

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 12, 2021 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	Treasurer

Also present were:

Greg Peugh	District Manager
Ernesto Torres	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 March 12, 2021 meeting. An audio 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

Approval of Minutes

A. February 12, 2021 Board of Supervisors Meeting

The Board members provided 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 February 12, 2021 meeting were approved as amended.

Mr. Peugh informed the Board he spoke with Mr. Chiumento and Mr. Perry regarding the minutes of the meetings, and it's been recommended to keep the minutes summarized to serve as

an outline of the proceedings as the recordings of the meetings are available in detail if needed. With the exception of Mr. DeMatteis, the Board agreed to continue with summarized minutes of the meetings.

Mr. Peugh asked that Mr. Torres and Mr. Chiumento provide clarification on public records requests as it relates to the Sunshine Law. Mr. Torres gave an overview of the process that staff recommends should a board member receive a public records request noting he encourages the board member receiving the request to notify staff and counsel that they are in receipt of a public records request to allow staff to do the research and respond to the request. Mr. Chiumento noted the reasoning for the Board members maintaining email addresses and computers specifically for CDD business is to keep personal matters and business matters separate should a public records request arise.

Mr. DeGiovanni asked for clarification as it relates to “replying to all” on an email in which other board members are copied and if board members could be accused of conducting business digitally if the subject matter is associated with an item to be discussed at previous or future board meetings. Mr. Chiumento responded technically if you “reply all” that is a communication with your other board members on an issue, so we need to be careful about that. As far as discussing business, you all can discuss business with everybody in the community except the other four elected officials that you have on your Board until it comes before the Board.

B. Acceptance of the Minutes of the February 12, 2021 Audit Committee Meeting

On MOTION by Mr. Crahan seconded by Mr. DeMatteis with all in favor the minutes of the February 12, 2021 audit committee meeting were approved as presented.

THIRD ORDER OF BUSINESS

Audience Comments

There being no audience members present, the next item followed.

FOURTH ORDER OF BUSIUNESS

Reports and Discussion Items

Discussion on Capacity Fee Issues for Commercial Accounts

Mr. Peugh stated for February the Hammock Beach Resort monthly water consumption was under 270,000 gallons so they are still within capacity and they are making improvements so hopefully we will realize some benefits of those improvements in the near future. Cinnamon Beach

paid for the additional capacity in the amount of approximately \$23,000 so we will be monitoring that and will continue to work with them on that. They think in the future they will probably need additional capacity.

Discussion on Stormwater Utility / Reclaimed Flow

Mr. Peugh stated CDM, our consultant, is putting together educational materials and the revenue forecast with the \$15 rate with and without Island Estates, and they have also left out Yacht Harbor at this point. I would like to go to Hammock Dunes Club and Hammock Beach Resort, both of the golf courses, to sit down with them and get some feedback as they're probably going to be our largest stormwater fund contributors. Mr. Peugh will report back to the Board following the meetings with both customers.

Mr. Peugh stated Palm Coast installed the new pump, but we are not getting any additional flow. I've talked to the City staff and asked about the possibility of purchasing a bigger pump that we would engineer and install. They are talking internally, but I wanted to get a consensus from the Board. The pump we would probably want is \$60,000-\$70,000. With replacing all of that line to get additional flow to the Dunes we are at over \$3 million, maybe \$4 million so it's a lot cheaper to buy a pump than replace a line. The Board was receptive and will review if brought before them.

Renaissance / Beach Walk / Lennar Homes Development Update

Mr. Peugh stated Renaissance provided us a plan set and we are reviewing it. There may be a few discussions regarding the existing pump station.

Mr. Crahan asked if the District will be requesting a fee of some sort from the Beach Walk developer for a stormwater connection. Mr. Peugh responded that an interlocal agreement with the County that says the District can charge the development would be necessary. The District would first need to establish the stormwater utility and then reach out to the outlying areas.

Mr. DeGiovanni asked what the District's response could be if an entity asked for drainage to the District's system from outside. Mr. Chiumento responded that entity would need to have an easement agreement with the District and an annual fee could be included in that easement agreement.

Mr. Crahan stated we would probably be better off with an MOU with probably all three parties; the county, the developer and ourselves with regard to the stormwater requirement whether we charge them now or not.

Mr. Peugh informed the Board he does not have anything to report on Beach Walk or the Lennar development.

C. Ratification of E-Verify Memorandum of Understanding

Mr. Torres stated E-Verify is an internet-based system in which you can verify employment eligibility for employees through the Department of Homeland Security as well as the Social Security Administration. It's a requirement and the District has been registered so we ask for ratification of the MOU. We also have to make sure that any contractors hired by the District are utilizing E-Verify and I believe your agreements going forward may have that provision.

On MOTION by Mr. Vohs seconded by Mr. Crahan with all in favor the E-Verify memorandum of understanding was ratified.

D. Discussion on Chapter 1 Rules

Mr. Peugh presented a proposed draft of amended and restated rules of procedure and noted at some point in the future subsequent chapters of the rules will also need to be updated. Mr. Peugh asked for the Board's opinion on various comments highlighted throughout the redlined document. A public hearing to adopt these rules and any subsequent revised chapters will be set at a later meeting once the Board has had an opportunity to discuss each chapter.

Mr. Crahan suggested an effective date be added in the footer once they're finalized.

Mr. Swinburn suggested the monetary approval threshold for the District Manager be included in the rules of procedure once the decision is made under item E of the agenda.

E. Consideration of District Manager Monetary Approval Threshold

Mr. Peugh presented a resolution which states that the District Manager may spend up to \$50,000 on emergency or non-budgeted expenditures without needing the Board's prior approval. Should that dollar limit be exceeded, the District Manager will need to obtain authorization from the Chairman or Treasurer.

Mr. Swinburn suggested item number four on the resolution be revised to say, "All budgeted items and pay requests associated with board approved capital projects are exempted from the scope of this resolution and are not subject to the restrictions stated herein."

On MOTION by Mr. Crahan seconded by Mr. Vohs with all in favor Resolution 2021-03 was approved as revised.

FIFTH ORDER OF BUSINESS

Staff Reports

Attorney

Mr. Chiumento informed the Board his firm as begun the quiet title action on the ITT property the District is looking to obtain.

F. Engineer - Report

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

Manager

G. Bridge Report for February

Mr. Peugh reported the revenue is down 4% and vehicle trips were down 6.4%. There are 21,457 accounts. 27,278 loyalty cards have been sold and there are 7,500 online users. Next month Mr. Peugh will provide an update on closing the loyalty cards that were granted an extension for use due to COVID.

H. Additional Budget Items Report

Mr. Peugh informed the Board there are sidewalks to be repaired near the bridge and on the Parkway at a cost of \$15,190.

Miscellaneous Items

Mr. Peugh informed the Board the buyer of the parcel that was owned by the Green Lion under the Toll bridge has backed out and the current owner may develop the parcel themselves in the future.

There has been a request to install fiber on the east side of the Hammock Dunes Parkway from Camino Del Mar to Jungle Hut as well as from Camino Del Mar to A1A. Staff is reviewing the plans. Mr. Peugh asked if the Board was amenable to the request, and asked Mr. Chiumento if

the District could charge a fee. Mr. Chiumento responded the District could charge a fee with a right of way utilization agreement. The Board is in favor of charging a fee. Mr. Peugh will report back after reviewing the plans.

SIXTH ORDER OF BUSINESS Supervisors' Requests and Audience Comments

Mr. Peugh, following up on a comment by Mr. DeMatteis at the last meeting regarding the drainage into a ditch from MalaCompra, reported that he spoke to the County who stated they have no way to clean out the northern outfall that flows to the MalaCompra ditch. The Board asked that a County Commissioner be invited to a Board meeting to discuss the issue.

SEVENTH ORDER OF BUSINESS Financial Reports

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

Mr. Peugh gave an overview of the financial reports noting on-roll assessments are 93.9% collected. The check register totals \$507,491.75.

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

EIGHTH ORDER OF BUSINESS Next Meetings Scheduled for Friday, April 9, 2021 @ 9:30 a.m. at the Dunes CDD Administrative Office, 101 Jungle Hut Road, Palm Coast, Florida

An audit committee meeting is also scheduled for April 9, 2021 just prior to the regular Board of Supervisors meeting.

NINTH ORDER OF BUSINESS Adjournment

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



Secretary/Assistant Secretary



Chairman/Vice Chairman