MINUTES OF MEETING
DUNES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, September 12, 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
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
Michael Lumbra	District Bridge Manager
Krishna Cole *by Zoom*	CDM Smith
Brian Porter *by Zoom*	CDM Smith
Tom Schevtchuk *by Zoom*	CDM Smith
James Overton *by Zoom*	CDM Smith
Richard Hamilton	Resident

The following is a summary of the discussions and actions taken at the September 12, 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. August 8, 2025 Meeting

> On MOTION by Mr. DeGovanni seconded by Mr. DeMatteis with all in favor the August 8, 2025 meeting minutes were approved as presented.

THIRD ORDER OF BUSINESS **Audience Comments**

There being none, the next item followed.

FOURTH ORDER OF BUSINESS **Public Hearing to Adopt Amended Water / Wastewater / Reclaimed Rates**

CDM Presentation of Rates

On MOTION by Mr. DeGovanni seconded by Mr. DeMatteis with all in favor the public hearing to adopt amended water, wastewater and reclaimed rates was opened.

Mr. Porter noted that the only changes made after the last meeting was to the structure of the summary table based on feedback from the Board. Rows for capital spending and for capital financing were added to the table. It's assumed $1.8 million will be borrowed from the bridge fund in 2027 to fund capital projects, and $16 million will be borrowed in 2030. Tasks to work on during the next fiscal year are the comparison between master metered residential unit average reclaimed water bills and single family residential average reclaimed water bills and investigating why the golf course commodity rates were set to 50% of residential rates as well as how the golf course base rate was arrived at.

B. Consideration of Resolution 2025-10, Adopting the Amended Water, Wastewater, and Reclaimed Rates

On MOTION by Mr. DeGovanni seconded by Mr. DeMatteis with all in favor Resolution 2025-10, adopting the amended water, wastewater and reclaimed rates was approved.

On MOTION by Mr. DeGovanni seconded by Mr. Porter with all in favor the public hearing to adopt amended water, wastewater and reclaimed rates was closed.

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

C. Discussion of Storm Surge Memorandum

Mr. Overton gave an overview of a memorandum regarding the water surface elevations that occurred during Hurricane Matthew that was prepared in response to a question of what it would take to pump water out of the ponds in the case of an emergency. It was noted what caused the flooding during Hurricane Matthew is storm surge that overtopped certain areas of the dunes. There is potentially a bottleneck in the drainage system at A1A that could be evaluated.

Mr. Peugh added that the county is planning a meeting at Mala Compra to go over their future projects, so he will plan to attend that meeting. Mr. Hamilton added that the County Commission will be holding a meeting with the Northeast Florida Regional Council on September 15th that is supposed to cover multiple topics in Flagler County.

D. Consideration of Designating a Regular Meeting Schedule for Fiscal Year 2026

Mr. Peugh presented a proposed meeting schedule including monthly meetings on the second Friday at 9:30 a.m.

On MOTION by Mr. DeMatteis seconded by Mr. DeGovanni with all in favor the fiscal year 2026 meeting schedule was approved as presented.

E. Consideration of Adopting Goals and Objectives for Fiscal Year 2026

Mr. Peugh presented a proposed list of goals and objectives for the District to meet for fiscal year 2026.

Mr. Mossing added that Florida Statutes require special districts establish performance measures and standards and monitor to ensure they are met. The presented goals and objectives are things that districts do in the normal course of business to ensure compliance.

Mr. Ponitz suggested changing the verbiage of goal 2.2 as it is currently very broad. The consensus was to revise the objective to be an inspection of the above-ground infrastructure and related systems with subsurface investigation as-needed. Additionally, the reference to the Florida Statute requiring the performance measures will be added to the document and the final document will be posted to the District's website.

On MOTION by Mr. DeGovanni seconded by Mr. DeMatteis with all in favor the goals and objectives for fiscal year 2026 were approved as revised.

Old Business

F. Health Index Explanation

There was a question in a previous meeting regarding how the rating for the bridge is determined. Kissinger Campo explained that the health index is a ratio-based index that compares the current value of the bridge based on the condition of the bridge and the original value. KCA recommends using school grades.

G. Maintenance Recommendations

Mr. Peugh gave an overview of the safety-related maintenance recommendations from Kissinger Campo for the bridge. A quote has been requested from a contractor for the items in green, which are the lower cost improvements.

H. Credit Card Fees

Mr. Peugh stated that it was previously asked if the surcharge for use of credit cards in the toll booths can be passed on to the customer. It could be done, but Mr. Peugh cautioned there would be backlash from the customers. Mr. Lumbra added that the toll booth operators would be required to tell each customer using a credit card of the fee, which could slow the process down. The consensus of the Board was to not pursue adding these fees to the credit card charges.

Discussion of Stormwater Utility

The tax roll is being prepared for the stormwater assessments. Mr. Peugh informed the Board that the trim notices from the tax collector list a DCDD stormwater fee, which may cause confusion. A request will be made to have the tax collector clarify that the stormwater fee applies to those outside the District boundaries.

Discussion of Bridge Accident Mediation

Mr. Peugh informed the board that depositions will be taking place on September 22nd.

I. Discussion of Bridge / Intersection; Consideration of Quotes to Repair Hammock Dunes Parkway Pavement South of the Ocean Hammock Golf Course Maintenance Facility

Mr. Peugh presented two quotes for pavement repairs totaling $49,687.89 from Besch & Smith and $28,885 from Independent Site Services.

On MOTION by Mr. DeGovanni seconded by Mr. Porter with all in favor the proposal from Independent Site Services totaling $28,885 was approved.

Mr. Peugh reported that he had a meeting with Besch & Smith to express concern that they are behind schedule on the intersection project. Substantial completion is still expected by October 16th. If it's decided traffic signals are needed, the plans updates and preparation of bid advertisement will take two months to prepare. In addition, and as required statutorily, the advertisement will need to run at least 30 days in advance of when the bids are due. Pre-purchasing the mast arms can be done to reduce the project installation schedule. Incentives can be included for the contractor, but they would have to be substantial.

SIXTH ORDER OF BUSINESS Staff Reports

Attorney

Mr. Chiumento reported that the conveyance of the pond parcel located easterly of Kingfisher Lane is resolved. He and Mr. Peugh are working on easements with the HDOA for the potential traffic signal.

J. Engineer - Report

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

Manager

K. Bridge Report

Mr. Peugh reported the following data:

- Vehicle trips were flat, and revenue was up 25% from August of 2024.
- There are almost 30,000 accounts.
- There are 17,500 web users.

- There were $35,802 in credit card transactions.
- There were 335 new bridge pass accounts added.

Miscellaneous Items

Mr. Peugh relayed a request from the Ritz Carlton to put a sign up between their sales center and the bridge. The consensus was to decline the request. Next, Mr. Peugh and Mr. Crahan reported that they attended a county commission meeting regarding the dune restoration. At the end of the meeting, the commissioners voted to put the MSBU in place at $0 for this year, however it sounds like a discussion on introducing a sales tax increase will be discussed at a future meeting.

L. Additional Budget Items Report

The pavement repairs approved earlier in the meeting was added to the additional budget items report in the amount of $28,885.

SEVENTH ORDER OF BUSINESS Supervisors' Requests and Audience Comments

There being none, the next item followed.

Follow Up-Items

1. Board inquired about the method of notice to be provided to motorists and pedestrians for the new traffic pattern once the project is completed. Completed.
2. Mr. DeMatteis inquired about the paving sequence at the lanes and shoulder approaching the Bridge. Completed.
3. Mr. Porter inquired about the criteria as to when the traffic signal would be installed. Completed.
4. Board instructed staff to share surge memorandum with OHPOA and Flagler County. Completed.
5. Mr. DeMatteis inquired whether staff had prepared a revenue forecasting for the new 33 lot subdivision (Oasis). Completed.
6. Mr. Crahan requested that the Goals and Objectives be posted to the website when finalized. In Progress.

EIGHTH ORDER OF BUSINESS Financial Reports

M. Balance Sheet & Income Statement

N. Assessment Receipts Schedule

O. Approval of Check Register

Copies of the financial statements as of July 31, 2025 were included in the agenda package for the Board's review along with a copy of the check register totaling $771,576.50.

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

NINTH ORDER OF BUSINESS Next Scheduled Meeting: October 10, 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. Porter seconded by Mr. DeGovanni with all in favor the meeting was adjourned.

Signed by:
Gregory Peugh
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Secretary/Assistant Secretary

Signed by:
Gary Crahan
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Chairman/Vice Chairman