

MINUTES OF MEETING
DUNES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, January 14, 2022, 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
Dennis Vohs	Treasurer

Also present were:

Greg Peugh	District Manager
Ernesto Torres	District Representative
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 January 14, 2022 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 **Minutes**

A. Approval of the Minutes of the December 10, 2021 Meeting

There were no comments on the minutes.

On MOTION by Mr. DeMatteis seconded by Mr. Crahan with all in favor the minutes of the December 10, 2021 meeting were approved.

THIRD ORDER OF BUSINESS **Audience Comments**

There were no members of the public present.

FOURTH ORDER OF BUSINESS **Reports and Discussion Items**

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Discussion on Capacity Fee Issues for Commercial Accounts

Mr. Peugh informed the board the Hammock Beach Resort and Cinnamon Beach were under their allowable water consumption capacity last month.

Oasis / Beach Walk / Lennar Homes Development Update

Mr. Peugh updated the Board on the Oasis, Beach Walk and Lennar Home developments. District staff provided another round of comments on Oasis’s development plans prior to Christmas. Beach Walk is continuing site work. Lennar Homes is addressing the District’s comments.

Stormwater Utility / Reclaimed Flow Discussion

Mr. Peugh informed the Board the District is planning to send out the stormwater utility bills at the end of January. It’s anticipated the revenue will be \$450,000 per year.

In regard to reclaimed flow, the plant and field supervisors have been checking valves at the Palm Coast water treatment plant to ensure there are no issues stemming from closed valves causing a reduction in flow to the District. The next step is to pick a pump that will provide the maximum flow through the pipe and discuss this with Palm Coast.

B. Consideration of Resolution Related to Liability for Elected Officials

Mr. Peugh presented resolution number 2022-03 to the Board, a copy of which was included in the agenda package. The resolution will be revised to remove the word liability from the title of the resolution to encompass any form of insurance the District chooses to maintain as suggested by the Board.

On MOTION by Mr. Vohs seconded by Mr. Swinburn with all in favor Resolution 2022-03, codifying the adoption of insurance for the District was approved as revised.

FIFTH ORDER OF BUSINESS

Staff Reports

Attorney

There being nothing to report, the next item followed.

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E. Engineer - Report

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

Mr. Crahan stated that he was concerned with the concrete patching that was done at the bridge pilings. Mr. Peugh stated that he would speak with the engineers that were present during the repairs to see if anything more can be done, but noted the repairs were done to DOT's standards.

Mr. Crahan stated that he was concerned with the timing of the paving project for Hammock Dunes Parkway due to the inflation of the market. Mr. Peugh responded the project will be put out to bid to see if the proposals come in within the budgeted amount and if the proposals come in way over budget, the bids can be rejected and rebid at a later date.

Mr. DeMatteis asked for an update on the Hotel Trace crosswalks. Mr. Peugh responded that a plan has not yet been put into place.

Manager**D. Bridge Report for December**

Mr. Peugh informed the Board that vehicle trips were up 12% and revenue was up about 12% from last year. He also provided a report on the increase in traffic between Christmas and New Year's Day, noting there were almost 7,000 vehicles crossing the bridge in one direction on December 29th, which is comparable to the amount of traffic estimated in the year 2032. The Board discussed various options to relieve the traffic in the future.

Mr. Peugh informed the Board he has a meeting in February with a DOT vendor to look into converting the bridge toll system to a SunPass system.

Mr. Crahan asked for an update on the conversion to remote meter readings. Mr. Peugh responded that there are complications to work through and then there will be a period in which the system would need to be tested.

Mr. Peugh informed the Board he met with MetroNet who asked if they could come through the bridge conduit system to install fiber. He also updated the Board on the status of the toll facility construction project. He noted he has a meeting with the contractor Cline to discuss the issues with the project and inform them that the District will be pursuing liquidated damages.

In response to a question Mr. DeMatteis had at the last meeting regarding the funding of the capital reserve account, Mr. Peugh noted the District Accountant suggested opening another account and depositing the dedicated funds into that account to keep the monies separate as there

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is currently just one general fund account. Mr. DeMatteis did not think that was necessary and instead suggested showing in the financials the money coming and/or going each month into the account so that it's clear the reserves were funded.

E. Additional Budget Items Report

Mr. Peugh gave an overview of unbudgeted items purchased this month including some components damaged on the Sequencing Batch Reactor due to a lightning strike at a cost of \$5,920; replacement of a variable frequency drive motor controller serving an equalization tank blower due to catastrophic failure at a cost of \$4,500; a 150 HP reuse pump motor replaced at a cost of \$18,000 due to failure for unknown reasons; and a reuse jockey pump motor replaced at a cost of \$12,026 due to age.

Mr. Crahan suggested making notes of the lifespan of equipment as it's replaced to compare to the capital study and estimate the lifespan of equipment purchased in the future.

SIXTH ORDER OF BUSINESS

Financial Reports

- F. Balance Sheet & Income Statement**
- G. Assessment Receipts Schedule**
- H. Approval of Check Register**

The Board reviewed the financial statements, copies of which were included in the agenda package, and made the below motion to approve the check register totaling \$574,339.84.

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

The Board discussed the implementation of the stormwater fund budget. Mr. Peugh noted he would be bringing the stormwater utility fund budget to the Board for review in the next few months. Mr. Crahan asked that Mr. Peugh contact the District's auditor to confirm if it's necessary to amend the general fund budget with the implementation of the stormwater fund budget.

Mr. Peugh reported there are 811 accounts using the utility payment website.

SEVENTH ORDER OF BUSINESS

Supervisors' Requests and Audience Comments

There were no comments from members of the public.

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Supervisor Requests

Mr. Crahan asked that Mr. Peugh look into when the last capital reserve and rate studies have been done and when it needs to be updated.

Mr. Vohs asked that in a future meeting staff explain how the traffic could be managed during construction for any roadway expansion since Hammock Dunes Parkway and the four-way intersection are so crucial to the area. Mr. Peugh indicated that any roadway improvement project designs would include appropriate maintenance of traffic (MOT) plans and details for contractor implementation.

Mr. DeGiovanni suggested a presentation to each homeowner’s association to provide clarity on what the CDD owns and maintains, what projects have been done and are planned, and what the CDD is responsible for on a daily basis.

EIGHTH ORDER OF BUSINESS

Next Meeting Scheduled for February 11, 2022 at 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. Crahan seconded by Mr. Swinburn with all in favor the meeting was adjourned.

DocuSigned by:
Greg Peugh
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Secretary/Assistant Secretary

DocuSigned by:
George DeGiovanni
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Chairman/Vice Chairman