

MINUTES OF MEETING
DUNES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, February 10, 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 Utility Manager

The following is a summary of the discussions and actions taken at the February 10, 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 January 13, 2023 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 January 13, 2023 meeting were approved as revised.

THIRD ORDER OF BUSINESS

Audience Comments

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

FOURTH ORDER OF BUSINESS

Reports and Discussion Items

February 10, 2023

Dunes CDD

B. Discussion of Reclaimed Line Replacement

Mr. Peugh informed the Board the temporary replacement design and permitting processes for the reclaimed water main line damaged during Hurricane Nicole have begun. FEMA has confirmed both the temporary and permanent repair projects are eligible for a grant.

Additionally, Mr. Peugh presented a resolution to declare the temporary repair an emergency. He also noted the repair will likely not require a formal bid process as the cost should fall under \$300,000. The resolution authorizes Mr. Peugh to award the bid should the project be under that amount.

On MOTION by Mr. Vohs seconded by Mr. Crahan with all in favor Resolution 2023-03, declaring the repair of the 12-inch reclaimed line damaged by Hurricane Nicole an emergency was approved.

Discussion of Toll Booth Project

Mr. Peugh informed the Board the contractor for the toll booth project has rejected the District's final settlement offer. Mr. Chiumento added that the next step would be mediation. The Board members indicated they were in agreement with proceeding with mediation. It was noted an executive session may need to be held during a future meeting.

Staff Updates on Continuing Discussion Items

Mr. Chiumento also went over the process to bill 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. The first step would be entering into an interlocal agreement with Flagler County that stipulates that the County will bill parcels within the project area. The County will need to pass a resolution, a public hearing will need to be noticed and held and once that is done, the assessment is under the uniform collection method and can be billed through the property tax bills. Mr. Chiumento noted he would begin working on the interlocal agreement. Additionally, he informed the Board the county has agreed to grant a license to do any exploration needed for installation of a well.

Mr. Peugh updated the Board on a piece of property containing two of the District's existing wells owned by the Hammock Dunes Owners Association that the District would like to

February 10, 2023

Dunes CDD

purchase for control of the property as well as for the purpose of installation of a backup well. He stated that an offer has been submitted but they have not yet responded.

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. He also stated that the District would again start looking at auditing the commercial capacity fees and bringing those who were getting additional monies for the potable water into compliance.

Discussion on Stormwater Utility / Reclaimed Flow

Mr. Peugh informed the Board that he has spoken to the City of Palm Coast and asked for an additional half million to one million gallons in addition to the 2.6 million gallons that they are supposed to supply. Palm Coast has indicated they have the available capacity. Additionally, he has requested a pump that can accommodate 3.5 million gallons per day and a secondary pump in the event one fails. Lastly, he noted easements need to be located, which will require an engineer's services. A proposal will be brought back to the Board for approval.

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. Chiumento informed the Board that European Village was sent a formal demand for payment of the commercial association fees. No response has been received. Now that notice has been sent, the District is clear to terminate the license agreement and take self-help remedies.

B. Engineer - Report

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

Manager

February 10, 2023

Dunes CDD

C. Bridge Report for January

The following was reported to the Board for the month of January:

- Vehicle trips were up approximately eight percent, and revenue was up 23% from last year.
- Loyalty Accounts
 - There are currently 17,000 customers.
 - Accounts closed - 6,385 amounting to \$14,010.
 - Profit of \$227,000 since the loyalty program began in January of 2019
- ExpressCards - 641 accounts were closed amounting to \$9,435.59.
- There are 11,000 web users.
- There were \$6,400 worth of credit card transactions performed in the booth.

The Board discussed traffic issues coming off the bridge and possible causes of it, including directional signage being hard to read. Mr. Peugh stated that he would speak with traffic engineers to see if they can come up with any solutions for improving directional signage.

Miscellaneous

Mr. Peugh provided the Board with the design for the temporary pump enclosure project on Blue Heron Lane.

D. Additional Budget Items Report

Mr. Peugh provided an overview of the additional budget items report. The casing leak investigation for well five was completed and the results showed the motor needs to be replaced at a cost of \$11,900. Additionally, the wellhead will be replaced at a cost of \$37,500 due to cracks found during the investigation. Lastly, Mr. Peugh reported he would like to go ahead and purchase pieces for replacing the programmable logic controllers due to long wait times on availability. He asked for approval of \$35,252 for only the hardware for the PLC.

On MOTION by Mr. DeMatteis seconded by Mr. Crahan with all in favor replacing only the PLC Hardware for a total of \$35,252 was approved.

February 10, 2023

Dunes CDD

Mr. Crahan asked if staff tracks when equipment is being replaced to get a more accurate lifespan for use in tracking life expectancies in the future. Mr. Peugh responded that they do and noted typically equipment is kept in place until it fails, except with parts such as the PLC that are critical to keeping the water plant running.

SIXTH ORDER OF BUSINESS

Financial Reports

E. Balance Sheet & Income Statement

F. Assessment Receipts Summary

G. Approval of Check Register

A copy of the check register totaling \$373,316.21 was included in the agenda package.

Mr. Vohs pointed out that insurance was over budget in most categories in the financial statements.

Mr. Peugh responded that is due to insurance being paid up front in lump sums.

Mr. DeMatteis asked about salaries over budget in the water and bridge fund statements.

Mr. Peugh responded that there were three pay periods in December and also noted that with water and sewer there have been three folks that have received pay increases due to receiving licenses.

Mr. DeMatteis also asked about the water revenue variance.

Mr. Peugh responded that the low usage in water capacity by the Hammock Beach Resort and increased rainfall is affecting the revenue.

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

SEVENTH ORDER OF BUSINESS

Supervisors' Requests and Audience Comments

Mr. DeMatteis stated that the landscapers aggressively cut back Palmettos on Hammock Dunes Parkway and left a bunch of dead foliage.

Mr. Peugh responded that removing the dead foliage would be an extra charge, but it can be removed. Mr. DeGiovanni directed Mr. Peugh to have the landscapers proceed with removal.

EIGHTH ORDER OF BUSINESS

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

February 10, 2023

Dunes CDD

NINTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Vohs seconded by Mr. Crahan 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