

MINUTES OF MEETING
DUNES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, August 11, 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 <i>by Zoom</i>	Vice Chairman
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
Three Residents	

The following is a summary of the discussions and actions taken at the August 11, 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 July 14, 2023 Meeting

Mr. Crahan suggested one revision to the minutes, which will be included in the final version.

On MOTION by Mr. Vohs seconded by Mr. DeMatteis with all in favor the minutes of the July 14, 2023 meeting were approved as presented.
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THIRD ORDER OF BUSINESS

Audience Comments

August 11, 2023

Dunes CDD

Andy Bilinski commented that an explanation was not given to residents as to why an increase in General Fund assessments is needed. He also suggested adding a summary sheet in the front of the budget that explains the services the District provides and where the money comes in.

Tomek Grajewski concurred that the General Fund Assessment notice to residents provides more questions than answers.

Marici Zuvic-Grajewski expressed concern at the possibility of future assessments being raised even further.

Mr. Peugh stated that prior to this fiscal year, the general fund also paid for the stormwater expenses and in November of 2021 a resolution was passed to establish a stormwater enterprise fund to pay for the stormwater related expenses. Subsequently, in FY2023 a separate budget was established for the stormwater expenses and this year, the Board made the decision to increase assessments to make the general fund a self-sustaining fund as in the past it was supplemented with bridge, or water or wastewater funds.

Mr. DeGiovanni added that the District's infrastructure is aging and \$20,000 to \$30,000 was spent just in the last two years to fix some of the underground drainage pipes. An inspection is needed to determine the state of the storm drainage system.

Marici Zuvic-Grajewski asked where the money would come from if there is a major issue.

Mr. Peugh responded that there is \$300,000 to \$400,000 being built in reserves for the stormwater fund, but it would depend on the severity.

FOURTH ORDER OF BUSINESS

Public Hearing to Adopt the Budgets for Fiscal Year 2024

On MOTION by Mr. DeMatteis seconded by Mr. Vohs with all in favor the public hearing was opened.
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There were no comments from members of the public.

B. Fiscal Year 2024 Budget

C. Resolution 2023-05, Adopting the General Fund Budget for FY 2024

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Dunes CDD

On MOTION by Mr. DeMatteis seconded by Mr. Vohs with all in favor resolution 2023-05 was approved.

D. Resolution 2023-06, Levying Assessments for FY 2024

Mr. Mossing noted this resolution levies the assessments on the property owners in order to fund the budget.

On MOTION by Mr. DeMatteis seconded by Mr. Vohs with all in favor resolution 2023-06 was approved.

E. Resolution 2023-07, Adopting the Water & Sewer Fund Budget for FY 2024

On MOTION by Mr. Vohs seconded by Mr. DeMatteis with all in favor resolution 2023-07 was approved.

F. Resolution 2023-08, Adopting the Bridge Fund Budget for FY 2024

On MOTION by Mr. Vohs seconded by Mr. DeMatteis with all in favor resolution 2023-08 was approved.

G. Resolution 2023-09, Adopting the Stormwater Enterprise Fund Budget

On MOTION by Mr. DeMatteis seconded by Mr. Vohs with all in favor resolution 2023-09 was approved.

H. Resolution 2023-10, Adopting the Section 125 Cafeteria Plan

On MOTION by Mr. Vohs seconded by Mr. DeMatteis with all in favor resolution 2023-10 was approved.

On MOTION by Mr. DeMatteis seconded by Mr. Vohs with all in favor the public hearing was closed.

FIFTH ORDER OF BUSINESS

Reports and Discussion Items

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Dunes CDD

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. He also informed the Board the resort is moving forward with their hotel plans at the lodge, which will increase hotel rooms from around 20 to 200.

Mr. Ponitz added that letters have been sent to the commercial accounts that have exceeded their capacity allowance. Staff is continuing to work to find if there are leaks contributing to the overage or if additional capacity purchases are needed.

Stormwater Utility / Reclaimed Flow Discussion

Mr. Peugh reported that staff is still in the process of working with the County to charge stormwater fees to the Beach Walk community.

Mr. Peugh also updated the Board on solutions to the issues with Island Estates customer's reclaimed water quality issues. The available lots staff investigated are \$485,000 and come with \$434 monthly homeowner's association dues. A possibility is buying a lot, putting an easement across it, installing a flushing device and reselling the lot. Due to budget constraints this is not the best use of DCDD Reserve Funds at this time.

Discussion of Bridge Concerns

Mr. Peugh informed the Board he has spoken to Heidi Petito regarding issuance of legislative initiatives that mentions removal of tolls. The District is trying to continue to educate the Commissioners on what the toll money is used for, which is continuous maintenance of the bridge and the Parkway. Mr. DeGiovanni and Mr. Peugh met with Commissioner O'Brien to discuss the DCDD's position on this matter.

Update on the Reclaimed Line Replacement

Mr. Peugh informed the Board that sand has been installed along the beach in front of the temporary reclaimed pipe near Hammock Dunes Club. There will be some maintenance needed for occasional washouts. The final plans for the relocation of the line are expected to be in by the end of the month. Easement language has been provided to the interested parties for review.

SIXTH ORDER OF BUSINESS**Staff Reports**

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Attorney

Mr. Chiumento reported that his firm is working on trying to get the County to convey the District the land at the end of the bridge.

Mr. Chiumento also informed the Board that after investigating the wire transfer fraud issue with a fencing contractor, the contractor has been informed the District will not be paying for something it's already paid for.

I. Engineer - Report

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

Manager**J. Bridge Report for July**

Mr. Peugh reported that vehicle trips were down 1.27 percent, and revenue was up approximately 12% from July of last year.

Additionally, Mr. Peugh reported the following:

- Loyalty accounts - 6,338 accounts closed totaling \$13,783
- Express card accounts - 437 accounts closed totaling \$6,848.52
- Number of accounts / web users - 26,000 express card accounts, 4,900 loyalty accounts and 13,300 web users
- Credit card transactions in the toll booths totaled \$10,209
- Approximately 500 new accounts were added this last month

The Board discussed sending a flyer to inform the community of the projects the District has completed recently and the projects planned for the future. Mr. Peugh is to provide a draft for Board Discussion and approval in the next few months.

K. Additional Budget Items Report

There being no further additional budget items to report, the next item followed.

EIGHTH ORDER OF BUSINESS**Financial Reports****L. Balance Sheet & Income Statement**

August 11, 2023

Dunes CDD

M. Assessment Receipts Summary

N. Approval of Check Register

A copy of the check register totaling \$358,055.06 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. DeMatteis asked what the criteria is for changing residential meters.

Mr. Peugh responded 10 years or two million gallons.

The Board discussed Mr. Peugh's annual employee review.

NINTH ORDER OF BUSINESS

Next Scheduled Meeting: September 8, 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