

MINUTES OF MEETING
DUNES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, January 12, 2024, 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
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 January 12, 2024 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 December 8, 2023 Meeting

Mr. DeMatteis provided a revision that will be included in the final version of the minutes.

On MOTION by Mr. Crahan seconded by Mr. DeMatteis with all in favor the minutes of the December 8, 2023 meeting were approved as revised.

THIRD ORDER OF BUSINESS

Audience Comments

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

FOURTH ORDER OF BUSINESS

Reports and Discussion Items

January 12, 2024

Dunes CDD

Discussion on Stormwater Utility

Mr. Peugh provided an update on the District's request to bill the stormwater utility fees to the Beach Walk community via the property tax bills, stating that staff is in the process of answering questions of the County Attorney. Mr. Chiumento added that the item was supposed to be on the county's January agenda but has been pushed to the February agenda.

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, four have been resolved and seven have responded and are pending completion. A few of those pending completion may have to pay capacity fees depending on if their repairs or practices result in recurring usage that is shown to exceed their current allotted capacity. Two accounts are Flagler County facilities and those may be used in negotiations for a future well site, however those are not significant overages. Mr. Peugh added that the County has been offered \$50,000 in capacity credits for the easements. The HDOA capacity credit is estimated at approximately \$25,000 and the Club capacity credit is estimated at approximately \$40,000.

Discussion of Bridge and Intersection

Mr. Peugh stated that there has not been much movement since the last update provided, which was that the design of the four-way intersection improvements and the toll system integration study have both taken place, so those 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. DeMatteis asked if the District has made the decision to turn both toll lanes into SunPass lanes rather than using employees to collect tolls.

Mr. Peugh responded the decision has not been made, but that is the point of going to the SunPass system as it's preferable not to have people in the lanes for safety reasons as vehicles will be going through at higher speeds as this type of system will no longer require a stop condition.

Mr. Crahan suggested putting 35 mph speed limit signs in each direction before the bridge. Mr. Crahan also suggested asking the Sheriff's Department to monitor the area.

January 12, 2024

Dunes CDD

B. Update on the Reclaimed Line Replacement; Discussion of Reclaimed Line Bid and Engineering Fees

Mr. Peugh informed the Board two bids for reclaimed line replacement project have come in: one from DBE Management at \$1,513,412 and the other from TB Landmark at \$2,095,534.41. The District's engineering firm recommended accepting the bid from DBE Management as they have experience with the company and have no concerns. A quote from CDM Smith for engineering services related to the construction project totaling \$67,150 was included in the agenda package for the Board's review.

On MOTION by Mr. Vohs seconded by Mr. Crahan with all in favor the bid from DBE Management for the relocation of the reclaimed line was approved.

On MOTION by Mr. Crahan seconded by Mr. Vohs with all in favor the motion to approve the bid from DBE Management for the relocation of the reclaimed line was amended to include approval of the additional survey and engineering services proposal from CDM Smith and to make the approval contingent upon receiving the three easements still needed.

Mr. Peugh stated a Notice to Proceed will not be issued until the remaining three easements needed have been granted.

Discussion of Upcoming Supervisor Election

Mr. Peugh informed the Board the qualifying period for the three Board of Supervisors seats up for election in 2024 is noon on June 10, 2024 through noon on June 14, 2024. He also stated that the boundary survey and legal description for the District are missing the exhibit that illustrates the District Boundary. He and Mr. Chiumento are researching the District boundary since an amendment to the boundary was done in 2002.

Mr. Crahan stated that there was an anomaly in 2022 in which everyone in the precinct was allowed to vote for the CDD board seats and asked what actions the Supervisor of Elections has taken to prevent that in the future.

Mr. Peugh responded that he will ask.

January 12, 2024

Dunes CDD

FIFTH ORDER OF BUSINESS**Staff Reports****Attorney**

There being nothing further to report, the next item followed.

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 since the agenda package was released, he's received an update on the ground storage tank interior coating repairs, which will take place in either February or May 2024.

Mr. Porter asked if any communication has been received from FEMA.

Mr. Ponitz responded that the District responded to an RFI in late December and revised the replacement in kind estimate based on a request FEMA had to remove costs related to dune restoration, however they did allow the sheet pile wall element. The CERC is waiting on final comments from FEMA's mitigation group and is supposed to update the District within a week.

Mr. Porter asked that staff ensure all the bid documents get put in the portal and that he receives a copy of the CEF document for his review.

Manager**D. Bridge Report for December**

Mr. Peugh reported that vehicle trips were down 1.5%, and revenue was down 10% from December of last year. He believes the reduction is due to people converting from paying cash to a bridge pass.

Mr. Crahan questioned if a free toll day on Christmas day has ever been considered.

Mr. Peugh responded that decision would need to be authorized by the Board but noted the employees working that day generally don't mind working as they receive time and a half pay.

Additionally, Mr. Peugh reported the following:

- Number of accounts / web users – almost 27,000 express card accounts, 14,000 web users and 314 new accounts added.
- Credit card transactions in the toll booths totaled almost \$200.

Miscellaneous Items

January 12, 2024

Dunes CDD

Mr. Peugh informed the board there was an irrigation leak on Hammock Dunes Parkway last week due to tree roots damaging the irrigation pipe, and the leak subsequently damaging the road. The irrigation lines were moved around the tree and the road was repaved, although the patch is rough. Mr. Ponitz has suggested using the asphalt contractor that will work on repaving Jungle Hut following the reclaimed line project to repave the patch on Hammock Dunes Parkway.

Next, Mr. Peugh stated that he sent an email to the Board regarding the new process for the Form 1, which must be filed electronically. Mr. Mossing also informed the Board they will be required to complete four hours of ethics training by December 31, 2024.

Next, Mr. Peugh reported that he has received multiple calls about fiber on the bridge recently. The companies have been informed they will need to enter into an agreement with the District and pay \$1,500 to start the process, then the Board will decide how much it is worth. Mr. Crahan asked that the agreement contain a provision that the company must restore the affected area back to original conditions.

Next, Mr. Peugh stated that he is still awaiting pricing on the pump station SCADA, which will allow for further monitoring and controls for automatic flushing activities.

Next, Mr. Peugh stated that seals on the RO skid feed pumps have been breaking frequently and all of the backup pumps are in the skids right now. As soon as some more analysis is done to determine why the pumps are failing and the seal problems are occurring, the skid pump project will be pushed up the schedule to get it fixed quicker.

Lastly, Mr. Peugh informed the Board that George Bagnell has requested changes to the lake maintenance standards including pristine grass up to the edge of the water on the lake banks and no swamp-type grass. Mr. Peugh responded that if the community desires the same it can be done with board approval, however there will be a large increase in stormwater fees. Mr. Peugh also noted that he will be requesting a proposal to address the Brazilian Peppers around the District.

SIXTH ORDER OF BUSINESS

Supervisors' Requests and Audience Comments

Mr. Crahan commented that there are more streetlights out on Hammock Dunes Parkway.

SEVENTH ORDER OF BUSINESS

Financial Reports

- D. Balance Sheet & Income Statement**
- E. Approval of Check Register**

January 12, 2024

Dunes CDD

Copies of the financial statements as of November 30, 2023 were included in the agenda package for the Board’s review along with a copy of the check register totaling \$310,227.90.

Mr. Peugh informed the Board that Mike Holzem is scheduled to attend the April meeting to discuss the District’s investments.

Mr. Porter asked that invoices for the engineering fees related to the reclaimed line be compiled and submitted to FEMA.

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

EIGHTH ORDER OF BUSINESS

Next Scheduled Meeting: February 9, 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 10:47 a.m.

DocuSigned by:
Gregory Peugh
EE48EB95EDED4A6...
Secretary/Assistant Secretary

DocuSigned by:
George DeGiovanni
3A8C9F779A244DC...
Chairman/Vice Chairman