

MINUTES OF MEETING
DUNES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, August 16, 2019 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 (by phone)
George DeGovanni	Assistant Secretary
Charles Swinburn	Assistant Secretary (by phone)
Dennis Vohs	Treasurer

Also present were:

Greg Peugh	District Manager
Jim Perry	District Representative
Michael Chiumento	District Counsel
Dave Ponitz	District Engineer

The following is a summary of the discussions and actions taken at the August 16, 2019 meeting. A copy of the proceedings can be obtained by contacting the District Representative.

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Approval of Minutes

A. July 12, 2019 Meeting

There were no corrections to the minutes.

On MOTION by Mr. Vohs seconded by Mr. DeGovanni with all in favor the minutes of the July 12, 2019 meeting were approved.

THIRD ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

FOURTH ORDER OF BUSINESS

Public Hearing to Adopt the Budgets for Fiscal Year 2020

On MOTION by Mr. Vohs seconded by Mr. DeGiovanni with all in favor the public hearing was opened

B. Fiscal Year 2020 Budget

Mr. Peugh stated the General Fund budget increased approximately \$94,000 from last fiscal year. The majority of that is \$70,000 for the lake maintenance contract. We had a question at the last meeting of whether I would pay the marsh mitigation out of Fiscal Year 2019 or Fiscal Year 2020 and we had to cut the check already so it will be in this year’s budget, not Fiscal Year 2020. There are not a whole lot of changes in the general fund budget that we haven’t already discussed. I did have to increase the transfer from the water and sewer and the bridge fund surplus accounts by \$140,000 for the water and sewer transfer and \$221,000 for the bridge fund transfer.

The water and sewer fund budget increased approximately \$271,000 from the last fiscal year. The largest increases of that were salaries of \$41,000, \$33,000 for the backhoe repair that we talked about, \$65,000 for the ten-year meter replacement, and our benefits increased by about \$32,000. The insurance increased about 15% and I also increased equipment rentals and leases to match the total projected for this year. I increased plant maintenance and repair by \$10,000 from the preliminary budget because we’ve been spending quite a bit more on maintenance than we expected.

The bridge fund budget increased by \$107,000 with the largest increases being \$55,000 for salaries and \$46,000 for the E-Transit maintenance agreement.

Mr. Vohs asked does the revenue that we’ve had from the bridge fund and the cancellation of the cards impact the numbers?

Mr. Peugh stated it will impact the Fiscal Year 2019 budget. I did not include it as a consistent source of revenue because it will depend on how many accounts are retired and we do not have a history of the amounts retired at this point. I kept the toll collections at the existing level.

C. Resolution 2019-09, Approving the Transfer of Funds from the Bridge, Water & Sewer Funds and General Fund Surplus to the General Fund for FY 2020

On MOTION by Mr. Vohs seconded by Mr. DeGovanni with all in favor Resolution 2019-09 was approved.

D. Resolution 2019-10, Adopting the General Fund Budget for FY 2020

On MOTION by Mr. DeGovanni seconded by Mr. Vohs with all in favor Resolution 2019-10 were approved.

E. Resolution 2019-11, Levying Assessments for FY 2020

On MOTION by Mr. Vohs seconded by Mr. DeGovanni with all in favor Resolution 2019-11 approved.

F. Resolution 2019-12, Adopting the Water & Sewer Fund Budget for FY 2020

On MOTION by Mr. Vohs seconded by Mr. DeGovanni with all in favor Resolution 2019-12 approved.

G. Consideration of Resolution 2019-13, Adopting the Bridge Fund Budget for FY 2020

On MOTION by Mr. DeGovanni seconded by Mr. Vohs with all in favor Resolution 2019-13 was approved.

H. Resolution 2019-14, Adopting the Section 125 Cafeteria Plan

On MOTION by Mr. Vohs seconded by Mr. DeGovanni with all in favor Resolution 2019-14 approved.

On MOTION by Mr. Vohs seconded by Mr. DeGovanni with all in favor the public hearing was closed.

FIFTH ORDER OF BUSINESS

Reports and Discussion Items

Discussion on Capacity Fee Issues for Commercial Accounts

Mr. Peugh stated this month the Hammock Beach account went up about 300,000 gallons. This is still well within the 150% they're allotted, so for eight months they have been within their allocation. We said we were going to give them until the end of September so we will see where they are at the October meeting but whatever they've been doing has been working.

Update on Hammock Dunes Marshes

Mr. Peugh stated we signed the check for the mitigation bank credits and you will see that in the check register for a little over \$314,000. We are amending the permit and hopefully in the next month we will have that completely closed out.

Discuss Weir Structures / MalaCompra Drainage

Mr. Peugh stated ETM, our consultant, is amending the report. They have given us some feedback and we are going through it at the moment so we will see where the calculations are and once we have that finalized we will give it back to the Board so you all can review it to see where we are at in the grand scheme of how we're going to serve the reclaimed water for the next several years.

Renaissance / Beach Walk Development Update

Mr. Peugh stated the Atlee Development Group, which is the group that is doing Beach Walk right across the street, have picked up Renaissance and have asked us for the calculation of connection fees and have sent us the last set of construction plans that the previous engineer had sent us and we are now discussing some changes and probably cost saving measures from them. We want less deep sewers and probably some better routes. They are in their due diligence phase and I don't know exactly where that's going but it looks like the project has picked up.

The Board discussed the possible need to increase consumptive use capacity and allowances from St. Johns.

I. Discussion on Geographic Area for Board of Supervisors Seats

Mr. Chiumento stated the response from the attorney general says they agree with some of our premise, but they tell us that to be a candidate the law prescribes A, B and C and by adding this concept of a zone it's not permitted by the statute. We knew that going in and that was the whole premise of our request is that it doesn't provide it. I disagree with the case they are relying on. I think it's very different and gets into administrative issues. The attorney general opinions are not mandatory, they are merely persuasive and they are highly persuasive to courts. I don't think the attorney general is necessarily wrong, I just think they did not contemplate our line of thinking. We have an attorney general opinion that says we can't do this. That doesn't mean we can't move forward and if the Board wanted to continue down that route I don't believe the state would necessarily do anything against us, but I don't know that our Supervisor of Elections would allow us to proceed with this zone process and you would have a debate with her so I'm not sure we're able at this time to get that concept on the ballot because Katie basically told us she would not be comfortable doing this without an attorney general opinion that supports the concept.

Mr. DeGovanni asked how hard is it to ask them to reconsider?

Mr. Chiumento stated the first thing I would do is have a conversation with Ashley Moody to see what her temperature may be to reconsider or further clarify their opinion.

Mr. Leckie stated we've asked for an opinion and we've got an opinion. I'm not as much for going forward with this at this time. I think we've tried to be fair and would hope that's how we would do it in the future. If it needs to come back up at a later date we can do that.

Mr. Crahan stated I think it's pretty clear unfortunately and while it's nice to ask, I don't think we're going to have much of a chance to succeed.

Mr. Swinburn stated I agree with what appears to be the consensus as far as not pursuing anything with the attorney general any further. We might want to suggest to the homeowners association that they talk to their representatives and see if he's willing to carry their water in that regard and if they get something going we can always chime in by stating our opinion that we think it would be good for the DCDD and surrounding communities to get proportionate representation. Although, I do want to point out that we've never taken that vote that really want

to do this. Everything up to this point was just finding out whether it could be done so we'd have to make the decision whether or not to support that kind of legislative effort.

The Board directed Mr. Peugh to inform the Homeowners Associations that if they would like to pursue this matter, the HOA's should contact their state representative to see if voting districts could be introduced as a bill or added to a bill in the legislature. If the HOA needs support from the Board they would consider it at that time.

J. Consideration of Stormwater Utility Implementation RFQ Scoring

Mr. Peugh stated we had three firms respond to the RFQ: CPH, McKim & Creed, and CDM Smith. Dave and I evaluated them and from our estimation CDM was heads and tails above the other two because they just had more experience. We'd like to get a scope and fee from them and come back to the Board so we're just keeping you aware of the process so we can start the stormwater utility implementation.

SIXTH ORDER OF BUSINESS

Staff Reports

Attorney

There being none, the next item followed.

K. Engineer - Report

Mr. Ponitz gave an overview of the engineer's report, a copy of which was included in the agenda package.

Manager

L. Bridge Report for July

Mr. Peugh stated vehicle traffic was up 6.9% and revenue was down about 2.16% from last year. We have 19,300 accounts and 4,344 accounts are using the website. We have sold over 2,300 loyalty cards.

M. Additional Budget Items Report

Mr. Peugh had no additional budget items to report.

SEVENTH ORDER OF BUSINESS

Supervisors' Requests and Audience Comments

Mr. Crahan stated there was a letter distributed from a resident complaining about infestation of vermin and cattails. Mr. Ponitz confirmed that he responded to the resident and Mr. Peugh stated he would follow up with the homeowners association and resident and provide the licensure agreement to the homeowners associations.

EIGHTH ORDER OF BUSINESS

Financial Reports

- N. Balance Sheet & Income Statement
- O. Community Projects Schedule
- P. Assessment Receipts Schedule
- Q. Approval of Check Register

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

EXECUTIVE SESSION

Mr. Peugh and Mr. Ponitz left the meeting at this time. The Board reviewed the performance of District Manager Greg Peugh and District Engineer David Ponitz.

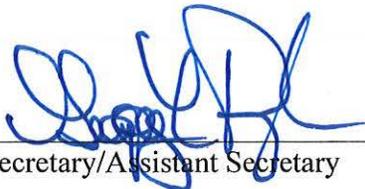
NINTH ORDER OF BUSINESS

Next Meeting Scheduled for Friday, September 13, 2019 @ 9:30 a.m. at the Dunes CDD Administrative Office, 101 Jungle Hut Road, Palm Coast, Florida

TENTH ORDER OF BUSINESS

Adjournment

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



Secretary/Assistant Secretary



Chairman/Vice Chairman