

MINUTES OF MEETING
DUNES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, July 11, 2025, at 9:30 a.m. at the Dunes Administrative Office, 101 Jungle Hut Road, Palm Coast, Florida.

Present and constituting a quorum were:

Gary Crahan	Chairman
George DeGovanni	Vice Chairman
Rich DeMatteis <i>by Zoom</i>	Treasurer
Bill White	Assistant Secretary
Kevin Porter	Assistant Secretary

Also present were:

Greg Peugh	District Manager
Darrin Mossing	District Representative
Michael Chiumento	District Counsel
Dave Ponitz	District Utilities Manager
Daniel Harvey	Assessment Roll Administrator
Krishna Cole <i>by Zoom</i>	CDM Smith
John Cabrera <i>by Zoom</i>	CDM Smith

The following is a summary of the discussions and actions taken at the July 11, 2025 meeting.

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Approval of Minutes

A. June 13, 2025 Meeting

There being no comments, a motion to approve the minutes followed.

On MOTION by Mr. Crahn seconded by Mr. Porter with all in favor the June 13, 2025 meeting minutes were approved as presented.

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

CDM Presentation of Rate Tiers

Mr. Cole reminded the Board that at the last meeting there was a discussion of including the \$72,000 annual rental charge to City of Palm Coast for reclaimed transmission main in 2026 with the remaining difference of \$127,600 in 2027, so the forecast has been updated to include those amounts. It was also mentioned that an inflation increase for 2029 and 2030 should possibly be added, which would change the forecast. The presented forecast assumes \$2.6 million for the RO feed pump project will be borrowed from the bridge fund. The forecast shows the golf course, water, and wastewater service meter rates increasing by 9.5% through 2030, while the individual and master meter rates increase according to the tier they fall into for 2026, and then do not increase again until 2030 when they increase by 4% for inflation. With these projections, the cash on hand realized will be above 120 days per year for 2026 through 2030. The impact to the typical bill will be just under \$6 per month for water and wastewater. For a small lot reclaimed (20,000 gallons), the impact would be a \$28 increase. There is no increase for connection fees, but late payment fees would go up to \$15.

Mr. DeMatteis stated that the cash funded capital and non-operating revenue numbers for fiscal year 2026 should match the current projected budget.

Mr. Mossing stated that the rates will need to be noticed in the newspaper prior to the public hearing, which will be held on September 12, 2025 at 9:30 a.m.

Old Business

The following items are questions or directives that were brought up in previous meetings.

- Discuss with Hammock Dunes Owners Association the possibility of negotiating the well field property for the additional soil cost related to Varn Lake bank project.
 - Mr. Peugh has requested that the matter be brought up to the association's board.
- Install more cold patch in the depression in the roadway south of the Ocean Hammock golf course maintenance facility.
 - This has been done.
- Obtain a quote from Besch & Smith to permanently repair the depression in the roadway.

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- Mr. Peugh has requested the quote and will pass it on to the board once received.
- Discuss water conservation measures that master meter communities are implementing.
 - Mr. Ponitz reported that Bluetooth monitoring consumption is being utilized along with general conservation efforts.

B. Discussion of the Fiscal Year 2026 Budget

Mr. Peugh gave an overview of changes made since the last meeting including revising the General Fund assessment to \$135 per unit. He also informed the Board of beam and column repairs needed to the administrative office building. He is currently estimating the repairs to cost \$50,000. Mr. White questioned if there was another way to reconfigure the building to better spend that \$50,000. Mr. Ponitz stated that different options will be considered.

C. Consideration of 4-Way Stop Drain Cleaning Proposals

Proposals from Besch & Smith totaling \$33,088.36 and Atlantic Pipe Service totaling \$14,615 to clean the storm drains around the four-way stop property were presented to the Board for their consideration. This cost will be added to the 4-way stop project.

On MOTION by Mr. White seconded by Mr. DeGiovanni with all in favor the proposal from Atlantic Pipe Service totaling \$14,615 was approved.

D. Hurricane Milton Roadway Damage Report

A report from Kissinger Campo regarding deteriorating asphalt just south of the three lanes coming into Jungle Hut. During Hurricane Milton, it was discovered that lime rock was pumping through the asphalt. The options offered were to take no corrective action at this time, to mill and resurface the roadway for around \$330,000, or to cut about 1,000 feet of the roadway down and install an asphalt base and put the road back together for around \$1.3 million.

The Board's consensus was to take no corrective action at this time.

E. Acceptance of the Fiscal Year 2024 Audit Report

Mr. Peugh presented the audit report, noting there were no deficiencies found.

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On MOTION by Mr. Porter seconded by Mr. DeGovanni with all in favor the fiscal year 2024 audit report was accepted.

Discussion of Bridge Accident Mediation

Mr. Peugh stated that this item is related to a lawsuit brought forth by a bicyclist that allegedly hit a piece of concrete. The bicyclist has asked for \$300,000. A virtual mediation is scheduled for August 4, 2025. Mr. Chiumento recommended authorizing a board member to attend mediation and make a settlement offer in the amount of the Insurance Deductible on behalf of the Board.

On MOTION by Mr. White seconded by Mr. DeMatteis with all in favor authorizing Chairman Crahan to attend mediation and offer a settlement not to exceed \$25,000 on behalf of the District was approved.

Discussion of Bridge / Intersection

Mr. Peugh reported that the intersection project is underway, and the FPL boring is complete. The contractor has been using an access road to go to their lay-down yard under the bridge. The access road will need to be maintained going forward because at some point a signal will need to be installed and the contractor and engineer has recommended using that same access point when that project is undertaken.

Discussion on Stormwater Utility

The tax roll is being prepared for the stormwater assessments. Mr. Peugh stated that the county has not yet had any meetings to discuss any upcoming projects.

FIFTH ORDER OF BUSINESS

Staff Reports

Attorney

Mr. Chiumento reported that he is working on obtaining title to the lake on King Fisher that is owned by the association. He is also working with two contractors who are supposed to be working on the pumps and sand filters on issues with their liability limits as there are conditions under the purchase orders.

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F. Engineer - Report

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

Manager**G. Bridge Report**

Mr. Peugh reported the following data:

- Vehicle trips were increased slightly, and revenue was up 19% from June of 2024.
- There are almost 30,000 accounts.
- There are 17,090 web users.
- There were \$39,770 in credit card transactions.
- There were 344 new bridge pass accounts added.

Miscellaneous Items

Mr. Peugh reported that the current landscape vendor for the Parkway, which is Plantlife (formerly Affordable) is merging with The Lawn Enforcement Agency, so they will be submitting a contract for the District's counsel to review. Next, Mr. Peugh reported that the Hammock Beach Club was over capacity again. They have found a couple more leaks and are working to fix those.

H. Additional Budget Items Report

There being nothing to report for this month, the next item followed.

Discussion of Management / District Goals

Mr. Peugh presented a list of initiatives and goals for the bridge/roadway, office/admin, and utilities for the Board to review.

SIXTH ORDER OF BUSINESS**Supervisors' Requests and Audience Comments**

Mr. Crahan commented that he is concerned with the condition of the Live Oak trees going down the Parkway. Mr. Peugh stated that a contractor was supposed to be onsite the day of the meeting to inspect the trees.

Follow Up-Items

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1. **Mr. Crahan requested an updated schedule for the Hammock Dunes Parkway Intersection Widening Project.**
2. **Provide HD Parkway tree inspection findings and trimming schedule.**

SEVENTH ORDER OF BUSINESS

Financial Reports

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

Copies of the financial statements as of May 31, 2025 were included in the agenda package for the Board's review along with a copy of the check register totaling \$869,242.12.

On MOTION by Mr. DeGiovanni seconded by Mr. Porter with all in favor the check register was approved.


EIGHTH ORDER OF BUSINESS


Next Scheduled Meeting: August 8, 2025 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. DeGiovanni seconded by Mr. Porter with all in favor the meeting was adjourned.

Signed by:

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 Secretary/Assistant Secretary

Signed by:

80C40B74C66B437...
 Chairman/Vice Chairman