

MINUTES OF MEETING  
DUNES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, May 11, 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
Dennis Vohs	Assistant Secretary

Also present were:

Greg Peugh	District Manager
Ernesto Torres	District Representative
Michael D. Chiumento, III	District Counsel
Tim Sheahan	Utilities Manager
Mike Gill	Hammock Dunes Owners Association
Travis Houk	Hammock Dunes Owners Association
Bill Butler	City of Palm Coast
Ray Tyner	City of Palm Coast
Chris Marlow	Golden Lion
Tony Marlow	Golden Lion
April Daniel	Florida Local Government Investment Trust

The following is a summary of the discussions and actions taken at the May 11, 2018 meeting. A copy of the proceedings can be obtained by contacting the District Representative.

**FIRST ORDER OF BUSINESS**

**Roll Call**

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

**SECOND ORDER OF BUSINESS**

**Audience Comments**

Audience comments were given during the related agenda items.

**THIRD ORDER OF BUSINESS**

**Approval of Minutes**

A. April 13, 2018 Meeting

Mr. Crahan provided comments on the minutes.

On MOTION by Mr. Crahan seconded by Mr. Vohs with all in favor the minutes of the April 13, 2018 meeting were approved as amended.

**FOURTH ORDER OF BUSINESS**

**Reports and Discussion Items**

**Golden Lion / COPC Presentation**

Mr. Peugh stated the City of Palm Coast is here and they want to discuss the easement agreement. They want to do some landscaping in the intersection and on our property under the bridge. I've looked at the agreement. It needs to specifically state that we need a well there. District Counsel has not had a chance to review it yet. Once he does, we will get that back to the City.

*Representatives from the City of Palm Coast gave a presentation to the board on their landscaping plan.*

Mr. Leckie stated we expect to approve the agreement and go forward with it once Michael reviews it.

Mr. Peugh stated in the second phase the Golden Lion would like an easement. I've told them we would like a license agreement because of our history with other property owners.

Mr. Chris Marlow discussed with the Board the necessity of a permanent easement versus a license agreement in order to sell their property.

Mr. Leckie stated we will go forward with an easement agreement pending Michael's review.

**E. Hammock Dunes Marshes Memo and Costs**

Mr. Peugh stated back in December St. Johns River Water Management sent us a letter saying that our marshes weren't in compliance, we had invasive species and we needed to correct the situation. Since then, we've hired Atlantic Ecological to give us options of what we can and can't do. In 1994 we had 8.28 acres of marshes. We're down to 3.38 acres of marshes and have a few options. The first is we can mitigate it at \$75,000 per acre. If we had no onsite mitigation it would require 2.77 acres and that would cost \$207,000. It also needs a permit and modification deeds so you're at about \$227,000. We also have CDD property we can mitigate and put in a conservation area and they'd give us credits equal to a little over an acre so we're down to 1.7

acres but we would have to buy \$127,000 worth of mitigation credits and we'd have conservation easement fees which run about \$3,000 per parcel for the survey and legal necessities. We'd still have the permit and modification fees but we would also have to maintain 22.3 acres and the cost for that over the years would be about \$40,000 so you'd be at about \$195,000 total. If we added CDD property plus the Hammock Dunes Owners Association property we wouldn't have to buy any mitigation credits. We'd also have the conservation easement fees of \$24,000, \$20,000 for the permit fees and then we'd have to maintain 44 acres which would cost about \$122,000 over 30 years. Lastly, there's CDD property plus the Ocean Hammock Property Owners Association. We're not sure it's viable but we would have to buy 1.15 acres at \$87,000, conservation easement fees of \$15,000, permit fees of \$20,000 and we'd have to maintain 33.64 acres, which would be about \$60,000 for 30 years, for a total of \$180,000. When I say maintain them, the first five years our consultant would cut out the invasive species and spray them. Beyond that we would spot spray and continue to control the invasive species. Personally, I'd rather buy my way out of this so I don't have to maintain between 20 and 40 acres forever and that's what we would have to do.

Mr. Gill asked that Mr. Peugh present the options to Hammock Dunes Owners Association and ask for their input. Mr. Peugh agreed.

#### **Discussion on Capacity Fee Issues for Commercial Accounts**

Mr. Peugh stated I spoke to Daniel Baker. He said they have fixed the drain boxes in the fantasy pool and they're seeing reductions of about 10,000 gallons a day but there are still leaks in that so they're going back to see where those leaks are at. After that they are working on the lazy river. Tim has been looking at all of the commercial accounts but it's taking us much longer than anticipated and we may have to get some help. The Board directed Mr. Chiumento to send a letter to Daniel Baker stating that the repairs need to be completed by the end of this calendar year.

#### **Status of Marsh "TB"**

Mr. Peugh stated we have all the permits and we have one big temporary easement that we're breaking into smaller sections for each individual property so once we have that we will

give it to the property owners. We will give the notice to proceed to the contractor as soon as we get the last easement signed.

**Status Report on New Toll Collection System**

Mr. Peugh stated our website is up as of Wednesday. We're fixing any minor issues we have and once that's done we will talk to the newspapers so that we can broadcast its availability to everyone.

**Discuss Weir Structures / Malacompra Drainage**

Mr. Peugh stated we had a meeting with England Thims & Miller last week. They have given us a scope and in the next couple weeks they will give us a price so we can see what it cost to do the first phase and we will present that to the board once we get it.

**B. Report on the Number of Registered Voters**

A copy of the report was included in the agenda package. There are 2,153 registered voters within Dunes CDD.

**C. FY 19 Proposed Budget Items**

Mr. Peugh stated at the end of last year we artificially raised the minimum wage that we hire people at. I would like to increase pay so that the years of experience correspond with a 3% raise every year. The total impact to our budget this year would be about \$14,000. The Board consensus was that this increase was acceptable.

**D. Toll Site Improvements Study**

Mr. Peugh reviewed the report and desired improvements with the Board. Gary Crahan questioned if a propane generator had been considered. Mr. Peugh replied that residential generators are typically propane generators, whereas commercial generators are typically diesel. Gary also questioned the required number of handicap parking spaces. Mr. Sheahan replied that he would check with the engineer on the required number of handicap spaces. The Board gave Mr. Peugh consent to go forward with the design and bring a scope of work for Board approval.

**FIFTH ORDER OF BUSINESS**

**Staff Reports**

**Attorney**

District Counsel had nothing to report.

**F. Engineer - Report**

Mr. Sheahan reviewed his report with the Board, which was included in the agenda package.

**G. Manager – Bridge Reports and Traffic Comparison for April**

Mr. Peugh gave an overview of the bridge report for April.

Mr. Peugh stated we're waiting for the aluminum to get the sign for the bridge up. I have not heard anything from the folks that contacted me about the fiber permitting so I don't know what they're doing. The qualifying period for seats one and five is starting at noon on June 18<sup>th</sup> and closes at noon on June 22<sup>nd</sup>.

**H. Additional Budget Items Report**

Mr. Peugh stated the only additional budget item is the anticipated toll facility improvements engineering costs of \$127,000.

**SIXTH ORDER OF BUSINESS**

**Supervisors' Requests and Audience Comments**

Mr. Vohs stated on the balance sheets for the water and bridge, I think it would be good to have two more columns of data. One that says what the balance sheet was last month and the other showing what it was at the beginning of the year so you can see the change year-to-date.

Since our interest income is up 85% in the water and sewer and 48% above budget, is there anything we can do that tells us what kind of interest income rates we can get?

Mr. Peugh responded I will have to talk to GMS and Prime.

Mr. Leckie stated there were all kinds of open house signs on the Parkway. Can I pick them up legally?

Mr. Peugh responded to address that we're going to have the bridge guys do a run on Saturday and Sunday at 2:30, pick all the signs up and send pictures of the signs to the realtor with our statement to not put the signs out. The Board's wish was to pick the signs up at 12:30.

**SEVENTH ORDER OF BUSINESS**

**Financial Reports**

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

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

**EIGHTH ORDER OF BUSINESS**

**Next Meeting Scheduled for Friday, June 8, 2018 @ 9:00 a.m. at the Dunes CDD Administrative Office, 101 Jungle Hut Road, Palm Coast, Florida**

**NINTH ORDER OF BUSINESS**

**Adjournment**

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



Secretary/Assistant Secretary



Chairman/Vice Chairman