

MINUTES OF MEETING
DUNES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, October 12, 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 (by phone)

Also present were:

Greg Peugh	District Manager
Jim Perry	District Representative
David Ponitz	District Engineer
Michael Chiumento	District Counsel
Jonathan Simmons	Palm Coast Observer

The following is a summary of the discussions and actions taken at the October 12, 2018 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

Audience Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of Minutes

A. September 14, 2018 Meeting

Mr. Crahan had corrections to the minutes, which will be included in the final version.

On MOTION by Mr. DeMatteis seconded by Mr. Crahan with all in favor the minutes of the September 14, 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 to Daniel Baker regarding their commercial account and he said they are completely finished with the lazy river so all of their repairs are completed. The repairs won't show in the numbers for another couple months so we will still send them a letter that says they need additional capacity but it is significantly improved.

There are about 75 total commercial accounts and preliminarily it looks like about 30 letters are going to go out. We will show the spreadsheet of the accounts to the Board before we send those letters out.

Status of Marsh "TB" & Hammock Dunes Marshes Update

Mr. Peugh stated we have the drains in marsh TB and everything that we had planned is complete. I am in the process of preparing an email to the neighbors there to make sure we completed everything to their satisfaction. We want to put the final easement over that area of grass that the club will mow for us and that will be the last thing we will do there. As far as I know everybody is pretty happy with it.

Mr. Leckie asked did the contractor charge us for putting the drains in? I thought that was his responsibility when he didn't grade it correctly.

Mr. Peugh responded yes but it wasn't much.

Mr. Crahan asked should we have the individual residents sign off to have a record copy that says they were satisfied?

Mr. Peugh responded we can do that.

We met with St. Johns River Water Management District regarding the Hammock Dunes marshes. We had given them a proposal of what we thought was the total impact and it was about 2.6 acres, which translates into mitigation credits of about \$200,000. They said they think it's more like 4.5 acres, which translates into \$336,000 so we agreed to disagree on the exact number but they are going to look at our number and how we came up with it. As we discussed before, their file is not as complete as we'd like it to be from 1985. I told them we didn't care for the tone of their letter because we've been working with them all along and then they say we

have 30 days to send them a proposal. They understood that and they are working with us. I think their number will come down and then we can decide what we'd like to do.

Discuss Weir Structures / Malacompra Drainage

Mr. Peugh stated the ETM draft memo that you have in front of you will be formally put on the November agenda. The short version is on the first page and it says "the recent completion of the volumetric analysis indicates the stormwater pools could only be lowered 1.05 inches to 1.75 inches of the source for irrigation in a three to five day timeframe for a hurricane that would come up". For every 0.35 inches that you lower the water in the ponds that equates to a 0.2-inch storm. You can read through this and I'll go through it in more detail at the next meeting. It's not as advantageous as we had hoped. We may need to look at a stormwater pump station. The reclaimed line that is coming from Palm Coast is a concern and I've got a meeting with Palm Coast next week to see where they're at with the design. We've heard rumors they may want to take the reclaimed water out to the intra-coastal with their concentrate line, which would buy them some time instead of increasing the size of the pipe to the intra-coastal. We need to know what they plan to do in order for us to do our planning.

Discussion on Geographic Area for Board of Supervisors Seats

Mr. Chiumento stated we have a meeting with Katie Lenhart on the 18th so our firm is currently putting together our research to justify our request to divide the Dunes CDD into election zones so that certain areas will have dedicated seats. She will have to present our proposal to her board of supervisors that is sort of a trade organization that has a general counsel and lobbyists and then we will also have to present our proposal to the elections commission, which is under the Department of Economic Opportunity. It is going to be a concerted effort but our goal is to present a legal basis for doing this. Hopefully by our November meeting we will have taken a step forward.

Mr. Leckie asked and then you would go from there to the Attorney General?

Mr. Chiumento responded if the DEO and Katie's organization came back and said they agree with this I don't know that we need to get an opinion from the Attorney General because that would mean they feel comfortable that this is what the election laws in Florida allow.

Mr. Crahan asked is the intent to have a geographic area equate to one seat?

Mr. Chiumento responded I think that's the general inquiry of the Board. I am specifically trying to determine, with their support, that the District can be divided into zones so that each seat could be dedicated to a zone.

Mr. DeMatteis stated once we determine that we can do districting of some kind this Board as a legislative body can then determine how exactly we want to do it.

B. Acceptance of the 2018 Public Facilities Report

Mr. Peugh stated this is the report we do every year and provide to the County. Hammock Dunes is 88% built out, the combination of Ocean Hammock and Hammock Beach are 81% built out and Yacht Harbor is approximately 48% built out.

On MOTION by Mr. Crahan seconded by Mr. DeMatteis with all in favor the 2018 Public Facilities Report was accepted.

C. Equipment Purchases

Mr. Peugh stated we have three pieces of equipment to purchase and were all planned for in the budget. The first is the dump truck with a purchase price of \$77,180.50. We had budgeted \$75,000 so that's a difference of \$2,180.50. The second is an F-450. We budgeted \$71,000 and it came in at \$70,231. The third is the mini track hoe. We would like to trade in our John Deere tractor that we no longer need and that brings the price of the track hoe down to \$43,450 from \$63,450.

On MOTION by Mr. Crahan seconded by Mr. DeMatteis with all in favor equipment purchases in the amount of \$190,861.50 were approved.

D. Engineering Proposals for Vulnerability Assessment, ARC Flash and Stormwater Funding

Mr. Peugh stated the first one is for the arc flash hazard analysis for \$20,000. This is for the gear and equipment that is in the water plant. Those panels are supposed to be rated with a label put on them, which would tell what kind of equipment you are supposed to wear before you go into them. That's all taken care of for the wastewater plant we're doing now but this needs to be done for the legacy equipment for worker safety and any contractors that come in.

On MOTION by Mr. DeMatties seconded by Mr. Crahan with all in favor the McKim & Creed proposal for arc flash hazard analysis in the amount of \$20,000 was approved.

Mr. Peugh stated right now for our general / stormwater fund we have non ad valorem taxing. It's probably better to have a stormwater utility but we need to have an expert look at the pros and cons and make sure we're making the right decision. We need a funding source in the future to look at all of these pipes because taking money out of the water and wastewater fund and the bridge fund is probably not sustainable because we're pulling out around \$100,000 from each of those funds. The question is can we continue with non-ad valorem or should we have a stormwater utility and this is the first step in determining that. The proposal for looking at that is for \$9,750.

Mr. Leckie asked would the stormwater fee come from us or would it be on the tax bill?

Mr. Peugh responded generally it's attached to your water and sewer bill. In other stormwater utilities such as Palm Coast they call them equivalent residential units and it's basically how much impervious area you have for each residential lot so for each house we would look at the impervious area and each house would be assigned an ERU.

On MOTION by Mr. Crahan seconded by Mr. DeMatteis with all in favor the McKim & Creed proposal for a stormwater utility evaluation in the amount of \$9,750 was approved.

Mr. Peugh stated the third proposal is for a vulnerability assessment of the water and wastewater plant. This will look at our water system, our cyber security and the plant's physical security. This plant was built after 9/11 so no one has ever done a vulnerability assessment to make sure there isn't anything we could do better. The cost of this study is \$48,042.

Mr. Leckie stated I look at this as a C or D priority so I don't look at it like it needs to be done right now. Did we put this in the budget for this year?

Mr. Peugh responded yes we did.

Mr. DeMatteis stated I would like to postpone it considering we just did these other studies.

Mr. Crahan stated yes I think it's overpriced.

FIFTH ORDER OF BUSINESS

Staff Reports

Attorney

Mr. Chiumento stated a couple of months ago we had a discussion of what the Tallahassee law firm had said about funds and providing an opinion on the issue. They declined to provide us with an opinion because it just hasn't been challenged so we are proceeding as we always have with using the funds to put into the general fund just like all municipalities do through an interfund transfer.

E. Engineer - Report

A copy of the engineer's report was included in the agenda package.

Manager

F. Bridge Reports and Traffic Comparison for September

Mr. Peugh stated we were within \$18,000 of projection from last year so it ended up being a pretty decent year. September's numbers were up significantly because we had the hurricane in FY 17.

G. Additional Budget Items Report

Mr. Peugh stated we don't have any additional budget items for this month.

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. Construction Schedule

J. Assessment Receipts Schedule

K. Approval of Check Register

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

EIGHTH ORDER OF BUSINESS

**Next Meeting Scheduled for Friday,
November 16, 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