

**MINUTES OF MEETING
DUNES COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, December 8, 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 DeGiovanni	Chairman
Gary Crahan	Vice Chairman
Dennis Vohs	Treasurer
Kevin Porter	Assistant Secretary
Rich DeMatteis	Assistant Secretary

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 December 8, 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 November 3, 2023 Meeting

There being no revisions, a motion to approve followed.

On MOTION by Mr. Vohs seconded by Mr. Crahan with all in favor the minutes of the November 3, 2023 meeting were approved as presented.
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THIRD ORDER OF BUSINESS

Audience Comments

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

FOURTH ORDER OF BUSINESS

Reports and Discussion Items

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Investment Discussion

Mr. Peugh stated that there are \$4.4 million invested in CDs so far and there is still around \$360,000 or \$370,000 that has not yet been invested. He presented a document to the Board members that shows what the investments are, what the interest rate is, and the maturity date. Around \$1.75 million is due back into the cash account in May, so Mr. Holzem will provide a recommendation in April on where the market is at, and the Board can then decide what they want to do with those monies.

Discussion on Stormwater Utility

Mr. Chiumento stated that county staff has decided to put forth a resolution next month to consider approving the District's request to bill the stormwater utility fees to the Beach Walk community via the property tax bills.

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.

Mr. Ponitz added that of the 13 other accounts identified as being over their capacity allowance during the 2022 audit, two accounts are Flagler County facilities, five have since been resolved, two are Hammock Dunes Golf Club facilities and they are collaborating with the District. A few accounts had minor overages that have not yet been resolved and one account is associated with a marina slip that is unresolved at current time and the account holder has been responsive.

Mr. Crahan asked if the amount of work required to perform the audits is justified. Mr. Peugh stated that in the next 5 to 10 years, the District is going to reach the one million gallon threshold of water produced. This will then require two shifts at the water plant. Therefore, using the audits to conserve water, detect customer leaks and postpone the second shift requirement justifies the time expended.

Discussion on Bridge and Intersection

Mr. Peugh informed the Board that the kick-off meeting for the design of the four-way intersection improvements and the toll system integration study have both taken place, so those

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are moving forward, but there are no results yet. A presentation on the Sun Pass system is expected to take place in the next six months.

Mr. Crahan asked if there would be any advantage to doing a cash-only or pass-only lane and a permit-only lane.

Mr. Peugh responded that assuming the Sun Pass system is feasible, there will not be any toll employees in the lanes. If someone does not have a Sun Pass, it will bill by license plate and additional fees would be included. Additionally, the other transponders that DOT accepts would be accepted at the Dunes bridge as well.

Mr. DeMatteis asked Mr. Peugh if he responded to an email from an Island Estates resident asking why a traffic circle would not be installed at the four-way intersection in place of a traffic signal. Per Mr. DeGiovanni's request, Mr. Peugh will forward a standard response for this question regarding the four-way improvements for the Board's use.

Mr. Peugh stated that he called the gentleman but has not yet received a call back from him. The reasoning is the District does not own enough property that a traffic circle requires, and the traffic engineers have advised that roundabouts are good for moving off-peak traffic, but during peak traffic hours, traffic signals are the best way to move traffic and the District has a peak traffic hour problem.

Update on the Reclaimed Line Replacement

Mr. Peugh informed the Board the bids for reclaimed line replacement project are due December 14th. Mr. Chiumento is working on the necessary easements, which need to be signed for the project to move forward. District staff has met with all the individuals from which easements are needed and they have all indicated they will sign.

Discussion of Health Insurance Renewal

Mr. Peugh informed the Board that Humana is moving out the medical insurance market, so bids were requested from three other companies. The only competitive pricing came from United Healthcare, and they provided two options. Option one is similar to what the District currently has with a total estimated cost of \$203,000, which is around a \$1,500 increase from last year's pricing from Humana. The plan changes include an increase in the deductible from \$0 to \$500 for single and \$1,000 for family and reductions in the various co-pays. Option two would

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increase the District's cost by \$45,000 from last year and Mr. Peugh noted that his and Brown and Brown's recommendation is to proceed with option one as it is not worth the cost for what benefits would be received with Option two. He also stated that in previous years the District has matched up to \$500 for employees participating in flexible savings accounts. There are 14 people eligible for an FSA, so the maximum cost to the District would be \$7,000.

On MOTION by Mr. DeMatteis seconded by Mr. Crahan with all in favor the proposal from United Healthcare for option one and continuing the flexible spending account program match at \$500 per eligible employee was approved.
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FIFTH ORDER OF BUSINESS

Staff Reports

Attorney

Mr. Chiumento stated that the county has agreed to convey the land desired for the bridge expansion, however they have stated no improvements can be put in that area because it currently has a comprehensive plan designation. It's also under a PUD zoning district that requires it to be in conservation. Staff is waiting on the county to bring to their board a change in the comprehensive plan designation and zoning for those parcels to allow the District to use the land.

C. Engineer - Report

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

Mr. Ponitz stated that staff completed the request for additional information response to DEP regarding the wastewater treatment permit renewal and are now awaiting receipt of the permit for the next five years.

Mr. Crahan stated that he recalls a requirement for utilities to have a security and continuance of operation plan.

Mr. Ponitz responded that it was a requirement that all water treatment facilities prepare a risk and vulnerability assessment and an emergency response plan a couple of years ago. Those were both prepared in accordance with the DEP requirements.

Mr. DeGiovanni asked that a brief overview of the plan be presented to the Board.

Mr. Mossing recommended the board members individually meet with staff outside of a board meeting as the document is not a public record.

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Manager**C. Additional Budget Items Report**

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

Bridge Report for November

Mr. Peugh reported that vehicle trips were down 0.6%, and revenue was down 1.3% from November of last year. He believes the reduction is due to people converting from cash to a bridge pass.

Additionally, Mr. Peugh reported the following:

- Number of accounts / web users – almost 27,000 express card accounts and almost 14,000 web users.
- Credit card transactions in the toll booths totaled almost 7,000.
- Approximately 299 new accounts were added this last month.

Miscellaneous Items

Mr. Peugh informed the board the flyer created to inform residents of projects the District has completed or has planned for the future was sent out during the last month.

At last month's meeting, Mr. Crahan commented on the northbound lane turn arrows for the Discovery entrance not appearing as visible as the others. Mr. Peugh noted they are scheduled to be replaced.

Mr. Peugh also stated that the District currently uses five engineers for continuing services for the vast majority of the engineering work, however some have been less responsive over the years, so he'd like to issue a request for qualifications.

The Board discussed a project in which the county has armored the beaches surrounding the District but have left the District's area untouched. Mr. Porter stated that he's advised the sand will get washed away, so it needs to be armored and he's been told it can't be done. Mr. Vohs stated that the Florida DEP requires the houses to be very close and has a lot of rules to make it very difficult to put any type of armoring down. He does not think the District would qualify.

Next, Mr. Peugh informed the Board that Seats 2, 3 and 4 of the Board of Supervisors will be up for election in November of 2024. A discussion item regarding the election will be added to future agendas.

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Next, Mr. Peugh stated that he attended the Florida Section of the American Waterworks Association meeting to listen for any news regarding water and wastewater quality. One upcoming mandate of the EPA is to get the lead out of the system in the next 10 years. He added that as far as the District knows, there is no lead or copper in the DCDD's distribution system. At the meeting, the desire to address PFOS and PFAS was also discussed. Mr. Peugh noted the District has sampled its wells and was unable to find a trace of the substances, however they were found in the wastewater.

Mr. Crahan recommended sampling the water that comes from Palm Coast.

SIXTH ORDER OF BUSINESS

Supervisors' Requests and Audience Comments

Mr. Crahan commented that there has been an issue with streetlight outages on Hammock Dunes Parkway.

Mr. Peugh stated that somebody shut the power off to the breaker box in one case. The boxes are now being locked.

Mr. DeMatteis asked if the reclaimed system is flushed in locations other than Ocean Oaks.

Mr. Peugh responded that reclaimed water is flushed in other locations and is the same as what was done in Island Estates.

SEVENTH ORDER OF BUSINESS

Financial Reports

D. Balance Sheet & Income Statement

E. Approval of Check Register

Copies of the financial statements as of October 31, 2023 were included in the agenda package for the Board's review along with a copy of the check register totaling \$783,543.35.

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

Mr. Peugh stated that at the last meeting Mr. Holzem presented an investment option called a structured note in which the interest made can be reinvested in the stock market. Mr. Mossing has advised that option will not work for the District.

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EIGHTH ORDER OF BUSINESS

**Next Scheduled Meeting: January 12, 2024 at
9:30 a.m. at the Dunes Administrative Office,
101 Jungle Hut Road, Palm Coast, Florida**

NINTH ORDER OF BUSINESS

Adjournment

The meeting was adjourned at approximately 10:19 a.m.

DocuSigned by:

Gregory Pugh

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Secretary/Assistant Secretary

DocuSigned by:

George DeGiovanni

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Chairman/Vice Chairman