

Public Facilities Report

October 2014



Dunes Community Development District
5000 Palm Coast Parkway, SE
Palm Coast, FL 32137

Developed in Accordance with Florida Statutes 189.415

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I. PURPOSE AND SCOPE

This report has been prepared for the Dunes Community Development District (the District) to comply with the requirements of 189.415, Florida Statutes, regarding the Special District Public Facilities Report. It is the intention of this report to provide general descriptions of public facilities owned by the District together with any currently proposed facility expansion programs within the next five years.

II. GENERAL INFORMATION

The District, located in Palm Coast, Florida, provides stormwater management, wastewater, water and reclaimed water service to the residents of the District. The District is approximately 5.5 miles in length and its area encompasses approximately 2,200 acres, which includes four communities: Hammock Dunes (908 acres), Ocean Hammock (435 acres), Hammock Beach (364 acres) and Yacht Harbor Village (92 acres). The District owns and operates a 500,000 gallon per day (GPD) wastewater treatment plant, a 720,000 GPD water treatment plant, a reclaimed water treatment and distribution system, the stormwater management system, the Hammock Dunes Toll Bridge, and all the structures, piping, pumps, and appurtenances necessary to operate these systems.

The general description of the boundaries of the four communities serviced by the District is as follows: Hammock Dunes is generally bounded on the north by Jungle Hut Road; to the east by the Atlantic Ocean; to the west by State Road A1A north of Island Estates and by the Intracoastal Waterway in Island Estates; and to the south by the southernmost point of Island Estates west of State Road A1A and to the south by Varn Park east of State Road A1A. Ocean Hammock and Hammock Beach are bounded to the south by Jungle Hut Road, to the east by the Atlantic Ocean, to the north by Malacompra Road, and to the west by State Road A1A. Yacht Harbor Village is bounded by State Road A1A to the east, the Hammock Dunes Toll Bridge to the south, the Intracoastal Waterway to the west, and Jungle Hut Road to the north.

The District was established in 1985. Since that time the development in the District has proceeded in accordance with a planned, phased approach. The District is largely comprised of single-family residential, multi-family residential, common areas (roadway islands, scenic sidewalk routes, etc.) and recreational areas (e.g. golf courses). The phases of development are as follows:

Phase I, Hammock Dunes:

This development phase encompasses Hammock Dunes and Island Estates communities, which accounts for approximately 1,256 residential units, of which 1,152 are platted and/or permitted and 104 are planned but not platted/permitted. There are 727 single-family residential home sites (688 platted/permitted and 39 planned) and 529 condominiums units (464 platted/permitted and 65 planned). This phase has a total area of approximately 908 acres. There are an estimated total of 578 acres of residential and common areas requiring irrigation. The 96 acre Hammock Dunes Golf Course also requires irrigation. The infrastructure has been completed and the development is at approximately 82% of build-out (945 residential units out of planned/permitted total of 1,152 units). The transportation and utility infrastructure is complete with the exception of small improvements solely serving new planned but not platted/permitted developments.

Phase II, Ocean Hammock:

This development phase encompasses the Ocean Hammock community, which accounts for approximately 609 residential units. This phase has a total area of approximately 435 acres. This development also includes the 124-acre Ocean Hammock Golf Course that runs throughout both the Ocean Hammock and Hammock Beach communities. This development includes approximately 314 single-family residential home sites, 20 hotel units and 275 condominiums units. The infrastructure has been completed and the development is at approximately 74% of build-out (449 residential units out of a potential of 609 units). The transportation and utility infrastructure is complete.

Phase III, Hammock Beach:

This development phase encompasses the Hammock Beach community, which accounts for approximately 975 residential units. This phase has a total area of approximately 364 acres. The Hammock Beach and Ocean Hammock communities have approximately 201 acres under irrigation. The 124-Acre Ocean Hammock Golf Course is irrigated as well. This development includes approximately 489 single-family residential home sites and 486 condominiums units. The infrastructure has been completed and the development is at approximately 75% of build-out (731 residential units out of a potential of 975 units). The transportation and utility infrastructure is complete.

Phase IV, Yacht Harbor Village:

This development phase encompasses the Yacht Harbor Village community, which accounts for approximately 293 residential units. This phase has a total area of approximately 92 acres. This development includes 205 single-family residential home sites and 88 condominiums units. The infrastructure has been completed and the development is at approximately 42% of build-out (122 residential units out of a potential of 293 units). The transportation and utility infrastructure is complete. This phase also includes a marina with 210 boat slips.

III. EXISTING PUBLIC FACILITIES

A. Potable Water Facilities

1. The District's raw water comes from two wells located adjacent to its water and wastewater treatment facility on 101 Jungle Hut Road and a third well completed in 2013 located at 302 Hammock Pk. Ln. Water from these wells is treated by a reverse osmosis water treatment facility. The water treatment facility went online in August, 2007. The District previously purchased potable water from the City of Palm Coast. The District and the City of Palm Coast have entered into an Interlocal Agreement that provides an interconnection between the two potable water systems in the event of emergencies.
2. The District's water treatment facility is currently rated and permitted to produce up to 720,000 GPD or 0.72 million gallons per day (MGD) of potable water. Provisions were made during the design and construction of this facility to double this capacity.

if and when the need arises. The Capacity Analysis Report completed in December 2011 projected that the maximum-day demand will exceed the plant permitted capacity of 0.72 MGD in 2017. It recommended that DCDD begin the planning, design and permitting in 2014 so that all construction of the expansion, which includes installing two new RO skids to double the plant capacity to 1.44 MGD, is completed by 2017. It was the Board of Supervisors desire to accelerate this schedule and in doing so the District was able to take advantage of Cooperative Funding from the St. Johns River Water Management District (SJRWMD). An agreement was recently executed between the Dunes CDD and the SJRWMD for a grant that will fund 40% of the construction costs of the plant expansion. The design of the plant expansion was completed in late 2013 and construction of the plant expansion commenced in May 2014 with a scheduled completion date of May 2015.

3. The District has a Consumptive Use Permit (CUP) from the St. Johns River Water Management District (SJRWMD) that extends to the year 2024. This permit was modified most recently in August 2014. Currently, the CUP allows the District to withdraw up to 781,000 GPD on an annual average basis. The amount of groundwater withdrawn to produce the current average day demand is 71% of the amount allowed by the CUP for the current year.

The permitted withdrawals increase incrementally each year until a permitted withdrawal rate of 891,000 GPD (annual average) are allowed to be withdrawn in the year 2024. The District expects that the amount of water permitted for withdrawal from the wells to be sufficient to meet our potable water needs through 2024. The next CUP compliance report is due in 2019 at which time the amount of water allocation will once again be reviewed by the SJRWMD.

4. Water distribution facilities are located throughout the District and consist of approximately 149,443 linear feet of 2, 4, 6, 8, 10, 12, and 16-inch diameter pipes together with valves and fittings. Individual service to residential clusters or neighborhoods is served by mains less than ten (10) inches in diameter. Generally, potable water facilities are located within the road right of ways and are offset from the edge of the pavement. When potable water facilities are located outside of District owned property or lie outside of road rights of way, easements are granted by the developers of the District authorizing the District to access these facilities. The District also currently owns and operates 234 fire hydrants and 246 potable water valves.
5. The annual average potable water production is 478,000 GPD (2013). The use is comprised of residential consumption, non-residential consumption, potable irrigation, and system flushing. The current demand represents 66% of the total production capacity of the plant.

B. Wastewater, Reclaimed Water, and Irrigation Water Facilities

1. Wastewater collection facilities are located throughout the District and consists of approximately 113,555 linear feet of 8, 10, and 12-inch diameter gravity sewers, 617 wastewater manholes, 23 lift stations ranging from 40 to 500 gallons per minute, and approximately 47,256 linear feet of force mains ranging from 3 to 12-inches in diameter.

2. The Wastewater Treatment facility, designed to accommodate 500,000 GPD of domestic wastewater, is located on a dedicated utility site of 23 acres located at 101 Jungle Hut Road. Treatment processes include pretreatment (screening and flow measurement), secondary wastewater treatment (sequencing batch reactors), filtration, and high level disinfection. Current annual average daily wastewater treatment plant flow is approximately 304,000 GPD (2013) or 61% of the permitted capacity.
3. Wastewater Disposal/Reclaimed facilities, capable of providing 3,200,000 GPD of reclaimed water for irrigation service are located at the utility site. These facilities consist of 3,200,000 GPD sand media filtration and high level disinfection capacity, and 17,800,000 gallons of reclaimed water storage in four on-site lined lagoons.
4. In addition to processing the wastewater into reclaimed water for irrigation of residential lots, common areas and two golf courses, the District purchases reclaimed water treated to advanced secondary standards suitable for public access reuse from the City of Palm Coast. The District utilizes its 12-inch reclaimed transmission main, which connects the District and the City of Palm Coast's wastewater treatment plants. The District has an interlocal agreement with the City of Palm Coast for procurement of up to a maximum of 2,600,000 GPD. The current annual average daily flow from the City of Palm Coast is approximately 1,496,000 GPD.
5. Due to the imbalance in amount of reuse water available and irrigation water demand, the District further supplements reclaimed water with brackish groundwater from the Floridian aquifer. The District operates an on-site well which withdraws groundwater for blending with reclaimed water and storage in the on-site lagoons. The District has a St. Johns River Water Management District issued Consumptive Use Permit (No. 51136) that authorizes the District to withdraw up to an annual average of 970,000 GPD from groundwater to supplement reclaimed water for reuse. This resource can only be tapped after the use of reclaimed water has been maximized. The permit expires in 2024 at which time a permit renewal will be sought. Besides the permit restricting the use of this resource, the salt content of this brackish water source further limits its use. The current annual average groundwater withdrawal rate is approximately 104,000 GPD.
6. There are essentially two types of irrigation water use: golf course irrigation and landscape irrigation of residential and common areas. Three irrigation water pump stations are employed at the District utility site to transmit reclaimed water to users: the Residential pump station which is owned and operated by the District; the Ocean Hammock Golf Course pump station and Hammock Dunes Golf Course pump station, each of which is owned and operated by the respective golf course management entity.

Currently, the irrigation pumping facilities meet an average daily demand of approximately 1,998,500 GPD (Golf Courses: 680,450 GPD; Residential: 1,318,050 GPD).

The residential reclaimed water distribution system consists of approximately 125,148 linear feet of 1.5 through 16-inch diameter reclaimed water main, one reclaimed water booster station, 146 reclaimed valves, and the Residential pump

station. As indicated previously the District does not own the golf course pump stations or their distribution systems.

7. The District has installed numerous reuse flushing points and reclaimed water flushing hydrants throughout the District to maintain water quality in the reclaimed water distribution system. Although reuse water is treated to advanced secondary treatment standards that include high level disinfection and filtration, the District has also installed a secondary, disk filtration system at the wastewater plant to improve irrigation water quality provided for landscape irrigation.
8. Several of the development parcels have been designed with community irrigation services. That is, the Homeowners Association (HOA) control the irrigation water for the individual lots and common areas within HOA. A portion of the reclaimed water service in the District is supplied via a master irrigation meter. Approximately eighteen neighborhoods have master meters.

C. Water Management

1. The Water Management System completed to date consists of approximately 179 acres of created lakes and approximately 8 acres of created fresh water marsh. The lakes and marshes are connected to each other by drainage pipes and various drainage channels. The District owns and operates all of the public storm drain systems within the district including: catch basins, piping, inlet structures, outlet structures, and water control structures.
2. Currently the District owns the wet areas of the storm water management system. The St. Johns River Water Management District has transferred the permits for operations and maintenance of the storm water management systems to the District.

D. Toll Bridge

1. The toll bridge consists of a two-lane high-level fixed structure across the Atlantic Intracoastal Waterway. The bridge is a 65 feet above the mean high water of the Atlantic Intracoastal Waterway and approximately 2,600 feet in length. This facility connects Interstate 95 via Palm Coast Parkway with State Road A1A.
2. The toll plaza associated with the toll bridge is located on the west side of the bridge and consists of two tollbooths and administration offices.
3. A connector road which connects the toll bridge with State Road A1A is also owned and maintained by the District
4. According to the traffic data in the Hammock Dunes DRI Traffic Analysis Close-Out Report (December 2011), the average annual daily traffic (AADT) volume was 7,500 for 2011. This report included a level of service (LOS) analysis that concluded that the Hammock Dunes Bridge was operating at an LOS of A at the time of the study.

IV. CURRENTLY PROPOSED EXPANSIONS NEXT FIVE YEARS

A. Potable Water, Wastewater and Irrigation Utilities

1. Potable Water

A Capacity Analysis Report completed in December 2011 projects that the maximum-day demand will exceed the plant permitted capacity of 0.72 MGD in 2017. A Water Treatment System Evaluation Report completed in June 2012 recommended that the District begin the planning, design, permitting and construction of the expansion which includes installing two new RO skids to double the plant capacity to 1.44 MGD. The Dunes CDD has elected to accelerate the scheduled expansion :

- | | |
|--------------------------------------|----------|
| • Begin Planning for Plant Expansion | Complete |
| • Complete Preliminary Design | Complete |
| • Complete Final Design | Complete |
| • Complete FDEP Permitting | Complete |
| • Commence Construction | May 2014 |
| • Complete Construction | May 2015 |

2. Wastewater

An updated Capacity Analysis Report completed in September 2013 concluded that the permitted plant capacity of 0.5 MGD will not be exceeded for at least 10 years.

Future expansion of the potable water and wastewater systems are to paid for by the developers or from capital reserve funds held by the District for such purposes.

B. Storm Water Management System

The storm water management infrastructure has been completed and requires no expansion to serve the final build out population. The District has accepted responsibility for the ongoing maintenance of the storm water system throughout the District.

C. Toll Bridge

No expansion is planned for the toll bridge facilities. According to projections provided in the Hammock Dunes DRI Traffic Analysis Close-Out Report (December 2011) , the AADT will not exceed the threshold for expansion of the bridge (LOS of "C") at ultimate build-out of the Hammock Dunes DRI. The LOS for the bridge is not expected to operate at a level "C" for the foreseeable future.

V. RENEWAL/REPLACEMENT OF FACILITIES

Potable Water System

In addition to the plant expansion, the Water Treatment System Evaluation Report completed in June 2012 recommended that the District make the following improvements to the existing system:

1. Stabilize the finished water by chemical addition, raw water blending or a combination of the two (part of plant expansion underway),
2. Install ground storage tank mixer(s) (completed 2013),
3. Enclose the chemical storage and feed area and install climate control system (Deferred, 5 yr CIP),
4. Construct a metal building to house the high service pumps and control equipment (Deferred, 5 yr CIP),
5. Install a gas or diesel driven high service pump with auto-start , (part of plant expansion underway).

The evaluation also indicated that the existing membranes of the RO treatment plant will need to be replaced in three to five years. Once the plant expansion is complete and the new RO skids are operational, the existing RO membranes will be replaced.

Wastewater System

The Wastewater System Evaluation identified several improvements that are either necessary to continue to provide the current level of service or are needed to enhance the current level of service where deemed appropriate. The current system improvements are summarized below:

1. Alter the SBR tanks operation mode to create a continuous flow from the SBR tanks to the filters (completed in 2013)
2. Install flow splitter box and flow metering before the SBR tanks (Deferred, 5 yr CIP)
3. Construct an Equalization basin between the SBR and the filters (Deferred, 5 yr CIP)
4. Digester improvements for decanting, sealing walls (Deferred, 5 yr CIP)
5. Replace liners in two of the reclaimed water ponds (completed in 2014)
6. Booster pumping to alleviate reduced pressure in extremities of reclaimed water system (Preliminary Design underway)
7. Improvements to the pumping and transmission system for increasing the reclaimed water delivery capacity to 2.6 MGD from the City of Palm Coast ((Deferred, 5 yr CIP))
8. Installation of remote telemetry units (RTUs) at strategic pump stations in the wastewater collection system (Priority II 2015)
9. Re-build the mechanical screen at the influent pump station (completed 2013)

Bridge

An engineering study performed by Kissinger, Campo and Associates in September 2012 identified maintenance that needed to be performed during the ensuing 5 years:

1. Deck Sealing (HMWM Sealant)
2. Joint Replacement
3. Fender Deck Replacement
4. Rubble Riprap
5. Concrete Repairs
6. Slope Protection Repairs

Bridge deck maintenance is scheduled for 2015, bid documents being prepared by Kissinger, Campo and Associates.