

**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 12, 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
Dennis Vohs	Treasurer

Also present were:

Greg Peugh	District Manager
Daniel Laughlin	District Representative
Michael Chiumento	District Counsel
Dave Ponitz	District Utilities Manager
Darrin Mossing	GMS (By Zoom)
Richard Hamilton	Island Estates

The following is a summary of the discussions and actions taken at the May 12, 2023 meeting.

**FIRST ORDER OF BUSINESS**

**Roll Call**

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

**SECOND ORDER OF BUSINESS**

**Minutes**

**A. Approval of the Minutes of the April 14, 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 April 14, 2023 meeting were approved as revised.
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**THIRD ORDER OF BUSINESS**

**Audience Comments**

There being no comments, the next item followed.

**FOURTH ORDER OF BUSINESS**

**Reports and Discussion Items**

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**Discussion of Reclaimed Line Replacement**

Mr. Peugh stated that the temporary reclaimed line is in place, however the ground eroded quicker than anticipated. In the short term, the HDOA is moving sand underneath the pipe. The County engineer has indicated that dunes restoration sand is scheduled to be installed beginning on June 6<sup>th</sup> or 7<sup>th</sup>.

**Discussion of Toll Booth Project**

Mr. Peugh informed the Board that mediation with the toll booth contractor is scheduled for May 17<sup>th</sup>. Mr. DeGovanni will attend on behalf of the District.

**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. A preliminary review of the commercial accounts has been done and so far, it appears seven or eight are over capacity. Staff will update the Board at the next meeting. Regarding the residential accounts, 26 letters were mailed out to those that were over capacity and two were charged and paid additional capacity charges.

**Discussion of European Village Lease**

Mr. Peugh informed the Board the \$7,000 owed by the European Village Commercial Owner's Association has been paid, however they still need to provide proof of insurance. He also asked the Board what they would like to set as the fee for the contract for the next year and noted there would be one contract rather than two between the commercial and residential associations.

The consensus of the Board was to charge \$20,000 for the 2024 contract. If proof of insurance is not provided in the next 30 days, the fee will increase to \$25,000. If both proof of insurance and payment have not been provided by October 1<sup>st</sup>, jersey barriers will be installed, and the cost of installation and removal of the barriers will be the responsibility of the associations.

**Discussion of Investment Options**

Mr. Peugh announced that Mike Holzem and Ray Pratt from Raymond James were in attendance to discuss investment options. The District is currently receiving a 5.06% interest rate through a PRIME account, however there is concern surrounding recent bank failures.

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Mr. Holsum informed the Board that Raymond James is currently offering a program that allows for up to \$50 million to be FDIC insured and a 5% interest rate. CD's, treasuries, and money market mutual funds are also offered.

Mr. DeGovanni suggested depositing any remaining funds not invested into the program mentioned above into a money market mutual fund that is also paying close to 5%.

On MOTION by Mr. DeGovanni seconded by Mr. Vohs with all in favor transferring 100% of the bridge fund and water/wastewater funds to the program offered by Raymond James was approved.

Mr. Mossing noted a money market mutual fund may not meet the requirements of the District's alternative investment policy. Once an appropriate product is found, the general fund monies and stormwater utility fund monies will be moved from the Wells Fargo account into that product to take advantage of better interest rates.

On MOTION by Mr. Crahan seconded by Mr. Vohs with all in favor, transferring all remaining money for the general fund and stormwater utility fund from the PRIME account and moving it into the Wells Fargo account was approved.

### **Oasis / Beach Walk / Lennar Homes Development Update**

There being no updates, the next item followed.

### **Discussion of HDOA / County Perpetual Easement**

Mr. Peugh informed the Board that he attended a County Commissioner's meeting in which the perpetual easement was discussed, and he believes it will move forward.

### **B. Stormwater Utility / Reclaimed Flow Discussion**

Mr. Peugh detailed properties located outside the District boundaries that flow into the District's stormwater system and asked for the Board's feedback on whether they should be billed stormwater utility fees. The Board's consensus was to bill the Beach Walk community stormwater utility fees.

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Regarding reclaimed flow from Palm Coast, CDM is in the process of preparing an engineering design scope of work to increase the size of the 12-inch line.

### **C. Discussion of Traffic Concerns**

At a previous meeting, a board member questioned what effect widening the four-way stop intersection at Camino Del Mar and Hammock Dunes Parkway without adding a traffic signal would have. A consultant has estimated traffic levels would reduce to what they were in 2018, and failure of the intersection would then be estimated for 2041. Widening the intersection today is estimated to cost \$2,000,000. If it were to be done in two phases with the infrastructure being installed under the pavement during the widening and a traffic signal installed at a later date, it is estimated to cost \$2,225,000. It was noted a traffic signal would be much faster at moving traffic during peak times.

The Board directed Mr. Peugh to include engineering costs for the intersection improvements to be done in two phases in the Fiscal Year 2024 budget.

### **D. Consideration of Resolution 2023-04, Approving a Proposed Budget for Fiscal Year 2024 and Setting a Public Hearing Date for Adoption**

A copy of the proposed budget was included in the agenda package for the Board's review.

On MOTION by Mr. Crahan seconded by Mr. Vohs with all in favor Resolution 2023-04, approving a proposed budget for Fiscal Year 2024 and setting a public hearing date for August 11, 2023 at 9:30 a.m. was approved.

Mr. Peugh asked for feedback on the general fund assessments noting they were decreased to \$37.69 last year. To meet the budgetary needs, the assessments would need to increase to at least \$88.

Mr. Laughlin noted that the budget cannot be increased after it is approved. He advised withdrawing the previous motion to allow for changes to be made.

On MOTION by Mr. Crahan seconded by Mr. Vohs with all in favor withdrawing the previous motion to approve Resolution 2023-04, approving a proposed budget for Fiscal Year 2024 and setting a public hearing date for August 11, 2023 at 9:30 a.m. was approved.

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An updated budget will be brought back to the June meeting for consideration. Included in that updated version will be a 10% increase the salaries line item and an increase in the 457B matching to 4% that may be reduced at a later date, along with a 20% increase for employee insurance costs.

Mr. Peugh asked the Board if they were amenable to adding Juneteenth and Good Friday to the employee holiday schedule. There were no objections from the Board.

## **FIFTH ORDER OF BUSINESS**

## **Staff Reports**

### **Attorney**

There being nothing to report, the next item followed.

### **E. Engineer - Report**

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

Mr. Peugh informed the Board that CROM will be covering the cost of labor for repairing the leaking potable water ground storage tank.

### **Manager**

#### **F. Bridge Report for April**

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

- Vehicle trips were down approximately one percent, and revenue was up 16% from last year.
- There are about 11,000 loyalty accounts.
- There are about 24,500 bridge pass accounts.
- There are about 12,350 web users.
- Credit card transactions in the booth in the last month totaled \$8,300
- There were around 500 new accounts added this month.

### **Miscellaneous**

Mr. Peugh reminded the Board that at the last meeting Mr. Richard Hamilton requested a trailhead underneath the bridge and provided a set of proposed plans, which include a bathroom. Mr. Hamilton has been told that anything permanent under the bridge is not preferred as repairs will be needed in the future.

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**G. Additional Budget Items Report**

Mr. Peugh informed the Board that a reclaim pump failed at the reclaim station. There is not an estimated cost available at this time.

**H. Report on the Number of Registered Voters**

Mr. Peugh reported that as of April 15, 2023 there are 2,827 registered voters residing within the District’s boundaries.

**SIXTH ORDER OF BUSINESS**

**Financial Reports**

**I. Balance Sheet & Income Statement**

**J. Assessment Receipts Summary**

**K. Approval of Check Register**

A copy of the check register totaling \$510,162.73 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**

Mr. Crahan stated that the last page of the budget has the Hammock Dunes pump stations listed, but none of the Ocean Hammock pump stations.

Mr. Peugh clarified that it’s not an all-inclusive list, it only contains those anticipated to be replaced in the next few years and the Ocean Hammock pump stations are newer.

Mr. Crahan suggested adding them to the list anyway.

**EIGHTH ORDER OF BUSINESS**

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

**NINTH ORDER OF BUSINESS**

**Adjournment**

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

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DocuSigned by:

*Gregory Peugh*

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Secretary/Assistant Secretary

DocuSigned by:

*George DeGiovanni*

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Chairman/Vice Chairman