

**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 13, 2023, 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
Kevin Porter	Assistant Secretary
Rich DeMatteis	Assistant Secretary
Dennis Vohs	Treasurer

Also present were:

Greg Peugh	District Manager
Darrin Mossing	District Representative
Michael Chiumento	District Counsel
Dave Ponitz	District Engineer

The following is a summary of the discussions and actions taken at the January 13, 2023 meeting.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Mossing called the meeting to order at 9:30 a.m.

SECOND ORDER OF BUSINESS

Minutes

A. Approval of the Minutes of the December 9, 2022 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 December 9, 2022 meeting were approved as revised.
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THIRD ORDER OF BUSINESS

Audience Comments

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

FOURTH ORDER OF BUSINESS

Reports and Discussion Items

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B. Discussion of Reclaimed Line Replacement

Mr. Peugh presented a proposal totaling \$144,480 from CDM Smith to provide the design for both the temporary and permanent replacement of the reclaimed water main line damaged during Hurricane Nicole.

Mr. Porter asked if there is any funding assistance that can be pursued, such as FEMA or state revolving funds. Mr. Peugh responded that the proposal includes a line item for seeking funding assistance. Mr. Crahan inquired if the price for the work was too much. Mr. Peugh responded that the proposal was reasonable.

On MOTION by Mr. Vohs seconded by Mr. DeMatteis with all in favor the proposal from CDM Smith for relocation of a 12-inch reclaimed water main totaling \$144,180 was approved.

Mr. Peugh informed the Board that a wetlands evaluation and ownership confirmation is needed on a parcel of property owned by Ocean Hammock Property Owners Association to ensure the property can be used during the line replacement.

Discussion of Toll Booth Project

Mr. Chiumento reported that the toll booth contractor is still considering the latest settlement offer made by the District. The next step would be pre-suit mediation.

Discussion on Capacity Fee Issues for Commercial Accounts

Mr. Peugh reported that the Hammock Beach Resort was under their water consumption capacity allowance last month.

Mr. Peugh also informed the Board that if the water plant output goes over one million gallons a day an additional shift will be needed at the water plant per FDEP requirements, which equates to an estimated cost of \$200,000 for staffing. Staff will provide updates as this milestone approaches.

Discussion on Stormwater Utility / Reclaimed Flow

Mr. Peugh updated the Board on a clogged drainage system pipe located near Hammock Beach Circle. The pipe is in good condition and normal operations have resumed. CDM Smith is

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putting plans and specs together to prioritize a piping inspection and evaluation of the entire stormwater system.

Mr. Peugh asked Mr. Chiumento to provide an update on stormwater charges for the Beachwalk Project and other projects that are outside of the District's service area that may request stormwater runoff to be directed to the District's stormwater treatment system. Mr. Chiumento stated the predicament is how do you collect and what's the enforcement mechanism. Because there is an interlocal agreement with Flagler County and Flagler County has an interlocal agreement with Palm Coast to provide services and bill them, the question was will Palm Coast penalize them and charge them, and Palm Coast is not comfortable doing that. He added the District can do it, it just does not have the enforcement mechanism against them in the event they do not pay.

Mr. DeMatteis asked if the charges can be billed via their property tax bill. Mr. Chiumento responded that he did not know the answer but would look into it.

Oasis / Beach Walk / Lennar Homes Development Update

There being no updates on the Oasis, Beach Walk and Lennar Homes developments, the next item followed.

FIFTH ORDER OF BUSINESS

Staff Reports

Attorney

Mr. Peugh explained that several thousands of dollars are spent each year placing ads in the newspaper for the monthly board meetings. A recent change in law would allow for noticing regular meetings via the District's website. It was noted there are things that would still require public notices in the newspaper, such as rulemakings and special meetings.

Mr. DeMatteis proposed noticing the annual schedule in the newspaper with a caveat included that the website will be updated with any changes to those meetings if needed and the billing notices to also inform customers that the website contains changes to the Board of Supervisors schedule.

D. Engineer - Report

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

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Mr. Crahan asked if it would be worth sealing the portion of Hammock Dunes Parkway that was recently resurfaced in areas where the road line markings had been incorrectly applied.

Mr. Peugh responded that there is a two-year warranty on the work, and it will be monitored.

Mr. Peugh went on to inform the Board that the paving contractor has not been paid the final amount for two reasons; the sub-contractors are allegedly not being paid, and the contractor alleging there is an additional \$16,000 owed for the parking lot.

Manager

D. Bridge Report for December

For the month of December, vehicle trips were down approximately eight-tenths of a percent, and revenue was up 18% from last year. It's believed that is due to the increase in cash toll rates.

Mr. Peugh informed the Board that the new treadles were installed earlier in the week and are working well.

Mr. DeMatteis asked if an E-Z Pass is still being considered for the bridge.

Mr. Peugh responded yes and noted a preliminary design proposal is expected from Kissinger Campo. He also stated that he thinks the existing toll system will last another three years as it is continuously being updated. One such update to help with the server may need to be budgeted for Fiscal Year 2024.

Lastly, Mr. Peugh reported there are about 23,300 ExpressCard accounts, 24,000 loyalty accounts, around 11,400 web users, and there were \$7,000 worth of credit card transactions in the booth.

Miscellaneous

Mr. Peugh informed the Board he gave a brief presentation to the Grenada Estates HOA and the outcome was positive.

Mr. Peugh also stated that there are two contracts with European Village, residential and commercial owner associations. Residential association fees have been paid, however the commercial association fees still have not been paid. In December a letter was sent enforcing penalties in the amount of \$500 for the first day and \$150 for every day thereafter. The

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management company for European Village has stated that the bill was declined. Mr. Peugh provided a few options for restricting parking. It was also noted that the contract is up at the end of this fiscal year. Mr. Chiumento noted he would have to look at whether the District can unilaterally tow vehicles from the property. He also stated between now and the next meeting he would issue a formal demand for payment in full with penalties or terminate the agreement.

Lastly, Mr. Peugh forewarned the Board that another field services crew will be needed in the next five years or so.

E. Additional Budget Items Report

Mr. Peugh provided an overview of the additional budget items report. Staff is awaiting a final bill for the water plant generator repair, which he expects will come in around \$60,000. The 12” reclaimed line is in the process of being bid and was included as a place holder. The estimate for the Blue Heron pump enclosure is \$19,000-\$20,000. A leak investigation for well number 5 was added to the report and is estimated to run \$20,000.

Mr. Crahan mentioned that a few years ago the District inquired about purchasing the parcel in which wells 3 and 4 sit, however Mr. Peugh stated the HOA didn’t seem interested at the time. The Board directed Mr. Peugh to offer \$60,000 for the property.

SIXTH ORDER OF BUSINESS

Financial Reports

F. Balance Sheet & Income Statement

G. Assessment Receipts Summary

H. Approval of Check Register

A copy of the check register totaling \$1,396,670.65 was included in the agenda package.

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

SEVENTH ORDER OF BUSINESS

Supervisors’ Requests and Audience Comments

There being none, the next item followed.

EIGHTH ORDER OF BUSINESS

Next Scheduled Meeting: February 10, 2023 at 9:30 a.m. at the Dunes Administrative Office, 101 Jungle Hut Road, Palm Coast, Florida

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NINTH ORDER OF BUSINESS

Adjournment

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

DocuSigned by:

Gregory Peugh

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Secretary/Assistant Secretary

DocuSigned by:

George DeGiovanni

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Chairman/Vice Chairman