

MINUTES OF MEETING
DUNES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, December 13, 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
George DeGovanni	Assistant Secretary
Charles Swinburn	Assistant Secretary
Dennis Vohs	Treasurer

Also present were:

Greg Peugh	District Manager
Jim Perry	District Representative
Michael Chiumento	District Counsel
Dave Ponitz	District Engineer
Daniel Baker	Hammock Beach Resort

The following is a summary of the discussions and actions taken at the December 13, 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. November 8, 2019 Meeting

On MOTION by Mr. Swinburn seconded by Mr. Crahan with all in favor the minutes of the November 8, 2019 meeting were approved.

THIRD ORDER OF BUSINESS

Audience Comments

Audience comments were made during discussion of the Ocean Hammock golf course easement agreement.

FOURTH ORDER OF BUSINESS**Reports and Discussion Items****Discussion on Capacity Fee Issues for Commercial Accounts**

Mr. Peugh stated as you know, we sent letters to some commercial account holders on November 1st. Hammock Beach is well under their numbers and are down from the previous month. We've met with all of the account holders that we sent letters to or they've called and talked to us, so we're moving forward on all of them. We had a long meeting with Cinnamon Beach because they wanted to do a few things. We audit the single-family homes quarterly. We took the 275 units and we split that per the DEP application, and we'd like to continue that process of using the DEP application for the basis in the future. The Amenity Center allocation of a 50/50 split was arbitrary, and we discussed with them that if the Board agreed that allocation could be changed to a different split due to the water uses at the amenity centers not being equal. We'd like to continue to talk to them and help them as much as possible with the allocation.

Mr. Ponitz stated the first group of commercial accounts have all responded to us with some repair notices and copies of associated repair invoices and asked us to make further considerations, if warranted. Greg met with the county on their couple of facilities, so we have a couple of notes there to be determined based on future land acquisitions and negotiations. This is related to the traffic light land and the future well site.

Mr. Peugh stated the one issue that's outstanding is the Hammock Dunes maintenance facility. We think it was built in 1984 or 1985. Our first water purchase was in 1988 so if there was additional capacity it would have been paid to Palm Coast Utility Corporation at that point, however there is no documentation. They do think they have a leak and they're going to fix that, and we will see what their consumption is and go from there.

The following item was moved up to accommodate guest Daniel Baker.

D. Consideration of Ocean Hammock Golf Course Easement Agreement

Mr. Chiumento stated this agreement is the belt and suspenders for your purchaser. There is an existing agreement between both parties but it's more of a covenant and restriction and they requested an easement that memorialized the intent of how we've been operating for the last 20 years. It hasn't given them anything more or less. Essentially, when they platted the golf course, they dedicated lakes to us.

Mr. Baker stated there was a true-up but not an absolute survey so the nuance is that we have greens and tees that may be right on the edge of the lake bank that may technically be part of the lake bank. Our purchaser said the agreement is not explicit to say that these golf features can be allowed within this area, so they asked us to get clarification.

Mr. Chiumento stated it has in there if they want to change, add or remove, the parties have to work together, and we can't unreasonably withhold our consent to their additions or changes. We have our sovereign immunity.

Mr. Peugh stated I don't see any problem with it. It's the way we've been operating forever.

Mr. Ponitz stated I think it preserves our St. Johns River Water Management District requirements as well.

Mr. DeGiovanni suggested that the abbreviation, MSSW system, be defined within the document.

On MOTION by Mr. Swinburn seconded by Mr. Vohs with all in favor the Ocean Hammock golf course easement agreement was approved.

Discuss Weir Structures / MalaCompra Drainage

Mr. Peugh stated there's no update on the MalaCompra Drainage. We're still going back and forth with ETM at this moment. We're also working with Palm Coast to model that reuse line.

Renaissance / Beach Walk Development Update

Mr. Peugh stated Michael is reviewing a letter for Renaissance. We're going to send them a bill because we cannot find where we've billed them in the past for the availability fees for water, sewer and reclaimed since 2005.

We have a few drawings for the extension of Beach Walk's pump station. They will be served by Palm Coast, but Palm Coast is not going to accept the pump station because they told the developer they shouldn't have a pump station in the backyard of two homes due to the likelihood of odor complaints.

B. Discussion on Restriping Estimate

Mr. Peugh stated Mr. DeGiovanni had asked about restriping Hammock Dunes Parkway and the connector road. It's about \$108,000 for Thermoplastic and about \$50,000 for painting. Our consultant, Kissinger Campo, is supposed to drive it again before the end of the month. Right now, we've scheduled the milling of the parkway for 2023. I don't think it's going to last that long so if he can give me a better timeframe on that and it's going to be in a year, I would say we shouldn't paint it now. If it's going to be three years, then that's a discussion we need to have. We will have that information next month.

C. Consideration of Stormwater Utility Engineering Services Contract

Mr. Peugh stated we selected CDM Smith and this is the scope of work from them. This will help us put together a CIP in the long run so we can figure out where our assets are for the stormwater system. It would be the start of a funding mechanism dedicated to fixing the stormwater pipes. We budgeted \$250,000 for this work and this contract is for \$239,500. I'd like to put it in place so we can go forward and start the process. We need to start a cleaning plan because those stormwater pipes are starting to plug up and this will help with that.

Mr. Crahan requested that CDM focus on a small area first prior to the District committing to inventory of the entire system.

On MOTION by Mr. Crahan seconded by Mr. DeGiovanni with all in favor the scope of work with CDM Smith for stormwater utility engineering services was approved.

FIFTH ORDER OF BUSINESS

Staff Reports

Attorney

There being none, the next item followed.

E. Engineer - Report

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

Manager

F. Bridge Report for November

Mr. Peugh stated vehicle traffic was up about 5% and revenue was down about 0.25%. We have 19,200 total accounts with 4,800 people using the website and we've sold 6,100 loyalty cards.

G. Additional Budget Items Report

Mr. Peugh stated I have \$26,056.87 for Besch & Smith to do the civil repairs, for COMANCO to do the liner repairs, for the fish clean up and we also rented plugs because we couldn't get the valves to shut. Usually I would tell you beforehand if I had to spend this money, but in this case, I didn't have a choice.

On MOTION by Mr. Vohs seconded by Mr. Swinburn with all in favor the expenses related to the civil and liner repairs in the amount of \$26,056.87 were approved.

Miscellaneous Items

Mr. Peugh stated we pushed back the bid for the toll plaza to January 10th. I hoped to have an amount today but we're having problems getting bidders. I've reached out to some folks so this will hopefully give them some more time and we will hopefully get some more bids.

I went to the county workshop and special meeting on Monday and they authorized the \$250,000 to start the engineering and planning process for the dunes restoration. This will also make the dunes eligible for federal funding.

The two things that are outstanding from the \$1.8 million that you all set aside when we did the negotiations for the interlocal agreement are the MalaCompra drainage improvements for \$900,000 and the repairs to the dunes at 16th, Jungle Hut and MalaCompra for \$400,000. On Monday I assume the county is going to approve those invoices and they're going to send them to us for payment. Mr. Crahan requested we not pay more than we agreed to. Mr. Peugh stated he would provide an accounting of what we have paid and with the new invoices.

We fixed several sections of concrete on the path next to Hammock Dunes Parkway. If you all are every walking the Parkway and see anything, let me know and we will get it fixed immediately. Mr. Crahan provided some suggestions from a resident on the landscaping along the Parkway. Mr. Peugh stated that I'll contact her and discuss it with her.

SIXTH ORDER OF BUSINESS

Supervisors' Requests and Audience Comments

There being none, the next item followed.

SEVENTH ORDER OF BUSINESS

Financial Reports

- H. Balance Sheet & Income Statement**
- I. Community Projects Schedule**
- J. Assessment Receipts Schedule**
- K. Approval of Check Register**

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

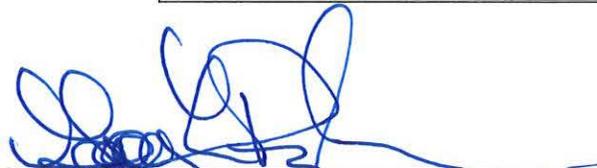
EIGHTH ORDER OF BUSINESS

Next Meeting Scheduled for Friday, January 10, 2020 @ 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. Swinburn seconded by Mr. Crahan with all in favor the meeting was adjourned.


Secretary/Assistant Secretary
Chairman/Vice Chairman