

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 14, 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
Jim Perry	District Representative (via Zoom)
Vincent Sullivan	District Counsel (via Zoom)
Dave Ponitz	District Engineer (via Zoom)

The following is a summary of the discussions and actions taken at the May 14, 2021 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

Minutes

A. Approval of the Minutes of the April 9, 2021 Board of Supervisors Meeting

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

On MOTION by Mr. Crahan seconded by Mr. Vohs with all in favor the minutes of the April 9, 2021 meeting were approved as revised.

B. Acceptance of the Minutes of the April 9, 2021 Audit Committee Meeting

Mr. Crahan suggested changes to the minutes, which will be included in the final version.

On MOTION by Mr. DeMatteis seconded by Mr. Vohs with all in favor the minutes of the April 9, 2021 audit committee meeting were approved as revised.

THIRD ORDER OF BUSINESS

Audience Comments

There being no audience comments, the next item followed.

FOURTH ORDER OF BUSIUNESS

Reports and Discussion Items

MalaCompra Drainage Discussion

Mr. Peugh informed the Board the County is planning on cleaning the ditch along MalaCompra once funds are available. Mr. Peugh will continue to follow up if needed.

Discussion on Capacity Fee Issues for Commercial Accounts

Mr. Peugh informed the Board the Hammock Beach Resort is currently operating within their capacity.

Discussion on Stormwater Utility / Reclaimed Flow

Mr. Peugh provided the Board with a draft timeline for implementing the proposed stormwater utility, as well as a proposed billing insert with answers to frequently asked questions. Included in the timeline is a suggestion to hold a workshop to take questions and comments on the stormwater utility and have the consultant, CDM in attendance to assist in answering any questions. Mr. Crahan suggested attending the HOA board meetings prior to the workshop to start the conversation. Mr. DeMatteis suggested the frequently asked questions flyer be sent separate from the monthly billings and include the date for the workshop in the flyer. The Board members provided feedback on the wording of the draft documents to be disseminated to the Dunes customers to provide a clearer explanation of why the stormwater utility is needed.

In regard to the reclaimed flow, Mr. Peugh informed the Board the vendor the District hired to examine the pump installed by Palm Coast came to the conclusion that the pump is not going to work for the amount of flow that is desired to serve the District. The District's vendor is going to check the flow and the heads and the District may suggest a higher horsepower pump to support the desired flow.

Oasis / Beach Walk / Lennar Homes Development Update

Mr. Peugh informed the Board the development plans for Oasis are being revised, and those revised plans will be provided to District staff. The Oasis development team is in agreeance the pump station needs to be upgraded.

Beach Walk is continuing with site work.

The plans for the Lennar development include three buildings with 30 units each to be constructed through a phased approach.

C. Discussion on Chapter 3 Rules

Mr. Peugh presented a proposed set of redline modifications to current rules relating to water, wastewater, stormwater and effluent regulations establishing rates and charges for utility service and provided an overview of the changes made. The Board provided feedback on the draft rules.

D. Consideration of Resolution 2021-04, Adopting the Local Mitigation Strategy Plan as Updated

Mr. Peugh presented a resolution approved by the County to adopt the updated local mitigation strategy plan. The local mitigation strategy is the process that the District participates in to ensure it will remain eligible for FEMA mitigation grants. The document also serves as the County's Floodplain Management Plan.

On MOTION by Mr. Crahan seconded by Mr. DeMatteis with all in favor resolution 2021-04 adopting the local mitigation strategy plan as updated was approved.

E. Report on the Number of Registered Voters (2,654)

Mr. Peugh informed the Board the County reported there are 2,654 registered voters residing within the District boundaries as of April 15, 2021.

F. Acceptance of the Engagement Letter from Grau & Associates for Audit Services

A copy of the engagement letter was enclosed in the agenda package for the Board's review. Per a request previously made by Mr. Crahan, Mr. Perry inquired as to whether the

implementation of a stormwater utility would increase the annual audit fee. The auditor anticipates the increase to be approximately \$4,000 per year.

On MOTION by Mr. DeMatteis seconded by Mr. Crahan with all in favor the engagement letter from Grau & Associates for audit services was accepted.

G. Consideration of Resolution 2021-05, Approving the Proposed Budget for Fiscal Year 2022 and Setting a Public Hearing Date for Adoption

Mr. Peugh informed the Board there were no substantive changes made to the budget since the previous year. A copy of the proposed budget was enclosed in the agenda package for the Board’s review. The budget will be updated over the next couple of months to include actual numbers and will be presented for adoption at the August meeting.

On MOTION by Mr. Crahan seconded by Mr. DeMatteis with all in favor resolution 2021-05 approving the proposed budget and setting a public hearing for August 13, 2021 at 9:30 a.m. at the Dunes Administrative Office was approved.

FIFTH ORDER OF BUSINESS

Staff Reports

Attorney

Mr. Sullivan informed the Board the deeds are approved for the four-way stop property and his firm is maintaining contact with ITT to likely obtain a special warranty deed to get clean title to the property.

H. Engineer - Report

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

Manager

I. Bridge Report for April

Mr. Peugh reported the revenue is up almost 97% and vehicle trips were up 72% from last year. There are almost 22,000 bridge pass accounts. 32,259 loyalty cards have been sold and there are almost 8,000 online users. Credit card usage at the booths is continuing to increase.

J. Additional Budget Items Report

Included on the additional budget items report is a proposed expenditure for \$6,000 for consulting fees. Mr. Peugh explained Paul Washko has retired after over 20 years of working for the CDD and as has been done with other key individuals, Mr. Peugh is proposing to pay Mr. Washko a fee of \$1,000 per month for six months for consultation services. There were no objections from the Board.

Miscellaneous Items

Mr. Peugh informed the Board a Spectrum subcontractor hit a concentrate line, effectively disabling the water plant. The line has been fixed and the subcontractor will be charged for the repair.

SIXTH ORDER OF BUSINESS

Supervisors' Requests and Audience Comments

Mr. Swinburn asked if there is enough diesel stored to keep the pumps running for several days in the event a hurricane prevents delivery vehicles from reaching the area. Mr. Ponitz responded that he could put an analysis together regarding the capacity of storage for the generators and pony pumps.

Mr. Swinburn asked Mr. Ponitz to elaborate on the reverse osmosis membrane replacement RFP and if there is a hitch in the proposal requirements that should be looked at. Mr. Ponitz responded that there was a concern amongst all vendors with the three-year performance warranty requirement so that requirement has been eliminated and language asking the proposers to provide more information on their membranes to be considered as part of the scoring was also eliminated to simplify the proposal process. Proposals for the revised RFP are due on May 18th.

SEVENTH ORDER OF BUSINESS

Financial Reports

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

The check register totals \$581,701.27 and assessments are 97.76% collected.

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, June 11, 2021 @ 9:30 a.m. at the Dunes CDD Administrative Office, 101 Jungle Hut Road, Palm Coast, Florida

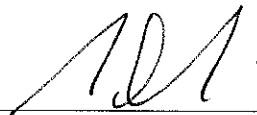
NINTH ORDER OF BUSINESS

Adjournment

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



Secretary/Assistant Secretary



Chairman/Vice Chairman