

MINUTES OF MEETING
DUNES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, January 10, 2020 at 9:30 a.m. at the Dunes CDD Administrative Office, 101 Jungle Hut Road, Palm Coast, Florida.

Present and constituting a quorum were:

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| John G. Leckie, Jr. | Chairman |
| Gary Crahan | Vice Chairman |
| George DeGovanni | Assistant Secretary |
| Charles Swinburn | Assistant Secretary |
| Dennis Vohs | Treasurer |

Also present were:

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| Greg Peugh | District Manager |
| Jim Perry | District Representative |
| Michael Chiumento | District Counsel |
| Dave Ponitz | District Engineer |
| Rich DeMatteis | Ocean Hammock |

The following is a summary of the discussions and actions taken at the January 10, 2020 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. December 13, 2019 Meeting

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| On MOTION by Mr. Crahan seconded by Mr. Vohs with all in favor the minutes of the December 13, 2019 meeting were approved. |
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THIRD ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

FOURTH ORDER OF BUSINESS

Reports and Discussion Items

Discussion on Capacity Fee Issues for Commercial Accounts

Mr. Peugh stated we've worked through most of the commercial accounts now and only have three outstanding entities. The Ocean Hammock Starter Shack paid their fee of a little over \$7,000. All that's left is the Hammock Dunes maintenance facility and they appear to have a leak. Cinnamon Beach is still planning their improvements and that will hopefully bring it down. The Discovery Center gate fixed the leak and it doesn't seem to have improved so we will continue to monitor it for a little bit and then ask them to send us capacity fees at that point.

Mr. Crahan stated I would recommend making contact with the new owners of the Hammock Beach Resort and have discussions with them to help them understand what we are and who to talk to if there is a problem.

Discuss Stormwater Utility / Reclaimed Flow

Mr. Peugh stated we finalized the contract with CDM Smith on the stormwater utility. On the reclaim flow, Palm Coast modeled the line and they think they can give us another half million gallons of reclaim flow, which would take care of us for many years. We checked the line to make sure no valves were closed as they suggested, and we're also replacing all of the air release valves. I think their pump is worn out and if it's replaced, I think we can get more flow, which would help us significantly over the years so we will have to decide if we want to pay for some or all of that. We paid for it initially. We're working with them and moving forward with that project.

Renaissance / Beach Walk Development Update

Mr. Peugh stated in the last couple of days, Charlie Faulkner called me and said there is a new developer for Renaissance. They're going to come into the office next Thursday and we're going to discuss our requirements for water, sewer and reclaimed services.

We sent the letter to the Oare property for potable water, reclaimed water and sewer availability fees and that was for a little over \$67,000. We know they received it, but we have not heard a response at this point.

No real news on Beach Walk, other than it looks like our concentrate line might be on their property. From our as-builts it shows it's on our property, but the developer is saying it's on his property. It's going to take a surveyor to figure that out. It's drilled under A1A so we don't want to move it, but we will have to see.

Discussion on Restriping Estimate

Mr. Peugh stated as we talked about before, the estimate for thermoplastic is about \$108,000 and painting was about \$50,000. Our consultant, Kissinger Campo, drove the Parkway in December and said based on his observations, the striping and the Parkway milling and resurfacing activity could wait until 2023, which is our estimated year to replace it. It's up to the Board and how badly you want it restriped.

Mr. DeGiovanni asked that Mr. Peugh look into just restriping the intersections, particularly Camino Del Mar.

Discussion on General Election Qualifying

Mr. Peugh stated I put this on the agenda because there are three elections this year. The presidential preference primary, which is on March 17th, the primary election on August 18th, and the general election on November 3rd. The presidential preference primary doesn't have anything to do with the qualifying for the seats that are up with the DCDD and I wanted to make sure everybody knew that. The Dunes CDD has seats 2, 3 and 4 up for election this year. The qualifying period is noon on June 8th through noon on June 12th.

B. Discussion on Interlocal Agreement Accounting and Invoice

Mr. Peugh stated we now have the invoices in from the County. The spreadsheet enclosed in the agenda package details what we've spent. Originally, the DCDD funded \$1.8 million for special projects and since we've started that we've completed four projects; Camino Del Mar sidewalk for \$113,000, landscape medians for \$44,000, ocean rescue for \$100,000 and safety at Hammock Dunes Parkway for \$243,000, so you have \$1.3 million left in the account. If you take away the invoices for the repairs to the dunes at the end of 16th Street, Jungle Hut and MalaCompra that's \$400,000 and then the MalaCompra drainage improvements are \$900,000 so you would expend the \$1.3 million. With the interest, you have another \$90,000. The County said they'd be willing to relinquish the interest, so we'd have to put something together to do that. In the meantime, if the Board is amenable, we can pay them the \$1.3 million. Additionally we would send a third check for \$120.63 to zero out the initial funding by the DCDD.

Mr. Vohs asked should we do the intersection restriping?

Mr. Peugh stated we talked about doing the beautification of the bridge and also potentially buying the small piece of property owned by the Ocean Hammock POA for the intersection improvements. I think we will need it, but we're still working with the engineer to tell us exactly how much right of way we need for the new improvements.

On MOTION by Mr. Vohs seconded by Mr. Crahan with all in favor paying the Flagler County invoices presented for the emergency dunes restoration and north MalaCompra drainage improvements according to the interlocal agreement was approved.

FIFTH ORDER OF BUSINESS

Staff Reports

Attorney

There being none, the next item followed.

C. Engineer - Report

Mr. Ponitz stated that other than the information contained in the report, I just wanted to update the Board on the FDEP water treatment plant RO concentrate disposal permitting activity; and that we received our permit on January 6th after the public notification period had been executed and the new permit effective date is March 1st 2020.

Manager

D. Bridge Report for November

Mr. Peugh stated vehicle traffic was up about 8% and revenue was up about 2%. On January 2nd we closed 432 accounts for about \$6,300. It's been asked if we should include it in the budget. About every quarter, except for the very first when we closed \$115,000, it's been running about \$6,000 a quarter so we may want to decide to put that in as revenue in our budget in the future. We have 18,900 total accounts so it's kind of stabilized at 19,000 accounts with closing accounts regularly. 4,910 people are using the website, which is about 20%, and we've sold about 7,100 loyalty cards.

Miscellaneous Items

Mr. Peugh stated we pushed back the bid for the toll plaza and we should have that today at 2:00 so when I get the results, I will send those to everybody.

Mr. Peugh stated Mr. Crahan had talked about the Parkway landscaping and maintenance at the last meeting. I talked to Ann Butler and explained what our proposed plan was, and she seemed to be happy with what we were doing.

I asked Mike Gill about buying the well sites and didn't get an answer, but he was going to check into it.

418 of approximately 2,000 accounts are being used on the utility website.

E. Additional Budget Items Report

Included on the additional budget items report is reuse Pond four (4) berm and lining repair for \$26,056.87.

SIXTH ORDER OF BUSINESS

Supervisors' Requests and Audience Comments

Mr. DeGiovanni asked about testing for PFAS chemicals.

Mr. Peugh stated it's unlikely it would be present here. We're going to test all of our wells to make sure we don't have it and we're also testing the wells to make sure there's no other contaminants. This is beyond the regular testing that we do.

SEVENTH ORDER OF BUSINESS

Financial Reports

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

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

EIGHTH ORDER OF BUSINESS

Next Meeting Scheduled for Friday, February 14, 2020 @ 9:30 a.m. at the Dunes CDD Administrative Office, 101 Jungle Hut Road, Palm Coast, Florida

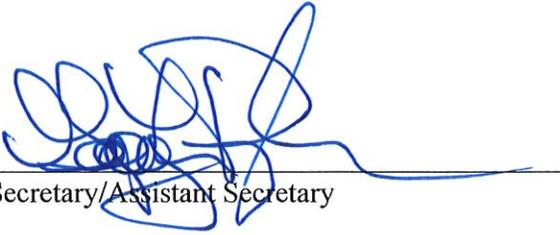
NINTH ORDER OF BUSINESS

Adjournment

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

January 10, 2020

Dunes CDD



Secretary/Assistant Secretary



Chairman/Vice Chairman