

MINUTES OF MEETING
DUNES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, December 11, 2020 at 9:30 a.m. at the Dunes Administrative Office, 101 Jungle Hut Road, Palm Coast, Florida.

Present and constituting a quorum were:

George DeGovanni	Chairman
Gary Crahan	Vice Chairman
Rich DeMatteis	Assistant Secretary
Charles Swinburn	Assistant Secretary (via Zoom)
Dennis Vohs	Assistant Secretary

Also present were:

Greg Peugh	District Manager
Jim Perry	District Representative (Via Zoom)
Michael Chiumento	District Counsel (Via Zoom)
Dave Ponitz	District Engineer (Via Zoom)

The following is a summary of the discussions and actions taken at the December 11, 2020 meeting. An audio 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

Organizational Matters

Oath of Office for Newly Elected Officers

Mr. Perry noted the oaths were administered prior to the meeting.

A. Resolution 2021-01, Designating Officers

Mr. Perry stated the supervisors not serving as Chair or Vice Chair will be listed as Assistant Secretaries.

On MOTION by Mr. Vohs seconded by Mr. Swinburn with all in favor Resolution 2021-01, designating Mr. DeGovanni as Chairman and Mr. Crahan as Vice Chairman with the remaining supervisors serving as Assistant Secretaries was approved.
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THIRD ORDER OF BUSINESS

Approval of Minutes

B. November 13, 2020 Meeting

There were no comments on the minutes.

On MOTION by Mr. Vohs seconded by Mr. Crahan with all in favor the minutes of the November 13, 2020 meeting were approved as presented.

FOURTH ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

FIFTH ORDER OF BUSIUNESS

Reports and Discussion Items

C. Health Insurance Bid Consideration

Mr. Peugh stated per our rules, we bid renewal of the health insurance. Currently, we pay \$175,000. If we remain with the same plan, there is an increase of about \$17,000. Our insurance company recommended the Humana plan, which is the closest to what we have now. The cost of it is about \$133,000 and you save about \$42,000. This also gives the employees the opportunity to have an HMO and they can include their spouse or child if they want to. My recommendation is we try the Humana plan. The deductible and co-pays would go up but that would go up with any plan. A discussion was held on various options and questions by the Supervisors.

On MOTION by Mr. Vohs seconded by Mr. Crahan with all in favor accepting the recommended Humana plan for health insurance was approved.

D. Future Four-Way Stop Configuration Discussion

Mr. Peugh stated this exhibit depicts the configuration of the traffic signalization at some point in the future if we went that way. Also, this plan would be what I would use to talk to the HOAs and explain why we're doing it, which is safety. Safety is the only reason we're doing this. People have been trying to sneak through once traffic starts backing up. COVID slowed traffic down and you can see that from the bridge numbers. Right now, we have enough criteria to go ahead and do this. We based the study on how the DOT study would be performed. I'm not asking for approval at this point, this is for your information and consideration in the future. We probably

need to do a traffic study in the next year or two to see how much more the traffic volume has gone up.

Mr. DeMatteis asked why wouldn't we do the turning lanes that are proposed here, rather than just go to lights?

Mr. Peugh responded that is a possibility, but when you start getting four lanes across, people get a little confused. I understand you all don't like it. We wanted to put this plan in place, and I wanted to get the property acquired in case we needed to move this forward quickly in the future. Mr. Crahan also stated that multiple lanes at a four-way stop do not work well.

Mr. Vohs asked can you verify if traffic signals can be controlled similar to Palm Coast Parkway and Old Kings Road with two right lanes moving more of the traffic?

Mr. Peugh responded I will have them give me a description of how they can control it. I know they can set the times and I believe they can do on demand, but I will make sure.

Mr. Crahan stated there are some interesting variances I've seen in traffic flow where you have a left turn lane light that turns yellow and flashes, so you are allowed to turn left if there's no traffic. Those are options we should put in next.

Discussion on Capacity Fee Issues for Commercial Accounts

Mr. Peugh stated Hammock Beach Resort was below their capacity this month. The only months they were over were August and June. I sent them a potential bill per the discussion last month for \$167,000. They acknowledged it and their staff is supposed to reach out to me, and they have not at this point. We will continue to monitor this every month.

Cinnamon Beach contacted us and offered to purchase capacity for the short-term and monitor for the next summer. They've done several improvements, but the improvements caused some unrealized consequences. They think their usage will come down somewhat. I think we should send them a bill; then we will work with them and monitor for the summer and if we need to send them another bill at that point, that's what I would suggest to the Board. The consensus of the Board was to take the interim capacity fees and monitor for the upcoming summer.

We've cleared up everything in regard to the residential capacity except for one lien. We shut off the water and they paid their water bill, but there is still the lien out there for \$17,000 on one account.

Discussion on Stormwater Utility / Reclaimed Flow

Mr. Peugh stated probably in February I was going to bring CDM in here or via Zoom to discuss decision points if we want to go forward with the stormwater utility, and to just brief everybody on where exactly we're at, show some of the products and go from there.

Mr. DeMatteis stated I think if we're going to go forward with this, we need to start planting the seed a year and a half in advance about doing it and what amount of money is being spent on progress, so the residents are aware, rather than just all of a sudden getting notice that they have to start paying for something.

Mr. Peugh stated absolutely, and I've talked to the homeowner's association presidents and told them we're looking at this and we need funds to improve our stormwater system in the future.

Mr. Crahan stated additionally, we're going to look for savings offsets so just think about that whole cost aspect and how we're going to market it.

Renaissance / Beach Walk / Lennar Homes Development Update

Mr. Peugh stated Renaissance appears to be moving forward; same with the Lennar Homes project. Beach Walk has started clearing their property and they seem to be maintaining the buffer with the county.

SIXTH ORDER OF BUSINESS

Staff Reports

Attorney

Mr. Chiumento informed the Board he is still waiting on ITT regarding the deed for the property in which the CDD intends to purchase for the potential four-way stop conversion.

Mr. Peugh presented a draft letter to the Board regarding third-party independent water testing and filtration systems to send to residents of the community. Mr. Peugh noted he will send the letter out to the board members for a more detailed review prior to distribution.

E. Engineer - Report

Mr. Ponitz gave an overview of the engineer's report, a copy of which was included in the agenda package.

Manager

F. Bridge Report for October

Mr. Peugh reported that vehicle trips were down about 2.5% and the revenue was up about 1.25%; there are 20,915 accounts; 22,319 loyalty cards have been sold and there are about 7,000 online users.

G. Additional Budget Items Report

Mr. Peugh stated I don't have any additional budget items on the spreadsheet, however since then we found a crack in the degasifier that strips hydrogen sulfide from the water. We're going to have it fixed and it's about \$13,000. To replace the whole thing is over \$100,000 so hopefully we can repair and limp along for a few years.

Miscellaneous Items

Mr. Peugh stated Dennis, you had asked about the specific policy for moving money to the PRIME account. There is no policy, they build it up and move it over, but she is going to be more diligent about moving it.

We finally found someone who will fix the pothole north of Grenada. I would expect it to be done in the next month or so.

The sidewalks are getting kind of slick so I'm getting quotes to bleach or power wash them.

I would like to upgrade the wastewater treatment plant capacity. I have a proposal for about \$40,000 from the engineering firm. Currently, our capacity is 710,000 gallons and the expansion from 500,000 to 710,000 cost us approximately \$6.4 million. This pencil re-rating will only cost around that \$40,000. We think we can get another 210,000 gallons minimum. If we can expand it now, we should be set for the next 15-20 years. The Board was in favor of proceeding with this re-rating.

SIXTH ORDER OF BUSINESS

Supervisors' Requests and Audience Comments

Mr. DeMatteis stated at the last meeting when you talked about the stormwater utility you talked about further hardening of the entire plant.

Mr. Peugh stated that was tied in with preliminary discussions that the reason why the Hammock Dunes Homeowner's Association didn't get reimbursed is because the State didn't

consider them a governmental agency so the thought was they're going to try to give it to us at one point, I just want to make you all aware. We would need to add staff and offices. If we need to do it, we will do it.

Mr. DeMatteis asked do we have to accept the maintenance responsibility for the Dunes?

Mr. Peugh responded no, that would be the Board's decision. My thoughts are the county is the entity that should be taking this over.

EIGHTH ORDER OF BUSINESS

Financial Reports

- H. Balance Sheet & Income Statement**
- I. Community Projects Schedule**
- J. Approval of Check Register**

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


NINTH ORDER OF BUSINESS

Next Meeting Scheduled for Friday, January 8, 2021 @ 9:30 a.m. at the Dunes CDD Administrative Office, 101 Jungle Hut Road, Palm Coast, Florida

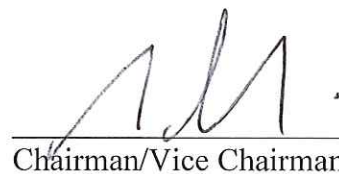
TENTH ORDER OF BUSINESS

Adjournment

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



Secretary/Assistant Secretary



Chairman/Vice Chairman