

MINUTES OF MEETING  
DUNES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, February 9, 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
Greg Davis	Hammock Dunes Owners Association
Travis Houk	Hammock Dunes Owners Association
Matt Howes	Hammock Dunes Golf Course
Rick Bodge	Casa Bella II

The following is a summary of the discussions and actions taken at the February 9, 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 January 12, 2024 Meeting**

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

On MOTION by Mr. DeMatteis seconded by Mr. Crahan with all in favor the minutes of the January 12, 2024 meeting were approved as revised.
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**THIRD ORDER OF BUSINESS**

**Audience Comments**

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There being none, the next item followed.

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

The following item was taken out of order of the agenda.

**B. Discussion on Lake Banks**

Mr. Peugh stated that the Hammock Dunes Owners Association (HDOA) and some of the sub associations believe the District should be maintaining the lake banks.

Mr. Houk stated that the deed indicates that the lake banks are Dunes Community Development District property in Hammock Dunes and the issue they're concerned about is the invasive vegetation surrounding the lake banks and in the water.

Mr. Crahan disagreed that the deed indicates the lake banks are Dunes CDD property.

Mr. Davis added that the HDOA can only spend its funds on HDOA-owned common property. He stated that the scope needs to be defined and then the entities can work towards a solution as they've done with other projects.

Mr. Bodge stated that the lakes are losing depth as a result of algae and deterioration of the lake banks. He believes at some point the HOA documents will need to be specific as to the responsibility for the lake banks.

Mr. Peugh stated that there is an email from Dick Ryan to George Bagnall stating that the District does not own the lake banks in the Hammock Dunes Owners Association. Historically, the District has maintained vegetation and aquatic weeds in the water and up to the shoreline. A proposal to remove the Brazilian peppers and maintain the vegetation in the future is in the works. He also noted that the District does not have enough money to maintain above the water line, therefore rates would need to be raised if the District were to take on the responsibility of maintaining the lake banks.

Mr. Houk stated that the only documentation that defines the ownership are the deeds.

Mr. Crahan stated that he was on the Board in 2011 when this same issue was discussed and it was determined the documentation at the time was adequate and there was no perceived change to the responsibilities and definition of lake bank. It was discussed in 2011, that the DCDD would have to take on the same lake bank maintenance responsibility for Ocean Hammock where

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it is clear the District does not have this responsibility, so the Board at the time decided based on equity, the responsibility had to fall on the adjacent owner in both locations.

Mr. DeGiovanni stated that he does not have a problem with the CDD maintaining the islands, but the District will not remove viable vegetation in the lake because of the birds that use the vegetation and the Audubon responsibility.

Mr. Davis stated that he's not asking the Board to make a decision on what to do or not to do, he is just asking that they work with the associations to figure out a scope and then a path forward can be determined.

Mr. DeGiovanni stated that he thinks Mr. Peugh should develop a scope the Board agrees to. Mr. Crahan added that any decision or agreement needs to be memorialized so a future successor does not have to go through the same process.

Mr. DeMatteis asked why the District should discuss scope that would make the District responsible for property that it has never owned.

Mr. DeGiovanni stated that he thinks it would be good for the plan to be memorialized as boards change all the time and there will be a document signed by all parties.

Mr. Davis questioned what the District owns since the water line has changed over the year with the storms.

Mr. Crahan asked about verbiage saying that the line will move with mother nature over time.

Mr. Chiumento stated that he will review the documentation and come back with an opinion.

### **Discussion on Hammock Beach Informational Sign**

Mr. Peugh stated that the Ocean Hammock Property Owners Association asked Hammock Beach to put a sign near 16<sup>th</sup> Street because folks are coming down Hammock Dunes Parkway and going to the guard shack because they do not know which way to turn. The county relayed the request to the District as the District owns the right-of-way. Mr. Peugh provided the Board with an example of what the sign would look like and noted the recommendation is to place the sign between 100 - 200 feet from the stop bar. He also stated that the other signs in the area will be cleaned up.

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Mr. Crahan stated that he thinks the sign should be farther back where the roadway splits out to the two lanes.

Mr. Peugh stated that he thinks it's past the 200-foot mark, but he will measure it to confirm and will check with the engineer on whether that would be acceptable.

#### **Discussion on Stormwater Utility**

Mr. Peugh asked if there is an update on the status of the District's request to bill the stormwater utility fees to the Beach Walk community via the property tax bills.

Mr. Chiumento responded that the item is supposed to be on the county's agenda on February 19<sup>th</sup>. If approved, the District will be in a position to enter into an interlocal agreement with the tax collector.

Mr. Chiumento also updated the Board on the request for a deed from the county for property needed for infrastructure improvements stating that it still needs to be added to the county's agenda, and the District would need the land use designation changed if it is granted.

#### **Discussion on Capacity Fee Issues for Commercial Accounts**

Mr. Peugh reported that Hammock Beach was under their water consumption capacity last month.

Mr. Ponitz added that he has reached out to five accounts with some recent consumption information, two of them being golf course maintenance facilities and tennis court irrigation. Negotiations may take place with those entities for easements related to the reclaimed main.

Mr. DeMatteis stated that across the lake from his home the District goes through the woods to access the lake and the shoreline has a cutout from the wear and tear of the trailer going in and out, so that may need to be addressed in the future.

#### **Discussion of Bridge and Intersection**

Mr. Peugh stated that he has received a draft of the toll study, however it will require some revisions before it can be brought to the Board. The four-way intersection design is expected to be submitted around the 20<sup>th</sup> of this month and then it will be brought to the Board when it's finalized.

#### **Update on the Reclaimed Line Replacement**

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Mr. Peugh informed the Board that all of the necessary easements for the reclaimed line replacement project have been signed and a pre-construction meeting was just held, so the project is moving forward. The contractor is in the process of applying for the County Right-of Way Permit associated with project activities proposed along Jungle Hut Road.

#### **Discussion on Boundary Fence**

Mr. Peugh stated that AAA Fence installed the District's boundary fence months ago and when the District paid the final payment through ACH account instructions received by email, the funds were intercepted as AAA Fence computers appear to have been hacked.

Mr. Chiumento stated a lawsuit has been filed in small claims court against the District in Volusia County. He suggested filing a motion to get the case moved to Flagler County and asking the fence company if they have an offer. There were no objections from the Board on moving forward with Mr. Chiumento's suggestions.

#### **C. Discussion on Pump Station SCADA Project**

Mr. Peugh reminded the Board that the District was receiving complaints from the residents at the end of Island Estates stemming from organics in the water and the filters clogging up. Staff has tried flushing; however, the pump stations were getting overloaded because the flushing valve allows too much flow. Installing SCADA would allow staff to be able see if the level of one pump station is elevated. The cost per pump station is around \$14,000 and the total cost is around \$90,000.

On MOTION by Mr. Vohs seconded by Mr. Crahan with all in favor the installing SCADA on the pump stations for a total of \$89,339 was approved.
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Mr. DeMatteis asked Mr. Peugh if he is keeping a list of these types of additional items that should be included in future capital reserve studies.

Mr. Peugh responded that he is putting a capital improvement plan together which includes additions such as the SCADA installation.

Mr. Crahan asked if a stormwater cleaning plan has been created.

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Mr. Peugh responded that the Board has approved a study to begin looking at the pipes, but it has been put on the backburner due to the reclaimed line project. The consultant has the contract and staff is reviewing specifications that will include guidance and prioritization of system investigation activities to interested and qualified contractors.

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

Mr. Peugh asked if Mr. Chiumento was able to locate the boundary map for the District.

Mr. Chiumento responded that there is just a survey, and a legal sketch and description.

Mr. Peugh stated that there is a document from 2002 that says the boundary was amended to include a parcel near Malacompra that includes a boundary description, but it does not include the exhibit.

Mr. Chiumento suggested asking the county to review the survey.

Mr. Peugh will reach out to the county.

**D. Engineer - Report**

A copy of the engineer's report was included in the agenda package for the Board's review. Mr. Ponitz added that the District is required to do a capacity analysis report for the water plant every five years to illustrate that the facilities have the capacities to meet the five and ten-year demands. That report has just come back, and he is in the process of doing a final review of it. There are no capacity expansions of the District's Water and Wastewater Treatment Facilities foreseen in the next five to ten years.

**Manager****E. Bridge Report for December**

Mr. Peugh reported that vehicle trips were down 2.3%, and revenue was down 10.5% from January of last year. He believes the reduction is due to people converting from paying cash to a bridge pass.

Additionally, Mr. Peugh reported the following:

- Bridge pass accounts inactive for over 18 months have been closed totaling \$10,441.

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- Number of accounts / web users – almost 27,000 express card accounts, just over 14,000 web users and 380 new accounts added.
- Credit card transactions in the toll booths totaled almost 6,500.

**F. Additional Budget Items**

Mr. Peugh presented a report of unbudgeted expenses, including an irrigation line leak on Hammock Dunes Parkway, RO skid feed pump failures, and water plant scrubber line blockages. He does not yet have an estimated total on the repairs to the RO skid feed pumps and water plant scrubber line blockages. He also noted the toll booth arm has not been working properly and the repair is estimated to total several thousand dollars. Lastly, he informed the Board AT&T drilled through a District sanitary sewer main near Hammock Beach Circle. A refund for the cost of the repair will be requested from AT&T.

**Reminder of Upcoming Election**

Mr. Peugh reminded the Board the qualifying period for the upcoming general election runs from noon on June 10, 2024 through noon on June 14, 2024.

**SIXTH ORDER OF BUSINESS**

**Supervisors’ Requests and Audience Comments**

Mr. DeMatteis asked for the status of the painting of the turn-lane arrows as requested by Mr. Crahan.

Mr. Peugh responded that the vendor has stated there are three jobs they’re working on that should be completed mid-February and then Dunes will be next.

Mr. DeMatteis asked about the fountain that is not working on the south side of Hotel Trace.

Mr. Crahan stated that the fountain is an HOA concern.

**SEVENTH ORDER OF BUSINESS**

**Financial Reports**

- G. Balance Sheet & Income Statement**
- H. Assessment Receipts Schedule**
- I. Approval of Check Register**

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Copies of the financial statements as of December 31, 2023 were included in the agenda package for the Board’s review along with a copy of the check register totaling \$205,516.95.

Mr. DeMatteis questioned the revenues for water and sewer being considerably lower than the prorated budget.

Mr. Peugh responded that he believes the water revenue is due to the tank being down, but he will look into it. As for the reclaimed revenues, it is still early in the year and there has also been a significant amount of rainfall.

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

**EIGHTH ORDER OF BUSINESS**

**Next Scheduled Meeting: March 8, 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 11:57 a.m.

DocuSigned by:  
*Gregory Peugh*  
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Secretary/Assistant Secretary

DocuSigned by:  
*George DeGiovanni*  
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Chairman/Vice Chairman