

**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, June 20, 2019 at 1:00 p.m. at the offices of Coleman, Yovanovich & Koester, P.A., 4001 Tamiami Trail North, Suite 300, Naples, Florida 34103.

Present and constituting a quorum:

Drew Miller	Chairperson
John Wollard	Vice Chairperson
Tim Martin	Assistant Secretary
Ronald Miller (phone)	Assistant Secretary
Tom Kleck	Assistant Secretary

Also present were:

James P. Ward	District Manager
Greg Urbancic	District Counsel
Jeremy Fireline	District Engineer
Misty Taylor	Bryant, Miller, Olive
Tim Hall	Turrell, Hall and Associates
Jackie Larocque	Waldrop Engineering

Audience:

Ed Staley

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.

FIRST ORDER OF BUSINESS

Call to Order

District Manager James P. Ward called the meeting to order at approximately 1:09 p.m. and all members of the Board were present at roll call.

SECOND ORDER OF BUSINESS

Consideration of Minutes

May 16, 2019 Regular Meeting Minutes

Mr. Ward asked if there were any additions, corrections or deletions for the May 16, 2019 Regular Meeting Minutes. Hearing none, he called for a motion.

On MOTION made by Mr. Tim Martin, seconded by Mr. John Wollard, and with all in favor, the Minutes from the May 16, 2019 Regular Meeting were accepted.

THIRD ORDER OF BUSINESS**Consideration of Resolution 2019-10**

CONSIDERATION OF RESOLUTION 2019-10 OF THE BOARD OF SUPERVISORS OF FLOW WAY COMMUNITY DEVELOPMENTDISTRICT DECLARING SPECIAL ASSESSMENTS; INDICATING THE LOCATION, NATURE AND ESTIMATED COST OF THOSE IMPROVEMENTS WHICH COST IS TO BE DEFRAIDED IN WHOLE OR IN PART BY THE SPECIAL ASSESSMENTS; PROVIDING THE PORTION OF THE ESTIMATED COST OF THE IMPROVEMENTS TO BE DEFRAIDED IN WHOLE OR IN PART BY THE SPECIAL ASSESSMENTS; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL BE MADE; DESIGNATING LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR AN ASSESSMENT PLAT; ADOPTING A PRELIMINARY ASSESSMENT ROLL; PROVIDING FOR A PUBLIC HEARING TO CONSIDER THE ADVISABILITY AND PROPRIETY OF SAID ASSESSMENTS AND THE RELATED IMPROVEMENTS; PROVIDING FOR NOTICE OF SAID PUBLIC HEARING; PROVIDING FOR PUBLICATION OF THIS RESOLUTION; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

Mr. Ward stated Resolution 2019-10 was the start of the final stage of the special assessment process for Flow Way CDD for the remaining land to be developed by Taylor Morrison within the context of the District itself. He noted this was a two step process and described the process for the newer Board Members, which included declaration of special assessments, determination of assessment cost, Public Hearing, followed by finalization of the special assessments, and bond issuance.

Mr. Jeremy Fireline stated he and Jackie Larocque were with Waldrop Engineering. He stated he prepared an Engineer's Report which was in support of the series 2019 bond issuance. He stated the total cost of Phase 8 of the development was just under \$11.5 million dollars and included portions of the surface water management system, the potable water system, wastewater system, irrigation, exterior landscaping, buffering around the community, off-site improvements, environmental mitigation, professional fees and permits required. He reported these were public infrastructure improvements and were a portion of an overall master plan for the community. He explained how the costs were estimated. He reported Waldrop Engineering felt the improvements were necessary and sufficient to provide the benefit to the District, were consistent with local permitting guidelines, and were consistent with other residential communities.

Discussion ensued regarding the location of Phase 8, the maps which illustrated Phase 8, and the main street into Esplanade being located within the District, but not being a financed improvement because this was a gated community and as such the road was private and not financed with District bonds.

Mr. Ed Staley asked about off-site improvements. Mr. Fireline responded off-site improvements included roadway improvements which did not lie within the District boundaries, but were necessary to serve the development and District as a whole.

Mr. Ward explained special assessment methodology, which took the costs associated with the project and added the preliminary financing costs to determine an estimated par amount of bonds. He explained initially all the assessments were levied on an unplatted acre basis, and as property was developed the unplatted acre was assigned according to how it was developed as single family, multifamily, etc. He noted his report included Phase 7, with 36 multifamily units, on page 30 of the report, and included the Hatcher Property Annexation which had 34 single family units (page 31). He reported when the bonds were issued the funds for the annexed property would be segregated into a separate bank account. He noted if the Hatcher Property was never annexed into the District the proceeds would be utilized to call bonds within a 12 month period of time after issuance. He explained the Total Paydown (found on page 27). He stated the estimated bond issue amount, at this point, was roughly \$10,450,000 dollars based on an interest rate of 5%. He noted these numbers would change in a good way, as the market was trending down.

Mr. Ward noted Resolution 2019-10 declared the special assessments and indicated location, nature and estimated cost of the improvements, etc. Mr. Greg Urbancic distributed an amended copy of the Resolution which reflected the total estimated cost as pulled from the updated methodology (\$11,491,810.93 dollars) out of which \$8,716,610.93 dollars would be financed, defraying approximately \$10,450,000 dollars in assessments. He asked the Board to adopt revised Resolution 2019-10

On MOTION made by Mr. Drew Miller, seconded by Mr. Tom Kleck, and with all in favor, Resolution 2019-10 was adopted as revised above and the Chair was authorized to sign.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2019-11

CONSIDERATION OF RESOLUTION 2019-11 OF THE BOARD OF SUPERVISORS OF FLOW WAY COMMUNITY DEVELOPMENT DISTRICT SETTING A PUBLIC HEARING TO BE HELD ON TUESDAY, JULY 25, 2019 AT 1:00 P.M. AT THE OFFICES OF COLEMAN, YOVANOVICH & KOESTER, P.A., 4001 TAMIAMI TRAIL NORTH, SUITE 300, NAPLES, FLORIDA 34103, FOR THE PURPOSE OF HEARING PUBLIC COMMENT ON IMPOSING SPECIAL ASSESSMENTS ON CERTAIN PROPERTY WITHIN THE DISTRICT GENERALLY DESCRIBED AS THE FLOW WAY COMMUNITY DEVELOPMENT DISTRICT IN ACCORDANCE WITH CHAPTERS 170, 190 AND 197, FLORIDA STATUTES; AND PROVIDING AN EFFECTIVE DATE.

Mr. Ward stated Resolution 2019-11 set the Public Hearing for Thursday, July 25, 2019 at 1:00 p.m. and set in place a procedure of notification to all property owners within the assessment (identified on page 32 of the report). Mr. Ronald Miller asked if the Board Members were required to attend the Public Hearing. Mr. Ward responded in the affirmative; a quorum was required. He noted Mr. Ronald Miller was permitted to call in to the Public Hearing.

On MOTION made by Mr. John Wollard, seconded by Mr. Tom Kleck, and with all in favor, Resolution 2019-11 was adopted as above and the Chair was authorized to sign.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2019-12

CONSIDERATION OF RESOLUTION 2019-12 OF THE BOARD OF SUPERVISORS OF FLOW WAY COMMUNITY DEVELOPMENT DISTRICT ADOPTING POLICIES AND PROCEDURES RELATING TO THE PUBLIC'S OPPORTUNITY TO BE HEARD; DESIGNATING PUBLIC COMMENT PERIODS; DESIGNATING A PROCEDURE TO IDENTIFY INDIVIDUALS SEEKING TO BE HEARD; ADDRESSING PUBLIC DECORUM; ADDRESSING EXCEPTIONS; PROVIDING FOR CONFLICTS, PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

Mr. Ward reported Resolution 2019-12 adopted a set of policies and procedures for the Boards consideration with respect to how Board Meetings were to be conducted. He noted when many individuals spoke at the same time or when an individual did not identify themselves prior to speaking, it was impossible to record accurate minutes. He reported these policies were standard protocol for governmental agencies. He gave examples of protocol which included the chairperson or presiding officer recognizing an individual wished to speak, requiring a speaker's name for the record, and limiting public comments to a maximum of three minutes per any one item and three minutes total for any non-agenda item. He stated the Board may or may not choose to respond to the public regarding any item. He noted these rules applied to Board and the public, but primarily was written for the public audience. He stated the Agenda would change to reflect addition of a Public Comments portion.

On MOTION made by Mr. Tim Martin, seconded by Mr. Drew Miller, and with all in favor, Resolution 2019-12 was adopted as above and the Chair was authorized to sign.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2019-13

CONSIDERATION OF RESOLUTION 2019-13 OF THE BOARD OF SUPERVISORS OF FLOW WAY COMMUNITY DEVELOPMENT DISTRICT RESCINDING RESOLUTION 2018-17 WHICH RESOLUTION, AMONG OTHER THINGS, DECLARED SPECIAL ASSESSMENTS AND THE MANNER IN WHICH SAID SPECIAL ASSESSMENTS WOULD BE MADE, AND CALLED FOR A PUBLIC HEARING TO CONSIDER THE ADVISABILITY AND PROPRIETY OF SAID SPECIAL ASSESSMENTS AND THE RELATED IMPROVEMENTS; PROVIDING FOR SEVERABILITY, PROVIDING FOR CONFLICT; AND PROVIDING FOR AN EFFECTIVE DATE.

Mr. Ward reported Resolution 2019-13 rescinded all actions as related to Resolution 2018-17 which in essence was the same as Resolution 2019-10. He explained this was being done to clean up the record.

On MOTION made by Mr. John Wollard, seconded by Mr. Tom Kleck, and with all in favor, Resolution 2019-13 was adopted as above and the Chair was authorized to sign.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2019-14

CONSIDERATION OF RESOLUTION 2019-14 OF THE BOARD OF SUPERVISORS OF FLOW WAY COMMUNITY DEVELOPMENT DISTRICT RESCINDING RESOLUTION 2018-18 WHICH RESOLUTION, AMONG OTHER THINGS, SET A PUBLIC HEARING FOR THE PURPOSE OF HEARING PUBLIC COMMENT ON IMPOSING SPECIAL ASSESSMENTS; PROVIDING FOR SEVERABILITY, PROVIDING FOR CONFLICT; AND PROVIDING FOR AN EFFECTIVE DATE.

Mr. Ward reported Resolution 2019-14 rescinded all actions as related to Resolution 2018-18 which in essence was the same as Resolution 2019-11. He explained this was being done to clean up the record.

On MOTION made by Mr. Drew Miller, seconded by Mr. Tim Martin, and with all in favor, Resolution 2019-14 was adopted as above and the Chair was authorized to sign.

EIGHTH ORDER OF BUSINESS

Consideration of Resolution 2019-15

CONSIDERATION OF RESOLUTION 2019-15 OF THE BOARD OF SUPERVISORS OF FLOW WAY COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$[11,000,000] AGGREGATE PRINCIPAL AMOUNT OF ITS FLOW WAY COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS, SERIES 2019 (PHASE 7 AND PHASE 8 PROJECTS), IN ONE OR MORE SERIES (THE "SERIES 2019 BONDS"); DETERMINING CERTAIN DETAILS OF THE SERIES 2019 BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SIXTH SUPPLEMENTAL TRUST INDENTURE; AUTHORIZING THE NEGOTIATED SALE OF THE SERIES 2019 BONDS; APPOINTING THE UNDERWRITER; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT WITH RESPECT TO THE SERIES 2019 BONDS AND AWARDING THE SERIES 2019 BONDS TO THE UNDERWRITER NAMED THEREIN PURSUANT TO THE PARAMETERS SET FORTH IN THIS RESOLUTION; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF THE PRELIMINARY LIMITED OFFERING MEMORANDUM AND ITS USE BY THE UNDERWRITER IN CONNECTION WITH THE OFFERING FOR SALE OF THE SERIES 2019 BONDS AND APPROVING THE EXECUTION AND DELIVERY OF A FINAL LIMITED OFFERING MEMORANDUM; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE AGREEMENT AND THE APPOINTMENT OF A DISSEMINATION AGENT, A TRUE-UP AGREEMENT, AN ACQUISITION AGREEMENT, AN ASSIGNMENT AGREEMENT, AND A COMPLETION AGREEMENT; PROVIDING FOR THE APPLICATION OF SERIES 2019 BOND PROCEEDS; AUTHORIZING THE PROPER OFFICIALS TO DO ALL THINGS DEEMED NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE SERIES 2019 BONDS; MAKING CERTAIN DECLARATIONS; APPOINTING A TRUSTEE; PROVIDING FOR THE REGISTRATION OF THE BONDS PURSUANT TO THE DTC BOOK-ENTRY SYSTEM; PROVIDING AN EFFECTIVE DATE AND FOR OTHER PURPOSES.

Ms. Misty Taylor with Bryant, Miller, Olive stated Resolution 2019-15 was a Bond Delegation Resolution. She explained when this District was formed a Master Bond Resolution was adopted which approved bonds to be issued over time, not to exceed a certain amount. She noted several series of the bonds in the Master Bond Resolution had been issued, with this being the final series. She reported the resolution authorized the financing team to implement the transaction and approved the various documents which were needed. She briefly reviewed said documents, which included a Trust Indenture, Underwriter Contract, Offering Memorandum, Continuing Disclosure Agreement, and various ancillary documents which included an Acquisition Agreement, True-up Agreement, Completion Agreement, and Collateral Assignment. She stated Resolution 2019-15 would delegate to the Chair the ability to sign various documents, particularly the Bond Purchase Contract.

On MOTION made by Mr. Tim Martin, seconded by Mr. Tom Kleck, and with all in favor, Resolution 2019-15 was adopted as above and the Chair was authorized to sign.

NINTH ORDER OF BUSINESS

Consideration of Resolution 2019-16

CONSIDERATION OF RESOLUTION 2019-16 OF THE BOARD OF SUPERVISORS OF FLOW WAY COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING THE ACQUISITION OF CERTAIN POTABLE WATER AND WASTEWATER UTILITY FACILITIES FOR PHASE 5, PARCEL I FROM THE DEVELOPER, TAYLOR MORRISON ESPLANADE NAPLES, LLC AND AUTHORIZING THE CONVEYANCE OF SUCH POTABLE WATER AND WASTEWATER UTILITY FACILITIES TO COLLIER COUNTY; AUTHORIZING THE CHAIRMAN OR THE VICE CHAIRMAN (IN THE CHAIRMAN'S ABSENCE) TO EXECUTE SUCH CONVEYANCE DOCUMENTS TO THE EXTENT NECESSARY TO EVIDENCE THE DISTRICT'S ACCEPTANCE AND CONVEYANCE; PROVIDING FOR SEVERABILITY, PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

Mr. Ward stated there were circumstances in which the District needed to acquire certain utility facilities identified in an Engineer's Report to the District in advance of bond issuance and issue a Promissory Note to the Developer for the cost of the infrastructure associated with the utility facilities subject to the issuance of the debt. He noted Resolution 2019-16 included the Bills of Sale and Warranty Deeds from Taylor Morrison, Esplanade, Naples, LLC to Flow Way CDD and also the Warranty Deed and Bill of Sale from the CDD to Collier County, along with a Promissory Note to codify the financial part of the transaction which occurred at the time of bond issuance.

On MOTION made by Mr. Tom Kleck, seconded by Mr. Drew Miller, and with all in favor, Resolution 2019-16 was adopted as above and the Chair was authorized to sign.

TENTH ORDER OF BUSINESS

Consideration of Resolution 2019-17

CONSIDERATION OF RESOLUTION 2019-17 OF THE BOARD OF SUPERVISORS OF FLOW WAY COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING THE ACQUISITION OF CERTAIN POTABLE WATER AND WASTEWATER UTILITY FACILITIES FOR PARCEL K3 AND K4 FROM THE DEVELOPER, TAYLOR MORRISON ESPLANADE NAPLES, LLC AND AUTHORIZING THE CONVEYANCE OF SUCH POTABLE WATER AND WASTEWATER UTILITY FACILITIES TO COLLIER COUNTY; AUTHORIZING THE CHAIRMAN OR THE VICE CHAIRMAN (IN THE CHAIRMAN'S ABSENCE) TO EXECUTE SUCH CONVEYANCE DOCUMENTS TO THE EXTENT NECESSARY TO EVIDENCE THE DISTRICT'S ACCEPTANCE AND CONVEYANCE; PROVIDING FOR SEVERABILITY, PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

Mr. Ward reported Resolution 2019-17 was the same as Resolution 2019-16, but for a different location. He called for a motion.

On MOTION made by Mr. Drew Miller, seconded by Mr. Tom Kleck, and with all in favor, Resolution 2019-17 was adopted as above and the Chair was authorized to sign.

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

There was no Report from the District Attorney.

b) District Engineer

There was no Report from the District Engineer.

c) District Manager**I. Financial Statements May 31, 2019 (Unaudited)**

There were no questions or comments regarding the unaudited Financial Statements of May 31, 2019.

II. Update on Cheffy Passidomo retention and status of legal opinion on Preserves.

Mr. Ward stated Cheffy Passidomo which was the law firm retained for the legal opinion relative to the preserve area would be on the Agenda for next month's Meeting. He noted he had several conversations with Cheffy Passidomo and understood Cheffy Passidomo was doing due diligence in regards to research and discovery. He stated he looked forward to hearing the presentation.

III. Update by Tim Hall (Turrell and Associates) on the operations of the preserves.

He asked Mr. Tim Hall to give an update on the preserves. Mr. Tim Hall with Turrell, Hall and Associates reported the preserve area was broken down into five different areas as per the Water Management District (WMD) permitting reviews. He reported overall the preserves were in good condition; the contractor, in terms of maintenance, had made his way through the wading bird foraging areas, the internal preserves, the western preserve, and was approximately three quarters of the way through the northern preserves. He stated the internal preserve district (within the development boundary) just received the final sign-off from the WMD which meant, while continued maintenance was still required, the WMD no longer required submission of a written monitoring report for the internal preserve. He noted the wading bird preserve area required two more years of monitoring reports, the western preserve required three more years of monitoring reports, and areas 4 and 5 (northern preserves and section 11 preserves) required another four years of monitoring reports to be submitted to the Water Management District.

Mr. Ron Miller asked if "original mitigation" which he defined as removal of all exotic species (such as melaleuca trees) was completed throughout the entire preserves. He asked if "maintenance mitigation" had been entered. Mr. Hall explained there were four types of mitigation: 1) preservation of the land through a conservation easement (which was

completed); 2) removal of exotics (which was completed); 3) habitat restoration of the areas negatively impacted by exotics removal; and 4) keeping the preservation clear of exotics in perpetuity. He stated the reestablishment of the native habitat was underway naturally; no supplemental plantings were required at this time. He stated keeping the preserves clear of exotics in perpetuity was considered part of maintenance; however, the first few years after initial clearing of exotics this was at a higher cost due to growth of unseen seeds and seedlings, but as time passed the cost for this type of maintenance would be reduced.

Mr. Ron Miller noted there were several documents which indicated Taylor Morrison was responsible to provide a permanent escrow account to provide funding for the continued maintenance of the preserves. He noted specifically the Turrell, Hall and Associates reports indicated the preserves were to be turned over to an environmental agency and Taylor Morrison was to provide the funding. He asked what might have prompted Turrell, Hall and Associates to include this in its reports. Mr. Hall responded at the time the project was initially going through the permitting process, the district and the court were not excited about the idea of the preserves going to a home owner's associations because of compliance issues and the inability of an HOA to maintain a large preserve area. He stated all the documents he wrote signified the preserves would be "offered to" not "given to" the environmental agencies because there was no guarantee at the time that any environmental agency would accept the preserves. He stated the escrow account was to be set aside if the preserves were given to an entity such as CREW which did not have the ability to levy funds and could not afford to finance preserve maintenance. He reported since that time the agencies involved had become more comfortable with entities like CDDs managing preserves. He stated once the preserves became "clean" which would be in four years, the preserves could be offered to CREW, but it would be the responsibility of whichever entity was currently responsible for the preserves to finance preserve maintenance.

Mr. Drew Miller reported Tim Turrell, as well as Lewis, Longman and Walker, had been hired to modify the permits to state the CDD would maintain ownership in perpetuity. He noted this process could take up to a year to complete.

Mr. Ron Miller stated he looked forward to hearing from Cheffy Passidomo next month. He discussed the documents which indicated Taylor Morrison was required to hold an escrow account in perpetuity for preserve maintenance. He stated he did not believe this could be changed and felt Taylor Morrison was permanently responsible for maintenance financing, unless Taylor Morrison took the case to court for appeal.

Discussion ensued regarding the differing court cases, the language used in the cases, and learning more about this at next month's meeting.

TWELVTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

Mr. Ed Staley asked if it was a generally accepted practice for the developer to turn over the preserves to the CDD once the first two phases of mitigation were completed. He asked at what point it was appropriate for the turn over to occur. Mr. Hall responded this varied widely and turn over from the

developer to the development could happen at any time. He stated the responsible party (for the preserves) was required to be compliant with the permit.

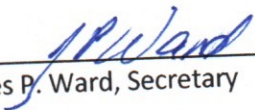
THIRTEENTH ORDER OF BUSINESS


Adjournment

Mr. Ward adjourned the meeting at approximately 2:07 p.m.

On MOTION made by Mr. Tim Martin, seconded by Mr. Tom Kleck, and with all in favor, the Meeting was adjourned.

Flow Way Community Development District


James P. Ward, Secretary


Andrew Miller, Chairperson