

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 14, 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
Kevin Porter	Assistant Secretary
Dennis Vohs	Treasurer

Also present were:

Greg Peugh	District Manager
Daniel Laughlin	District Representative
Dave Ponitz	District Utilities Manager
Michael Chiumento	District Counsel
Brian Porter <i>by Zoom</i>	CDM Smith
Krishna Cole <i>by Zoom</i>	CDM Smith
George Page	Resident
Richard Hamilton	Resident

The following is a summary of the discussions and actions taken at the June 14, 2024 meeting.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Laughlin called the meeting to order at 9:30 a.m.

SECOND ORDER OF BUSINESS

Minutes

A. Approval of the Minutes of the April 12, 2024 and May 10, 2024 Meetings

This item was tabled to allow for revisions to the minutes.

On MOTION by Mr. Crahan seconded by Mr. Vohs with all in favor the April 12, 2024 minutes were approved as presented.

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

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On MOTION by Mr. Crahan seconded by Mr. DeMatteis with all in favor the May 10, 2024 minutes were approved as revised.

THIRD ORDER OF BUSINESS

Audience Comments

There being no comments, the next item followed.

FOURTH ORDER OF BUSINESS

Reports and Discussion Items

Discussion of Rate Study Decision Points

Mr. Cole presented scenarios for increasing the water and sewer rates to increase revenues to ensure the District has the funds needed to maintain the system in the future.

Mr. Peugh recommended raising the base rate of each effluent service tier by \$0.15 in addition to increasing the rates by 9.5% per year.

Mr. Porter asked Mr. Peugh to think about how to improve the delivery of water during a drought.

This item will be added to the next agenda for further discussion.

Consideration of Setting a Public Hearing to Adopt Amended Toll Rates and Water & Sewer Rates

Mr. Peugh reminded the Board that during the last discussion regarding the toll rates, the consensus was to not increase the cash toll rates, and to increase the bridge pass by \$0.25 for each axle. He recommended instead increasing the four axles from \$0.88 to \$2.50 and the five axles from \$1.25 to \$3.00.

There were no objections from the Board.

On MOTION by Mr. Vohs seconded by Mr. Crahan with all in favor setting a public hearing for August 9, 2024 at 9:30 a.m. to consider adopting the increase in toll and water and sewer rates discussed above was approved.

Discussion on Stormwater Utility

Mr. Peugh updated the Board on the status of the process to initiate billing stormwater utility fees to the Beach Walk community via the property tax bills stating that CDM is gathering

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a list of properties that will be draining into the District’s system. That list of parcels and the rates to be billed to those parcels will be passed on to the Flagler County Tax Collector so that they can collect the fees via the resident’s property tax bills.

Discussion on Capacity Fee Issues for Commercial Accounts

Mr. Peugh informed the Board that the Hammock Beach Resort was under their water consumption capacity last month. He also reported that attempts to get answers from the Villas at Hammock Beach Bldg. 10 on their overage are still ongoing.

Discussion of Bridge and Intersection

Mr. Peugh stated that Kissinger Campo is still in the process of revising the tolling study and is also expected to provide the 90% drawing on the four-way stop in August.

The Board discussed the need to disseminate information to the residents regarding the intersection plans once the drawings are complete and the bids are in progress. This matter will be discussed further at the next meeting.

Update on the Reclaimed Line Replacement

Mr. Peugh informed the Board that directional pipe boring portions for the reclaimed line project have been completed.

B. Discussion of Lake Banks

Mr. Peugh presented a memorandum regarding the District’s position on the ownership and maintenance requirements for the stormwater management system for the Board’s review, noting no changes have been made since the last meeting. He has asked for a motion from the Board to accept the memorandum.

On MOTION by Mr. Crahan seconded by Mr. Vohs with all in favor the memorandum regarding the District’s position on the ownership and maintenance requirements for the stormwater management system and lake banks was approved as presented.

C. Acceptance of the Fiscal Year 2023 Audit Report

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Mr. Peugh presented the fiscal year 2023 audit report noting there were no findings to report.

On MOTION by Mr. Crahan seconded by Mr. Vohs with all in favor the Fiscal Year 2023 audit report was accepted.

D. Discussion of the Fiscal Year 2025 Budget

Mr. Peugh gave an overview of the proposed fiscal year 2025 budget noting much of the increase is related to salaries and insurance.

FIFTH ORDER OF BUSINESS

Staff Reports

Attorney

Mr. Chiumento reported that there are two gentlemen with the same name that are trying to be listed first on the same ballot, and a representative at the elections office has asked the CDD to resolve the issue or she will not place the gentlemen on the ballot. His office reviewed the statutes and other areas of the law and based on their research, they think it's reasonable that the order in which they are placed on the ballot be determined by their middle initials.

There was no objection from the Board on providing that recommendation to the election's office.

Mr. Chiumento stated that the settlement agreement with AAA Fence has been signed, so that matter is resolved.

E. Engineer - Report

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

Manager

F. Bridge Report

Mr. Peugh reported that vehicle trips were up 1.6%, and revenue was down 1.2% from May of last year.

Mr. Peugh also informed the Board that the County Administrator, Heidi Petito, has asked if the District will consider adding a surcharge to the bridge toll rates for the beach erosion project.

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Mr. DeGiovanni responded that the president of the Hammock Dunes Owners Association stated the county board has indicated they would not cover the erosion in the Hammock Dunes or Ocean Hammock areas.

The Board asked that Ms. Petito be invited to the next meeting to get more specifics on the project.

Next, Mr. Peugh reported the following:

- There are 8,151 accounts and 15,000 web users (over 50%)
- There were 10,000 credit card transactions
- There were 536 new accounts added

Next, Mr. Peugh reported the District is under emergency watering restrictions and is receiving full reclaimed water flow from Palm Coast.

Lastly, Mr. Peugh informed the Board that Ocean Hammock has requested a cost share to change the signs on Hammock Dunes Parkway.

G. Additional Budget Items Report

Mr. Peugh reported that the toll arm repairs came to \$11,055 while the repairs for the lightning strike damage to lane one came to \$1,985. He also informed the Board of remediation that was needed to a facility lawn area for a chemical spill from a bulk tank, the cost of which came to \$17,000.

SIXTH ORDER OF BUSINESS

Supervisors’ Requests and Audience Comments

Mr. Vohs suggested coming up with a plan for educating the community on the needs of the water and sewer system and the bridge with the proposed increase in rates.

SEVENTH ORDER OF BUSINESS

Financial Reports

H. Balance Sheet & Income Statement

I. Assessment Receipts Schedule

J. Approval of Check Register

Copies of the financial statements as of April 30, 2024 were included in the agenda package for the Board’s review along with a copy of the check register totaling \$431,389.52.

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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: July 12, 2024 at 9:30 a.m. at the Dunes Administrative Office, 101 Jungle Hut Road, Palm Coast, Florida

NINTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Crahan seconded by Mr. Porter with all in favor the meeting was adjourned.

Signed by:
Gregory Peugh
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Secretary/Assistant Secretary

Signed by:
George DeGiovanni
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Chairman/Vice Chairman