

**MINUTES OF MEETING
DUNES COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, April 14, 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
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 Utilities Manager

The following is a summary of the discussions and actions taken at the April 14, 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 March 10, 2023 Meeting

There were no comments on the minutes.

On MOTION by Mr. DeMatteis seconded by Mr. Vohs with all in favor the minutes of the March 10, 2023 meeting were approved as presented.

THIRD ORDER OF BUSINESS

Audience Comments

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

FOURTH ORDER OF BUSINESS

Reports and Discussion Items

Discussion of Reclaimed Line Replacement

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Mr. Peugh informed the Board quotes were requested from four different local qualified underground contractors and only one bid was received from Hazen Construction totaling \$238,750, which was accepted. The project is already underway and is nearing completion.

Mr. DeMatteis asked if the County can bring sand in to protect the line.

Mr. Peugh stated that he would ask.

Discussion of Toll Booth Project

This item was scheduled to be discussed during a shade session.

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 asked Mr. Chiumento to provide the Board with a summary of a past lawsuit regarding the residential capacity fees.

Discussion of European Village Lease

Mr. Peugh informed the Board he met with representatives from both the residential and commercial associations of the European Village on March 31st and requested the \$7,000 be paid by this Board meeting. The commercial representative indicated a check would be provided in the amount of \$3,500 immediately and after April, the remaining \$3,500 would be paid, however there has been no payment made thus far. Mr. Peugh added that he would like to install the jersey barriers as of October 1st.

There was no objection from the Board.

Discussion on Stormwater Utility / Reclaimed Flow

Mr. Peugh informed the Board Mr. Chiumento that once the interlocal agreement is in place, the stormwater charges can be added to the tax roll. Mr. Peugh stated that we are awaiting a drainage map from CDM which will detail the areas that flow into the DCDD drainage system. He also informed the Board that staff is looking at the pipes to be investigated either through sonar or video.

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Regarding reclaimed flow, an engineering design scope of work is being prepared by CDM to increase the size of the 12-inch line. Once that scope is complete it will be shared with the City of Palm Coast to get their input and then brought back to the Board for discussion.

Discussion of Prime Account

Mr. Peugh stated currently the District is making 4.84% interest on funds invested in the Prime account, however it is not FDIC insured, and it is also heavily invested in banks.

Mr. Mossing stated that GMS has been monitoring the State Board of Administration and when the financial institutions started to collapse, money was pulled out of the SBA account. He also noted that in addition to the Prime account not being FDIC insured, it does not have any protections afforded under Chapter 280, which is the Public Funds Security Act. GMS has been recommending that clients take out all the current year funds that are invested so those funds are not at risk. There is a money market account option, which is currently earning around 4%, and GMS will begin offering that option to its clients as an alternative. The Dunes CDD has an investment policy in place that provides for four options: the State Board of Administration / investment pools, money market savings account, certificates of deposits or the U.S. Treasury's Direct. The Statute says that security and liquidity need to be the primary focus of every governmental agency, so while the District is receiving a significant rate of return, the Statute is asking that be put aside.

Staff will bring banking options back to the Board at a future meeting for consideration.

Oasis / Beach Walk / Lennar Homes Development Update

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

Discussion of HDOA / County Perpetual Easement

Mr. Peugh informed the Board the County met with the Hammock Dunes Owners Association regarding a perpetual easement along the coast. The meeting went well, so it sounds like it will move forward.

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Mr. Porter stated that the easement does not accomplish what the County is hoping to accomplish, which is to allow them to become eligible for FEMA funding. In order to do that, the County would have to be responsible for the maintenance of the Dunes.

FIFTH ORDER OF BUSINESS

Staff Reports

Attorney

Mr. Chiumento reported that the interlocal agreement with the County is progressing.

Mr. Peugh added that CDM is preparing a report on which properties would be eligible to drain into the District's system.

Mr. Chiumento also reported that the contractor for the toll booth project, Cline Construction was provided with a mediator. There has been no response yet.

C. Engineer - Report

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

Mr. Peugh stated that he would be contacting CROM regarding the leaking potable water ground storage tank to request the tank be repaired at little to no cost to the District.

Manager

D. Bridge Report for March

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

- Vehicle trips were up approximately three percent, and revenue was up 21% from last year.
- There were 6,224 loyalty accounts closed amounting to \$13,442. The loyalty program will be dissolved soon.
- There were 443 bridge pass accounts closed amounting to \$7,158.10

Mr. DeMatteis asked that the monthly toll collections, traffic and vehicles from the previous year be included in the report for comparison.

Mr. Peugh informed the Board that according to the traffic study, the year 2031 is when the Camino Del Mar / Hammock Dunes Parkway intersection is supposed to fail. The Board discussed a traffic signal and other alternative traffic solutions. Mr. Peugh passed on comments

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made by Supervisor Crahan and Mr. Dennis Clark. Mr. DeGovanni suggested possibly including funds in the next year's budget for engineering fees related to the intersection study so it could be put out to bid in 2025 if needed.

Miscellaneous

Mr. Peugh informed the Board there still has not been a response to the offer for the well property.

Responding to questions from board members at the last meeting, Mr. Peugh noted that grass carp could be installed in the ponds, however the chemical treatments are much more efficient. Additionally, he reported that the salinity of the ponds in which fish kill occurred was tested, and while the results showed them to have a higher salinity, it should not have been the cause of the fish kill. Lastly, the traffic light at Palm Harbor was investigated and Palm Coast's response was the traffic loops were torn up when the Hamock Dunes Parkway resurfacing was done. The District is paying \$2,700 to reinstall the loops, which should help with the timing of the light.

E. Additional Budget Items Report

Mr. Peugh pointed out that the \$238,750 charge for the reclaimed line repair is included on the report, in addition to a \$1,000 charge for a valve for well number five.

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 \$912,804.34 was included in the agenda package.

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. Richard Hamilton of Island Estates commented that he is on the board of Scenic A1A, and they're looking at opening a trail head somewhere around the bridge area. One of the ideas is

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for the County to develop the land they own just south of the bridge. He asked the Board how they felt about allowing access under the bridge, as they're wanting parking provided for the trail head.

Mr. Peugh stated that Palm Coast maintains the parking lot under the bridge and added that the request can be discussed at a future board meeting.

There were no supervisor requests.

EIGHTH ORDER OF BUSIENSS

Discussion of Toll Booth Project – Attorney Client Session

Mr. Chiumento advised against a shade meeting at this time.

NINTH ORDER OF BUSINESS

Next Scheduled Meeting: May 12, 2023 at 9:30 a.m. at the Dunes Administrative Office, 101 Jungle Hut Road, Palm Coast, Florida

TENTH ORDER OF BUSINESS

Adjournment

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

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Gregory Peugh
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Secretary/Assistant Secretary

DocuSigned by:
George DeGiovanni
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Chairman/Vice Chairman