

MINUTES OF MEETING
DUNES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, April 13, 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
Jonathan Simmons	Palm Coast Tribune

The following is a summary of the discussions and actions taken at the April 13, 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. March 9, 2018 Meeting

Mr. Crahan and Mr. Swinburn provided corrections to the minutes that will be included in the final copy.

On MOTION by Mr. Crahan seconded by Mr. Swinburn with all in favor the minutes of the March 9, 2018 meeting were approved.
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FOURTH ORDER OF BUSINESS**Reports and Discussion Items****Discussion on Capacity Fee Issues for Commercial Accounts**

Mr. Peugh stated I spoke with Daniel Baker regarding what they've been doing and he said again that they are going through pool by pool. The 30,000 at the children's pool is holding and the drop is sustained so that's a good thing. He said in the adult spa they are replacing the main drain boxes. Apparently that's been leaking for some time and they are hoping this will also reduce their water bill. He said after the adult spa they will be checking the lazy river so they are systematically working through it. Regarding the other commercial accounts, we are going through how much additional capacity they paid over the years and trying to match up the account number with that. It's taking much longer than we expected and is a much bigger task than we anticipated but we will get through every account.

Status of Marsh "TB"

Mr. Peugh stated Jody reviewed the marshes and looked at our wetlands. There are about 22 acres. He has put together a draft report, which he has to make some changes to. He said with the 22 acres we would have to pay an additional \$86,000 in mitigation credits. I want him to lay out all of our options in a table format for you all to look at and also do a 20-year present worth because we also have to go in and remove invasive species forever so I want to know what that costs plus the costs we pay for mitigation. I want him to lay out all of that so we can have a discussion and make sure we're doing the right thing. He's putting that together and I should have that for the next board meeting.

Mr. Sheahan stated we got the permit from St. Johns for marsh TB. We got the agreement on the mitigation bank and that has been executed. We've paid the deposit and we've done a check request on the remainder of that \$17,000 to get that paid in full to Wilson, LLC, which is the company that is handling that. We're placing a notice of permit in the News Journal for this Sunday and next Wednesday. The only thing we're waiting on are the legal descriptions for the easements for construction.

Mr. Peugh stated once we get those we will go the property owners and get that signed.

Status Report on New Toll Collection System

Mr. Peugh stated E-transit is still working on the website. We're thinking in the next 30 days we're going to go to beta testing with a few folks. It will be available but we're not going to make an announcement to the public because we want to make sure it doesn't break. For the future, one idea we came up with was a \$20 prepaid card. You would get 20 trips, so a dollar a trip. Folks would not have to sign up for an account if they want to come in for bike week or spring break and we would get a dollar a trip minus fees. The fees would be if we sold them at Publix, CVS or something like that. It would make it easier on bridge personnel instead of setting up an account for folks that are here for a week.

Mr. Crahan asked are they good forever?

Mr. Peugh responded we could put a time limit on them that says they expire in a year. We haven't worked out the details, just seeing what you all think about it. We're not going to do anything with it until the website is up.

Mr. Leckie asked would the big buildings want to see something like that? I think it would be good for the people that are staying there?

Mr. Crahan stated I wouldn't expand them to 20 different locations. Keep it small and focused.

Mr. Leckie stated I think you have to take a look at a \$10 card as well.

Mr. Peugh stated also for the toll facility improvements, we have a preliminary report. We will have that for the next board meeting. The cost to improve the building is in the neighborhood of \$1.1 million with the parking.

Mr. Crahan asked is there a plan A, B and C?

Mr. Peugh responded part of the problem is it's such a restricted area. Plan A is the underground storage tank. That will be removed. That has to happen.

Mr. Leckie asked why was it there to start with?

Mr. Peugh responded 30 years ago that was an accepted way of doing it. We need it for the generator to keep the tollbooth going. That's the first piece of the puzzle. The other is the existing parking lot. If we want to make it bigger, most of those trees need to come down. Their roots are uprooting the asphalt and the curbs. To do that, we'd have to have temporary parking to the west. If you're doing temporary parking you may as well make it permanent because you're

paying for it in the long term with the contractor. To do the renovations of the building we would need a temporary trailer because we can't have people in there while we're doing that. It's all intertwined.

Mr. Leckie stated I think something has to be done, but the million dollars floors all of us.

Mr. Peugh stated I understand. We will give you the report at the next meeting.

Discuss Weir Structures / Malacompra Drainage

Mr. Peugh stated we have a preliminary scope so first thing next week I will start looking at that. Once I do that I will get a price and then I will bring it to the board. We met with Quentin Hampton/ Mead and Hunt about inspection of the gravity sewers and stormwater system. For plant and cyber security we're talking with McKim & Creed to get a price for that so we can program it into the budget.

Status Report on Discussion with the City of Palm Coast to Install Landscaping and Irrigation on DCDD Property / Golden Lion Property

Mr. Peugh stated the City has negotiated an easement with a condo association that requires they can only do four things – a restaurant site, office, retail or residential. They would like to get an easement through our property so they can get to Palm Harbor Parkway. They would prefer an easement and I told them it's probably going to be a license. To sell this property they need something that shows the new property owner that they can get to Palm Harbor Parkway. In the meantime they are going to the workshop with City Council to make sure they're on board with using it as a secondary access for Emergencies. Once they do that they will come back with the agreement, Michael will review it and the Golden Lion folks and the City will give you a presentation showing exactly what they want to do.

B. FY 2017 Audit Report

A copy of the audit report was included in the agenda package.

On MOTION by Mr. Crahan seconded by Mr. Swinburn with all in favor the FY 2017 audit was accepted.
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C. Consideration of Resolution 2018-04, Approving the Proposed Budget for Fiscal Year 2019 and Setting a Public Hearing Date for Adoption

Mr. Peugh stated next month we will start the budgeting process. This is the format I would like to use. I've added columns to explain what we've increased or decreased that line item by and any comments I have to explain the change. We will go through the budget line by line next month. Mr. Crahan and Mr. DeMatteis requested that the budget be presented in an eighty percent or more format and not the minor monthly updates as it was presented in the past. Only specific questions should be presented to discuss prior to the comprehensive review. Mr. Peugh agreed to do so.

On MOTION by Mr. Vohs seconded by Mr. Crahan with all in favor the FY 2019 budget and Resolution 2018-04, setting the public hearing for August 10, 2018, were approved.

D. Additional Budget Items Report

Mr. Peugh stated I do not have any additional budget items included at this point.

FIFTH ORDER OF BUSINESS

Staff Reports

Attorney

Mr. Chiumento stated I worked with Hopping Green this month. They're retained to poll an opinion about our last month's resolution as you requested. They are accumulating documents and we hope to have an opinion to you by next month or June.

E. Engineer - Report

Mr. Sheahan stated for the wastewater plant we're still waiting for the County permit to begin construction. It will probably be issued in the next week or two. We issued a notice to proceed to the contractor dated April 16th. The time of completion is 455 days which puts us at July 15, 2019.

We ordered the standby pumps and held a follow up meeting with the engineer so they are finalizing site plans. We have another meeting with them today to get additional information.

F. Manager – Bridge Reports and Traffic Comparison for March

Mr. Peugh gave an overview of the bridge report for March . Mr. Peugh stated that the discrepancy that we discussed at the last meeting, in general, between the unaudited financial statements and the report that staff completes is the timing of when the deposits are recorded in the account. Staff provides information on the daily deposits immediately after the end of the month which are reconciled each day. The unaudited financials that GMS prepares are based upon the bank deposit statements. The deposits can vary depending on if the last day of the month would fall on a weekend, then the deposit would show up on the next month’s activity. Additionally the merchants will deduct their fees from what is deposited and therefore the two totals will never match unless staff waits a month to account for the deposits and fees. Our review showed that everything matches, it is just off a day or two depending on the day when it hits the account and what fees are deducted. Additionally GMS does a hard close at the end of the year to reconcile everything and the yearly audit reviews all of this information. The staff report that Mr. Sheahan completes will be discontinued and only the simplified report that Mr. Peugh develops will be provided.

Mr. Peugh stated I put the fish kill information on the website. There haven’t been any fish kills lately.

I called Craig Coffey about the Malacompra improvements. He said they were moving forward and expect to plant in June. They’re taking bids on the drainage improvements next week.

Tim is considering retirement so I think we’re going to do a search sooner than later. I’d like to put together an ad and get it out so we can start looking for his successor.

SIXTH ORDER OF BUSINESS

Supervisors’ Requests and Audience Comments

Mr. Crahan stated under tab H, we call it the bridge fund; I’d like to get away from that term. Why don’t we just call it Community Projects Fund? The source was originally the bridge but that’s history now. The other thing on the fish kill is it still doesn’t answer the question the disparity between north and south and between golf course proximity and non-proximity with regard to influence. The temperatures being low in January and high in February, okay, but unless there is something different, Jungle Hut doesn’t discriminate between the temperatures.

Mr. Peugh stated the only thing that makes any sense is that those ponds are much deeper than the ponds in Ocean Hammock.

Mr. Sheahan stated the other thing is those lakes up there were much more influenced by the breech. If salt got in those ponds up there those fish may be under more stress.

Mr. Swinburn asked is there any follow up on the drug testing question?

Mr. Peugh responded yes. I was looking at the Golden Lion property and spoke to an officer there who said they get drug tested when they're initially hired and if there is a traffic incident or they fire their weapon. Their human resources said the test is not observed but they make sure you can't turn the water on and that there is no water in the toilet. She said they do not drug test prisoners.

Mr. Swinburn stated I did some research and found there are many ways to get around drug testing. One point that was made is that 93% of the tests that are run in this country are not supervised but the only way to make it meaningful is to supervise it.

Mr. Peugh stated we can look around and see if there are other facilities within an hour that have that available. ADP told us it's an invasion of privacy and they don't recommend it.

Mr. Crahan stated the way the military essentially avoided compromise was giving no notice. You came into work and your name came up randomly.

Mr. Leckie stated we're talking about a person having an accident so I would say other than the hiring procedure, we're doing it when an incident has happened.

Mr. Swinburn stated we all agree if we can't find someone locally to do observed testing then it's probably not worth going outside the immediate area.

Mr. Vohs stated the intersection from our bridge and Hammock Dunes Parkway at the four-way stop there is really getting backed up this time of year. At some point we probably need to have the county take a look at whether there needs to be a traffic light there.

Mr. Peugh stated that's all our property there so unless I'm wrong a traffic light would be something we would have to do.

Mr. Vohs stated or maybe we have the traffic consultants take a look at it.

Mr. Leckie stated years ago the Department of Transportation came up with a sequence of lights and as I recall the number was like \$400,000 to put a light at that corner.

SEVENTH ORDER OF BUSINESS **Financial Reports**


- G. Balance Sheet & Income Statement**
- H. Construction Schedule**
- I. Assessment Receipts Schedule**
- J. Approval of Check Register**

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

EIGHTH ORDER OF BUSINESS **Next Meeting Scheduled for Friday, May 11, 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. DeMatteis seconded by Mr. Crahan with all in favor the meeting was adjourned.



Secretary/Assistant Secretary



Chairman/Vice Chairman