.*

*Mr. Boguslawski: Is there an estimate on when that's going to be done?*

*Mr. Fireline: We have the exhibits in draft form right now. We will be 100% done two weeks from this date.*

*Mr. Boguslawski: We had an earlier question on the call about the trail that exists. Just a really rough response if you could. Where do you see roughly the dividing line? Is the river there, the Flow Way bank that's on the golf course side, sort of the place where the split occurs between HOA and CDD under this planned split?*

*Mr. Fireline: Speaking under the terms of a water management permit, the water management system itself includes the water and the lake, and then there's a requirement for how high that water gets during the regulatory storms. To answer the question, it kind of varies from lake to lake, but it's basically at the permitted top of bank. That would be the demarcation. It doesn't really depend on trail or any amenity features. It has more to do with the function of the water management system itself.*

*Mr. Boguslawski: Okay. I don't want to get too detailed here. I'm right with Drew's thinking on terms of the level of detail we need to think through while macroscopically it's a pretty easy situation. As we get on the property and look at things, we've got maintenance along the golf course which is a set of issues. Those landscaped beds meander onto the course. We've got bridges that cross the water. So, having that map early to enable the discussions is pretty important. I appreciated a couple of weeks out. Thank you.*

Mr. Ward asked if there were any additional questions from the audience. There were none.

**EIGHTH ORDER OF BUSINESS**

**Adjournment**

Mr. Ward adjourned the meeting at approximately 2:46 p.m.

**On MOTION made by Mr. Drew Miller, seconded by Mr. John Wollard, and with all in favor, the Meeting was adjourned.**

Flow Way Community Development District

  
James P. Ward, Secretary

  
Drew Miller, Chairperson