

MINUTES OF MEETING
DUNES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, June 9, 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
Rich DeMatteis	Assistant Secretary (by Zoom)

Also present were:

Greg Peugh	District Manager
Darrin Mossing	District Representative
Michael Chiumento	District Counsel
Dave Ponitz	District Utilities Manager
Richard Hamilton	Island Estates Resident

The following is a summary of the discussions and actions taken at the June 9, 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 May 12, 2023 Meeting

Mr. Crahan and Mr. DeMatteis 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 May 12, 2023 meeting were approved as revised.
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THIRD ORDER OF BUSINESS

Audience Comments

Mr. Richard Hamilton reminded the Board that at a previous meeting he requested a trailhead just south of the bridge and his takeaway from the Board's comments were that it can

June 9, 2023

Dunes CDD

proceed so long as any access to the bridge is not blocked. A new trailhead would not be constructed for a few years, so in the meantime, Jungle Hut Road will be the designated trailhead in this area of A1A. He also stated that every ten years FDOT updates their classification of roads based on the census and they classify all the roads in the county as arterial, principle, or minor collector roads that interface major or minor, or local roads, and the only difference is the classification can help if grants are being requested. Currently, the Hammock Dunes bridge from Palm Coast Parkway to the bridge midpoint is designated as a major arterial road and the other half is designated as a minor collector to the four-way stop and then it's not designated at all. Mr. Hamilton added that he does not see any harm in trying to upgrade it to arterial and it might help if any FDOT money is sought for improvements down the road.

Additionally, Mr. Hamilton stated that golf carts have always been prohibited on the trails and roadways, however there is a growing trend in the state to allow more safe use of street legal golf carts and the State is interested because it will reduce traffic and pollution. There is no easy way for Hammock Dunes residents to use their golf carts to travel to Publix, just as an example, so his group will begin looking at ways to make that easier, such as designating a different trail or widening the trail. He asked if the Board had any comments.

Mr. Peugh stated that the District does not currently have any plans for golf carts at this time.

Mr. Crahan commented that the matter is a "Pandora's box" due to issues such as underage drivers.

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

Discussion of Reclaimed Line Replacement

Mr. Peugh stated that the temporary reclaimed line is in place and the County was supposed to begin installing sand as of June 6th or 7th, however that has been delayed to early July. He also informed the Board the 60% design from CDM for the permanent reclaimed line project has been submitted. Directional drilling locations are still being reviewed to determine the best route.

Discussion of Toll Booth Project

Mr. Peugh informed the Board that mediation with the toll booth contractor took place on May 17th, which resulted in a total settlement offer of \$89,000 if the light pole is finished in the next 90 days.

June 9, 2023

Dunes CDD

On MOTION by Mr. Vohs seconded by Mr. Crahan with all in favor accepting the settlement offer of \$89,000 was approved.

Discussion of Capacity Fee Issues for Commercial Accounts

Mr. Peugh reported that the Hammock Beach Resort was under their water consumption capacity allowance last month. The remainder of the commercial accounts were audited and out of 60 accounts, 12 were found to be over their water consumption capacity. A letter will be sent to each of those 12 accounts to begin a discussion on whether there are any leaks or issues that can be corrected.

Mr. Crahan asked if signage should be installed in areas such as public restrooms reminding users to limit water usage.

Mr. Peugh stated that he would talk to the County about it.

Mr. Crahan asked where the residential accounts stand.

Mr. Peugh responded that 26 letters went out to residential accounts and only two had to pay their fees.

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 the perpetual easement was approved by the County Commissioners on May 15th.

Stormwater Utility / Reclaimed Flow Discussion

Mr. Peugh informed the Board that there are two lakes near Cypress Hammock Way that did not seem to be draining properly. A purchase order totaling approximately \$10,000 has been approved to use divers and a vacuum truck to unclog the lines within the next couple of weeks.

Mr. Chiumento is continuing to work with the County to charge the Beach Walk development for stormwater fees through an interlocal agreement that will allow the fees to be added to the property tax bill.

June 9, 2023

Dunes CDD

Update on Investment Options

Mr. Peugh informed the Board that the water, wastewater, and the bridge fund accounts were moved into the Raymond James fund approved at the last meeting. The stormwater and general fund monies were moved into a high-yield money market mutual fund with Raymond James, which currently yields an interest rate just under 5%. Over the next few months, the CIP and long-term investment options for the water, wastewater and bridge funds will be reviewed and staff will provide a recommendation at a future meeting.

Discussion of Traffic Concerns

Mr. Peugh reported that the cost to design the infrastructure for the four-way intersection improvements is \$288,000 and is included in the budget.

B. 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. Mr. Peugh noted the budget includes an increase in the General Fund assessments of the non-ad valorem. The Board's consensus was to approve the budget with an increase in the annual assessment per unit to \$110 to allow for the general fund budget to be self-sustaining, and addition of a maintenance reserve contribution of approximately \$31,000.

<p>On MOTION by Mr. Vohs seconded by Mr. Porter with all in favor Resolution 2023-04, approving a proposed budget for Fiscal Year 2024 as revised and setting a public hearing date for August 11, 2023 at 9:30 a.m. was approved.</p>
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Mr. Peugh asked for feedback on whether the revenues for the water and sewer budget should be changed for 2024. The Board's consensus was to increase the revenues by 4%.

Mr. Peugh also informed the Board as of June 1, 2023, there was \$3.9 million in the water and wastewater reserve account. He listed the expenditures planned for FY23 including completion of the disc filter system canopy, the collection system lift station improvements, the automated meter reading collector/ antenna system installed on the bridge and VT SCADA, which together total approximately \$545,000. He recommended holding off on the reclaimed water system north/south split and the reclaimed water line to Palm Coast projects. The projects scheduled to be

June 9, 2023

Dunes CDD

completed in FY24 are the permanent reclaimed main line relocation at approximately \$1.4 million, the CUP renewal at around \$50,000, the concentrate permit renewal at \$25,000, the PLC installation project, vehicle replacements at approximately \$203,000, a portable generator, a portable pump, and replacement of a crane truck, which together total approximately \$2 million. The expenditures scheduled for Fiscal Years 2025 through 2029 total approximately \$3.4 million and the contributions during this same period total about \$300,000 per the rate study. If no FEMA funds are received, or significantly less funds than anticipated are received, the expenditures will put the reserve account in the negative. The Board discussed doing a rate study to determine what the rate levels should be and directed Mr. Peugh to include this in the budget. Mr. Peugh also informed the Board that the server system for the bridge may need to be updated noting that E-Transit is getting less responsive and there have been minor issues. He also provided a quote totaling \$48,000 for a Sun Pass type system preliminary engineering report for the Board to consider. The Board directed Mr. Peugh to move forward with a study to determine whether the Sun Pass system will be beneficial for the District.

Next, Mr. Peugh stated that when a lane goes down, a supervisor must put cones out to shut the lane down, and drivers are not stopping for the supervisor, which creates a safety issue. He suggested installing a second set of arms to be installed in front of the current set. The Board consensus was to move forward with this project.

At the next meeting, Mr. Peugh will review the fund budget in detail.

Lastly, the Board discussed the increase for employees for 2024. A 10% increase was the consensus pending final Board budget approval.

FIFTH ORDER OF BUSINESS

Staff Reports

Attorney

Mr. Peugh informed the Board that the European Village Commercial Association has provided proof of insurance. He also reported that a copy of the release of liens from Cline has been received. Once the original is received, the first check will be released and the second will be held until the light pole is repaired.

C. Engineer - Report

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

June 9, 2023

Dunes CDD

Manager

D. Bridge Report for May

Mr. Peugh reported that vehicle trips were up approximately one percent, and revenue was up 15% from May of last year.

E. Additional Budget Items Report

Mr. Peugh reported that the spare reclaimed pump motor cost \$16,400 and the Cypresswood stormline cleaning will cost \$10,240.

Miscellaneous

Mr. Peugh reported that the District will be switching to a new billing system due to issues with the old system. The new system will be cheaper and should work much better for customers.

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 \$374,530.92 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. Peugh stated that Mr. DeMatteis asked about a broken grate reported at the four-way stop, which was actually a reclaim box that has since been repaired.

EIGHTH ORDER OF BUSINESS

Next Scheduled Meeting: July 14, 2023 at 9:30 a.m. at the Dunes Administrative Office, 101 Jungle Hut Road, Palm Coast, Florida

NINTH ORDER OF BUSINESS

Adjournment

June 9, 2023

Dunes CDD

On MOTION by Mr. Crahan seconded by Mr. Vohs 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