

MINUTES OF MEETING
DUNES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, March 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

The following is a summary of the discussions and actions taken at the March 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. February 7, 2018 Workshop

B. February 9, 2018 Meeting

There were no corrections to the minutes.

On MOTION by Mr. Vohs seconded by Mr. Crahan with all in favor the minutes of the February 7, 2018 workshop were approved.
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On MOTION by Mr. DeMatteis seconded by Mr. Crahan with all in favor the minutes of the February 9, 2018 meeting were approved.

FOURTH ORDER OF BUSINESS

Reports and Discussion Items

Discussion on Capacity Fee Issues for Commercial Accounts

Mr. Peugh stated I spoke to Daniel Baker again this week and he emailed me last night and said they are making progress. They made repairs to the children's pool. The meter readings prior to the pool reflected an auto-fill of greater than 37,000 gallons and they are down to 550 so they're expecting approximately 30,000 gallons a day of improvement on their consumption. He said they are moving on to the adult spa next and going pool by pool. He said they found a lot of leaks in lights and the scuppers so they are steadily working towards it.

Mr. Crahan asked what other commercial accounts are there that we are concerned about?

Mr. Peugh responded there are a total of 50 and we are going through all of them. Tim has developed a spreadsheet. We're looking at the capacity that they've purchased and what their consumption is. Currently, almost every month, we go through the residential accounts and we have a target, I think it's 11,500 gallons, and we run through that pretty quickly. Now with this spreadsheet we're hoping to find out exactly what they're using every month and once we get to the most egregious ones first and see what they're doing then we will go through the smaller ones but we're looking at every one of them.

Status of Marsh "TB"

Mr. Sheahan stated we got a revised quote from Cline Construction and we issued a PO for that because it was within our budget. We're working on the permits with St. Johns and the mitigation credit with the engineer. Once we get the legal descriptions and provide them to Michael we can get those easement agreements prepared.

Mr. Leckie asked what was the bid from Cline?

Mr. Sheahan responded \$31,000.

Mr. Swinburn asked what's our best guess as to when the work will be done?

Mr. Peugh stated what I've seen in the past is getting people to sign an easement takes forever. Once that's done he said the work should take three to six weeks.

Mr. Sheahan stated Jody said the permitting might take three months.

Mr. Peugh stated late summer is what I would tell people.

Status Report on New Toll Collection System

Mr. Peugh stated we are still working on the program, creating accounts and making sure the text pops up correct and things like that. By the end of the fiscal year we will have that online.

We met with CPH on the toll facility layout. They've come up with some pretty good recommendations. We hope to have the report finalized for the next board meeting and then we can discuss that in detail.

Mr. Crahan asked when do we want to go live with the website? Mr. Crahan wants the website to be reviewed by the Board prior to going live.

Mr. Peugh responded I'm thinking towards the end of summer.

Discuss Weir Structures / Malacompra Drainage

Mr. Peugh stated we just signed all of the engineering contracts so with that I'd like to get a draft scope from ETM since they know the most about the drainage up there and then we can present that to the board and see where we want to go with 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 emailed Charlie Faulkner last week and he said at this point they don't have any updates so we're in a holding pattern until they find a buyer.

Mr. Leckie asked where are we on the landscaping with Palm Coast?

Mr. Peugh responded Palm Coast has not contacted me or sent me a contract. I told them once you tell me what you want to do I need your final drawings to present to the board and also a contract for Michael to review.

C. Draft Employee Handbook Discussion

The board and staff went over the draft employee handbook and discussed various changes to be made.

On MOTION by Mr. Crahan seconded by Mr. Vohs with all in favor the employee handbook was approved as amended.

D. Report on Additional Budget Items

Mr. Peugh stated the only thing we added, and we're trying to absorb this in our existing budget, is item C – the bridge street repairs and the MOT. The bridge repairs were about \$18,000 and MOT was approximately another \$20,000 and that's an allowance in Economy Electric's proposal because they said it's going to take between two and three weeks to get the repairs done so if they use less of it the MOT will be less. The MOT is required due to the fact a bucket truck will be used with somebody suspended above, so with the liability of that, I'd rather have an MOT that's correct. .

FIFTH ORDER OF BUSINESS

Staff Reports

E. Attorney - Report

Mr. Chiumento stated it was advised that we pass a resolution giving the board some guidance to move funds between the utility fund, the bridge fund and the general fund. I think the board has the ability move funds however they want to. The resolution that's before you is just a base line resolution establishing the board's desire to move funds. It specifically suggests that any movement of funds will need to be done by a separate resolution. A resolution could be in the form of your annual budget. Greg and I talked about at the end of this year there could be a line item in your utility fund, general fund or bridge fund transferring surpluses and that can be done when you adopt it by resolution. You could also come back and adopt policies so it's pretty broad on how we do it in the future but this is a start. There are some changes I'd like to make to the resolution.

On MOTION by Mr. Swinburn seconded by Mr. DeMatteis with all in favor Resolution 2018-03 was approved as amended.

F. Engineer - Report

Mr. Sheahan stated for the wastewater plant we've got the County Planning Development Board public hearing coming up on March 13th. If everything goes well we will get our permit sometime following that meeting.

Mr. DeMatteis stated when you're approaching the bridge from the east side there is a green sign that shows the tolls and it doesn't reflect well.

Mr. Peugh stated the cost for that was approximately \$2,000 and I was waiting until the end of the budget to make sure we had enough money. We will fix that.

Mr. DeMatteis asked where do we stand with the fiber optic business going across?

Mr. Peugh responded they have put in a design ticket and Tim is working with them. Apparently on the northern Jersey barrier there are holes at the bottom of it that they can probably put the fiber through and it would be less intrusive to our bridge. I asked them to send me their standard contract and they still haven't done that. They are supposed to come in here and have a meeting with everyone at some point.

Mr. Leckie asked what about the stand-by emergency pumps?

Mr. Sheahan responded there are two locations that we've identified that are high priority. One at the resort and the other at the intersection of Camino del Sol and Calle del Sur. We've gotten quotes for the pumping equipment and we're working on site plans with CPH, the engineer. We have a total of five that we want to do.

G. Manager – Bridge Reports and Traffic Comparison for February

Mr. Peugh stated we would probably like to get proposals on and put in the budgeting process a vulnerability assessment of this plant site for either Fiscal Year 2019 or the year after that. After 9/11 you did an assessment of the facility but I don't think that's been done here and I would like to do it for the safety of our water utility. I'd like to get an RFP with somebody that is familiar with doing that and see what the cost is and put it in the budget. I'd also like to put storm drain inspection, gravity sewer inspection, and stormwater harvesting in the budget.

Tim got the Crom tank finished and they did not see any leaks or problems with the tank so we're back on our own water.

We started the process of building a website to take credit payments for the utility and we expect that up in the summer. We will have a mobile app as well. The initial fees are \$1,300 and \$900 of that is for a credit card machine where you can plug the checks in and it sends them to the payment processing folks. They're all PCI compliant and they are a third party vendor. They get their money from a monthly fee. We anticipate it's going to be about \$600 a month that will

come off our billings where we generate revenue. This will also help with our customer service and our posting accuracy.

There is an election of seats one and five this coming fall. I reached out to the Supervisor of Elections and she said if anyone wants to run for the seats they do a new candidate orientation.

I called our wildlife biologist about fish kills. He said probably the biggest thing is we had the coldest January ever, followed by the warmest February ever. He said what happened is in January the fish were killed by the cold and the microscopic algae in the pond were killed off and when February came, he called it a chemistry nightmare, where the algae goes crazy blooming and it blooms until there is a break point and they don't have any food and they start to die. When they start to die all that decaying matter in the ponds sucks up the oxygen and the fish die from lack of oxygen. What we can do is add more fountains to the lakes. We did some calculations and we're figuring well into a million dollars to get fountains into all of the lakes and it might or might not help. We are going to do testing and we will share them with our wildlife biologist. The pelicans have died from overeating all the fish or by natural causes. This information was confirmed by the Florida Fish and Wildlife Conservation Commission. I will put this information up on our website to inform the community.

Mr. Peugh gave an overview of the bridge report for February. A reconciliation of the differences between the Dunes Bridge Report and the unaudited financial statements provided by GMS will be completed in the next few months.

SIXTH ORDER OF BUSINESS

Supervisors' Requests and Audience Comments

Mr. Vohs asked do you know when Jody is going to get back to us on what we're going to do with the marshes that aren't marshes anymore?

Mr. Peugh responded I'm hoping to have a short report hopefully before the next meeting on whether or not they are acceptable. If they are acceptable then we can look at the other options of mitigation bank.

Mr. DeMatteis asked when Ocean Hammock owned Hammock Dunes Parkway before we transferred it to the District we didn't allow real estate signs along the road. When the District took over there's no rule about that so I'm wondering if you share that concern.

Mr. Vohs asked are there signs out there that have instigated this?

Mr. DeMatteis responded there's a whole bunch of them on Hammock Dunes Parkway.

Mr. Crahan stated my take is because of the Parade of Homes people are taking advantage of the Parade of Homes signs are out there and they are piggybacking off of other open house signs. In the old days when the HOA was a thing if the signs were out there unapproved they were pulled. For the Parade of Homes I don't have a problem with it.

Mr. Peugh stated if the board is opposed to it we can pull them up.

Mr. Perry stated most districts pull bandit signs regularly.

Mr. Crahan stated my sentiment would be those in support of the Parade of Homes are fine because they are limited in number; those that are beyond that, probably not.

Mr. Chiumento stated from a legal perspective it is a public right of way but it is governed and owned by you all. If you had sign ordinance or rule at least it would be a published rule if you want to be formal about it. It's your property and you can do whatever you like.

Mr. Leckie stated so we're going to tell the homeowners association and to the Flagler Board of Realtors that it is a private road and there are no signs allowed on the private right of way unless authorized by the board.

SEVENTH ORDER OF BUSINESS

Financial Reports

- H. Balance Sheet & Income Statement**
- I. Construction Schedule**
- J. Assessment Receipts Schedule**
- K. 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, April 13, 2018 @ 9:30 a.m. at the Dunes CDD Administrative Office, 101 Jungle Hut Road, Palm Coast, Florida

NINTH ORDER OF BUSINESS

Adjournment

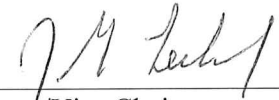
On MOTION by Mr. Vohs seconded by Mr. Crahan with all in favor the meeting was adjourned.

March 9, 2018

Dunes CDD



Secretary/Assistant Secretary



Chairman/Vice Chairman