

MINUTES OF MEETING
DUNES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, August 8, 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	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
Brian Porter <i>by Zoom</i>	CDM Smith
Tom Schevtchuk <i>by Zoom</i>	CDM Smith
Richard Hamilton	Resident
Ralph Sanchez	Resident

The following is a summary of the discussions and actions taken at the August 8, 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. July 11, 2025 Meeting

Mr. White provided a correction, which will be incorporated into the final version of the minutes.

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On MOTION by Mr. DeGiovanni seconded by Mr. DeMatteis with all in favor the July 11, 2025 meeting minutes were approved as revised.

THIRD ORDER OF BUSINESS**Audience Comments**

There being none, the next item followed.

FOURTH ORDER OF BUSINESS**Public Hearing to Adopt the Budgets for Fiscal Year 2026****B. Fiscal Year 2026 Budget**

On MOTION by Mr. DeMatteis seconded by Mr. Porter with all in favor the public hearing to adopt the fiscal year 2026 budget was opened.

Mr. Peugh provided an overview of the General Fund budget, noting that the budget is substantially the same as what was previously approved, however two parcels were found to have been split near the Oasis development.

There being no comments from the members of the public, a motion to adopt the budget followed.

C. Consideration of Resolution 2025-04, Adopting the General Fund Budget for FY 2026

On MOTION by Mr. DeMatteis seconded by Mr. DeGiovanni with all in favor Resolution 2025-04, adopting the general fund budget was approved.

D. Consideration of Resolution 2025-05, Levying Assessments for FY 2026

Mr. Peugh noted that the non-ad valorem assessments are increasing to \$135 per unit.

Mr. Sanchez asked if the assessments are related to the sand.

Mr. Crahan responded that the dune sand replenishment is separate. The CDD is not a party to that project yet.

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On MOTION by Mr. DeGovanni seconded by Mr. White with all in favor Resolution 2025-05, levying assessments for fiscal year 2026 was approved.

E. Consideration of Resolution 2025-06, Adopting the Water & Sewer Fund Budget for FY 2026

On MOTION by Mr. DeMatteis seconded by Mr. Porter with all in favor Resolution 2025-06, adopting the water and sewer fund budget was approved.

F. Consideration of Resolution 2025-07, Adopting the Bridge Fund Budget for FY 2026

On MOTION by Mr. DeMatteis seconded by Mr. Porter with all in favor Resolution 2025-07, adopting the bridge fund budget was approved.

G. Consideration of Resolution 2025-08, Adopting the Stormwater Enterprise Fund Budget for FY 2026

On MOTION by Mr. DeGovanni seconded by Mr. Porter with all in favor Resolution 2025-08, adopting the stormwater fund budget was approved.

H. Consideration of Resolution 2025-09, Adopting the Section 125 Cafeteria Plan

Mr. Peugh stated that the Section 125 Cafeteria Plan allows for health insurance costs to be taken out pre-tax and placed into a health care fund.

On MOTION by Mr. DeMatteis seconded by Mr. DeGovanni with all in favor Resolution 2024-09, adopting the Section 125 cafeteria plan was approved.

On MOTION by Mr. DeGovanni seconded by Mr. White with all in favor the public hearing to adopt the fiscal year 2026 budgets was closed.

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FIFTH ORDER OF BUSINESS**Reports and Discussion Items****CDM Presentation of Rate Tiers**

Mr. Brian Porter stated that adjustments have been made to the projections to align the current forecast with where things were coming in for 2025, as well as with the proposed 2026 budget. One of the key items that changed is there is no borrowing assumed for 2026, however for 2027, it is still assumed that \$1,820,000 will be borrowed from the bridge fund. The result is the cash on hand will stay above 200 days through 2029 and above 130 days in 2030. With the rate adjustment, a small residential customer would see a rate increase of just under \$6. The rates are scheduled to be adopted at the September 12, 2025 meeting. Rate Adjustment Adoption was moved to the September Meeting due to new state advertising length requirements.

Old Business

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

- Mr. Crahan asked for an updated schedule for the intersection widening project.
 - Mr. Peugh stated that the current schedule anticipates completion on September 26th, however the contractor has asked for an extension as they are running about 30 days behind. Mr. Peugh also informed the Board that the contractor was asked to redo curbing as it was not done to standards.
 - Mr. Crahan asked Mr. Peugh to obtain written confirmation memorializing conversation with KCA regarding their agreement to participate in any cost claims that may occur as a result of delays associated with the FPL relocation activities.
 - The Board requested a discussion of whether to add traffic lights at the intersection be added to the agenda going forward.
- Provide the Hammock Dunes tree inspection findings.
 - This was provided to the Board.

Discussion of Stormwater Utility

The tax roll is being prepared for the stormwater assessments.

Discussion of Bridge Accident Mediation

Mr. Peugh informed the board that pre-mediation conference meeting has been postponed to October 27, 2025 and the mediation is scheduled for November 4, 2025.

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I. Discussion of Bridge / Intersection

Mr. Peugh provided an overview of the bridge inspection report prepared by Kissinger Campo, noting the bridge is maintaining an A- to a B+ rating. There is nothing that needs to be repaired immediately. An estimate on the items recommended in the report will be brought to the next meeting for the Board's review. Next, Mr. Peugh gave an overview of a report from Old City Tree regarding the condition of the trees along Hammock Dunes Parkway, noting the trees are in good condition currently. Next, Mr. Peugh stated that in a future meeting there will be a discussion on whether to enter into an agreement with FP&L for replacement and maintenance of the parkway lighting system.

SIXTH ORDER OF BUSINESS**Staff Reports****Attorney**

Mr. Chiumento reported that the Xylem contract terms and conditions review is complete, and he is working with Ocean Hammock on the conveyance of the pond parcel located easterly of Kingfisher Lane.

J. Engineer - Report

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

Manager**Bridge Report**

Mr. Peugh reported the following data:

- Vehicle trips were flat, and revenue was up 20% from July of 2024.
- There are 29,495 accounts.
- There are about 17,000 web users.
- There were \$40,406 in credit card transactions.
- There were 372 new bridge pass accounts added.
- There were 600 accounts closed for a total of \$8,698.06

Mr. DeMatteis stated that the bridge report shows a projection of \$2,666,000, however the budget is forecasting \$2,700,000. He recommends those numbers match.

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Mr. White suggesting tacking on the cost of the credit card fees to each transaction. Mr. Peugh stated that he would speak to E-Transit to see if that would require reprogramming the software.

Miscellaneous Items

Mr. Peugh reported that he is planning to issue a request for qualifications for general engineering services.

K. Additional Budget Items Report

The Hurricane Milton clean-up expenses has been reconciled, and it appears the District is eligible to have around \$30,000 reimbursed by FEMA. Around \$15,000 has been spent on cleaning up water damage from the RO skid break.

Discussion of Management / District Goals

There being no further comments on this topic, the next item followed.

SEVENTH ORDER OF BUSINESS

Supervisors' Requests and Audience Comments

There being none, the next item followed.

Follow Up-Items

1. **Mr. DeMatteis requested clarification on the health index in the bridge inspection report.**
2. **Mr. White inquired about cost and process for performing the safety-related items mentioned in the bridge inspection report such as striping and reflective pavement markers (rpm's).**
3. **Mr. White requested investigating the viability of adding credit card fees to the toll charges.**

EIGHTH ORDER OF BUSINESS

Financial Reports

- L. Balance Sheet & Income Statement**
- M. Assessment Receipts Schedule**
- N. Approval of Check Register**

Copies of the financial statements as of June 30, 2025 were included in the agenda package for the Board's review along with a copy of the check register totaling \$338,551.02.

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

Mr. Peugh left the meeting at this time and the Board discussed his evaluation.

NINTH ORDER OF BUSINESS

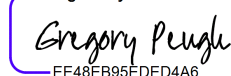
**Next Scheduled Meeting: September 12, 2025
at 9:30 a.m. at the Dunes Administrative
Office, 101 Jungle Hut Road, Palm Coast,
Florida**

TENTH ORDER OF BUSINESS

Adjournment

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

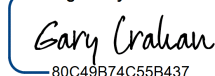
Signed by:



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Secretary/Assistant Secretary

Signed by:



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Chairman/Vice Chairman