

MINUTES OF MEETING
DUNES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, February 9, 2018 at 9:30 a.m. at the Dunes CDD Administrative Office, 101 Jungle Hut Road, Palm Coast, Florida.

Present and constituting a quorum were:

John G. Leckie, Jr.	Chairman
Gary Crahan	Vice Chairman
Rich DeMatteis	Assistant Secretary
Charles Swinburn	Assistant Secretary
Dennis Vohs	Assistant Secretary

Also present were:

Greg Peugh	District Manager
Jim Perry	District Representative
Michael D. Chiumento, III	District Counsel
Tim Sheahan	Utilities Manager
Jonathan Simmons	Palm Coast Observer

The following is a summary of the discussions and actions taken at the February 9, 2018 meeting. A copy of the proceedings can be obtained by contacting the District Representative.

FIRST ORDER OF BUSINESS **Roll Call**

Mr. Perry called the meeting to order at 9:30 a.m.

SECOND ORDER OF BUSINESS **Audience Comments**

There being none, the next item followed.

THIRD ORDER OF BUSINESS **Approval of Minutes**

A. January 12, 2018 Meeting
There were no corrections to the minutes.

On MOTION by Mr. Crahan seconded by Mr. Swinburn with all in favor the minutes of the January 12, 2018 meeting were approved.

FOURTH ORDER OF BUSINESS

Reports and Discussion Items

Discussion on Capacity Fee Issues Not Covered Under Milo Suit

Mr. Peugh stated I talked with Daniel Baker on Wednesday with where they are on the \$40,000 that they are spending. He said they've spent about \$25,000 of it. They went through the pipes to look for leaks and as far as they could TV throughout the pipes, they couldn't find anything. They're doing some more exploration of the adult spa and they expect to find some leaks in that area. He also said that they are going pool by pool and they've found some voids underneath the decks so that would lead you to think that there's possibly some water circulating underneath the decks and eroding it. They are going to fill those in. They are proceeding trying to find all of those leaks.

Status of Marsh "TB"

Mr. Peugh stated we had a workshop on Wednesday to discuss Marsh TB. There were three recommendations – replant the marsh, make the marsh a lake and deposit the soil on the golf course, and make it half lake and half grass. The preferred option is the half lake, half grass option.

Mr. Crahan asked who would own that grass portion?

Mr. Peugh responded that was part of the discussion. We would like to turn it over to the golf course. I need to talk to Michael Chiumento but I assume we would want to give them an easement so we would keep the property if we needed it for our stormwater system in the future.

Mr. Leckie stated the general manager of the club was here and he agreed to maintain it.

Mr. Crahan asked any idea on how St. Johns would vote?

Mr. Peugh responded we had a meeting with St. Johns on Tuesday and they are fine with that option.

Mr. Leckie stated if we give the go ahead today it is still going to take probably three months to get a permit from St. Johns.

Mr. Swinburn asked is it a fixed bid on the job or is it an estimate?

Mr. Peugh responded currently it is an estimate. We need to have the final design because the half grass area, half lake came about after we figured out how much material would need to

be put on the golf course. Cline came up with this idea and gave a price of \$9,000 for the earthwork but you also have to have the mitigation credits. We expect to extend the stormwater system and sprinkler heads and those are estimates. The total estimate is \$87,000.

On MOTION by Mr. Crahan seconded by Mr. Swinburn with all in favor to proceed with the marsh TB proposal for half lake and half grass area at an amount not to exceed \$90,000 was approved.

Mr. Peugh stated we met with St. Johns River Water Management District regarding the rest of the marshes on Tuesday along with our environmental consultant to talk about the letter he sent which says we are out of compliance with ~~our~~ 10.21 acres of marsh. They are willing to work with us. We have three options that we can do. We can replant all of the marshes, we can do a mitigation bank, or we can turn some of the wetland areas into conservation areas. We are having our consultant cost those options to present them to us. He will also give us approximate costs on maintenance of those conservation areas.

The other item we talked about in the marsh workshop was clearing the Granada West marsh. One of the concerns of our residents was the way it looked. Our consultant said he can remove the invasive vegetation now for under \$10,000. That's something for the board to consider.

Mr. Vohs stated I think we wait until we come up with a game plan for all of the other marshes. The consensus of the Board was to not clear the area next to the 7th green until the report recommendations came back.

Status Report on New Toll Collection System

Mr. Peugh stated currently we are working on the website. We hope to have this in place this year. E-Transit is working diligently towards it. We are now taking American Express and Discover cards at the bridge office.

We power washed the northern Jersey barrier and will get the south side power washed in the next week or so.

We sent a memo about cleaning up beards so that has been taken care of. We are ordering caps for everybody and we also put in an order for light jackets so that everybody will be more uniform.

Discuss Weir Structures / Malacompra Drainage

Mr. Peugh stated Rich, Tim and I met with Craig Coffey and the county engineer on January the 26th. They do not have a schedule for maintaining Malacompra (ditch). They said that they intended to do a prescribed burn in that area in the near future and also take out the dead trees. They said they do have a pipe under A1A near Bings Landing that has not been permitted so they are trying to get it permitted. That will help relieve flooding in that area. They want to place a culvert under A1A in the future at Malacompra Road but they don't have funding for it at the moment. We also talked about the stormwater harvesting and they are supportive of it.

Status Report on Discussion with the City of Palm Coast to Install Landscaping and Irrigation on DCDD Property / Golden Lion Property

Mr. Peugh stated I met with Charlie Faulkner and the owners of the Golden Lion on January 11th. It sounds like they would like to sell the property at this point and in order to sell the property they need access. I explained that anything we are going to do we would like a license agreement and that an easement might be possible if we knew exactly what was going in there. I told them they need to give a final presentation to the board of what they are going to do so that we can vote on it.

Mr. Leckie asked what about the landscaping with the City?

Mr. Peugh responded there were a lot of holes in their agreement so I told them they need to clean it up before I send it to Michael Chiumento. I also told them to give me final plans and they said they would give a presentation to the board of what exactly they want to do.

B. Draft Employee Handbook Discussion

The board and staff went over the draft employee handbook and discussed various changes to be made. The changes will be incorporated and the draft brought back to the board for more discussion.

FIFTH ORDER OF BUSINESS

Staff Reports

Attorney

Mr. Chiumento stated we received the draft report from Grau about our financing policies as it relates to inter-fund transfers. The board just needs to adopt new rules of procedure as it relates to accounting and budgeting, which we will present to you all next meeting.

D. Engineer

Mr. Sheahan stated we are still waiting on a permit from Flagler County for the wastewater plant construction. We anticipate March 13th will be the earliest we would get that permit. Today we expect any comments from their technical review committee so that could have an affect on that date. (I misstated this date, the deadline was actually a week later, February 16 for the County to issue comments for the February 21 TRC meeting)

Kissinger Campo did the light pole inspection and there were two light poles that were found to be in immediate need. We took those down and we're waiting to get back with them on what we need to do. We sent that report to Economy Electric so hopefully we will get some answers as to what it would take to repair all of the other poles. Most of it is minor.

We had the RFQ out for engineering continuing services and we received six responses. We were really impressed with all of them so we'd like to enter into a contract with all six as they all have different skills.

Mr. Peugh stated we will have a master contract and then we would issue task orders to bring to the board for approval.

On MOTION by Mr. Swinburn seconded by Mr. Vohs with all in favor to enter into a standard contract with all six engineering firms that responded to the RFQ was approved.

E. Manager – Bridge Reports and Traffic Comparison for January

Mr. Peugh gave an overview of the bridge reports for January along with the traffic comparison.

Mr. Peugh stated there is a company trying to install fiber in this area for Verizon, Hotwire and the City of Palm Coast. They are pretty adamant that they want to attach this to our bridge. I'm not sure that is the best thing. I shared this with the Club and the Homeowners Association because it is going through part of their property as well. I'm just letting you know

it's out there. I'm looking at their designs and we want to consult with our consultant to make sure we're not doing something we shouldn't with that bridge.

SIXTH ORDER OF BUSINESS **Supervisors' Requests and Audience Comments**

Mr. Crahan asked my question is the follow up to the fish kill. Did we look at the fertilizer being used if it's different than before?

Mr. Sheahan responded no but we took a nitrogen sample in the lakes the concentration is really low. I think it was the cold snap.

Mr. Crahan stated I would ask the course maintenance people if they've changed their fertilizer. The reason I say that is the lake inside Hammock Beach Circle had no fish kill and it also has no course contact.

SEVENTH ORDER OF BUSINESS **Financial Reports**

- F. Balance Sheet & Income Statement**
- G. Construction Schedule**
- H. Assessment Receipts Schedule**
- I. Approval of Check Register**

On MOTION by Mr. Vohs seconded by Mr. Swinburn with all in favor the check register was approved.

EIGHTH ORDER OF BUSINESS **Next Meeting Scheduled for Friday, March 9, 2018 @ 9:30 a.m. at the Dunes CDD Administrative Office, 101 Jungle Hut Road, Palm Coast, Florida**

NINTH ORDER OF BUSINESS **Adjournment**

On MOTION by Mr. Crahan seconded by Mr. Vohs with all in favor the meeting was adjourned.

The image shows two handwritten signatures in black ink, positioned above a solid horizontal line. The signature on the left is more complex and stylized, while the one on the right is simpler and more legible.

February 9, 2018

Dunes CDD

Secretary/Assistant Secretary

Chairman/Vice Chairman