

MINUTES OF MEETING  
DUNES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, November 14, 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
Bill White	Assistant Secretary

Also present were:

Greg Peugh	District Manager
Darrin Mossing	District Representative
Michael Chiumento	District Counsel
Dave Ponitz	District Utilities Manager
Daniel Harvey	GMS
Mike Holzem	Raymond James
Carole Thomas	McKim & Creed

The following is a summary of the discussions and actions taken at the November 14, 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. October 10, 2025 Meeting**

On MOTION by Mr. DeGovanni seconded by Mr. DeMatteis with all in favor the October 10, 2025 meeting minutes were approved as presented.
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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****Discussion of Investments**

Mr. Holzem informed the Board that there are some CDs for the bridge accounts coming due around June or September of 2026. The current interest rates are 4 and 4.5%. The enhanced savings programs was paying 5% when it was first started and is currently down to 3.5%. There is a CD available around 3.65% for a year or two depending on how much cash the District needs to keep available.

The Board's consensus was to move \$3 million out of the enhanced savings account and to move \$2 million into a CD for one year and \$1 million into a CD for two years.

On MOTION by Mr. DeMatteis seconded by Mr. DeGiovanni with all in favor moving \$3 million out of the enhanced savings account and into CD accounts for one to two years was approved.

Mr. Holzem asked if the Board would like to do anything with the \$2.3 million water and sewer funds in the enhanced savings account.

Mr. Peugh recommended leaving the water and sewer funds in place.

Mr. Holzem stated that the stormwater funds are currently in a money market account, which is paying right at 4% interest.

Mr. Peugh recommended leaving the stormwater funds in place as it is an emergency account.

**B. Consideration of Proposals for a Reserve Study**

Mr. Peugh presented two proposals for preparation of a reserve study totaling \$88,648 and \$93,710 and noted this was not included in the current year budget. Ms. Thomas added that the linear assets would be included in the study should McKim & Creed be chosen.

Following a lengthy discussion, the Board's consensus was not to move forward with a reserve study at this time due to the high cost and the fact that the Board already recognizes the District does not have enough reserves and is adjusting the rates to increase the reserves. Mr. Crahan suggested the Board discuss whether to have a reserve study done again in five years. The

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Board decided to revisit annually any consideration for performing a Reserves Study. He also asked that both organizations be informed the Board is not moving forward with the proposals at this time.

**Old Business**

- Mr. Ponitz prepared and forwarded a response to 12 and 16 Kingfisher request for Board consideration of lake bank stabilization. No response was received.
- A temporary fence was installed on a portion of European Village parking located on District lands to block off the overflow parking.
  - The temporary fence placement is in progress. As there has been no communication from European Village representatives since October 1, 2025, a notice will be sent to the owners of the European Village by the District Attorney stating that if the full payment amount due is not paid and the license agreement not signed with proof of insurance provided, the fence will be extended to close off the parking entrances and EV is to find other entrances into their parking lot.
- An analysis of golf course usage was provided for consideration in changing rates in the future.
  - Ocean Hammock is 16% of the flow and they pay 6%; Hammock Dunes is 11% of flow and they pay 10%; Residential is 72% of flow and they pay 3%. District to consider rate modification considerations during FY 2027 rate discussions.
- Provide the Board with Annual Performance Measures & Standards report form.
  - This was completed.
- Mr. Chiumento was to provide transfer of ownership documents for the District operated water, sewer, and drainage systems serving the Oasis development.
  - This is still pending.
- Mr. Peugh was to provide information for temporary traffic signals for the four-way stop.
  - Mr. Peugh provided an update that a temporary traffic signal could be done in which the light would be flashing red for a few weeks, and then it would change to work just like a regular traffic signal.

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**Discussion of Stormwater Utility and Island Estates Drainage Pipe**

Mr. Peugh informed the Board that there is an easement between 21 and 23 Island Estates Parkway for a drainage pipe, originally proposed to run from the street to Foxcut. The catch basin was found in rear yard of 23 Island Estates and is buried almost two feet deep. The Board directed Mr. Peugh to uncover and raise the top of the catch basin to the existing grade of the surrounding lawn area at a cost of approximately \$5,000. A temporary easement will be obtained from the Property Owner.

**Discussion of Bridge Accident Mediation**

Mr. Peugh informed the board that the mediation occurred, however the matter was not settled. A shade meeting to allow the Board to discuss the case has been recommended.

On MOTION by Mr. Porter seconded by Mr. DeGiovanni with all in favor scheduling a shade meeting for December 12, 2025 at 9:30 a.m. at the Dunes Administrative Office was approved.

**Discussion of European Village**

This discussion occurred under the Old Business portion of the meeting.

**Discussion of Golf Tournament at Hammock Beach**

A senior tour golf event will be held at Hammock Beach for at least two years. A request may be made to install signage advertising the event on the Parkway. Mr. Peugh will request the Sheriff's Office be hired to direct traffic at the four-way stop during the event.

**Discussion of Bridge / Intersection**

The intersection project is substantially complete as of November 1<sup>st</sup>. The contractor has 45 days to final completion. Mr. Peugh stated that he is pleased with how well the intersection is working. Next, he informed the Board that KCA will be requesting additional Construction Engineering fees to be considered by the Board at a future meeting.

**Discussion of Parkway Tree Replacement**

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Mr. Peugh reminded the Board of a tree that was removed on the Parkway, which typically would have been replaced at a cost of around \$6,000 to \$9,000, however there seemed to be enough tree cover that it is not noticeable. Mr. Crahan concurred that it is not noticeable.

The Board's consensus was to not replace the tree for now.

**C. Acceptance of the Engagement Letter with Grau & Associates for the Fiscal Year 2025 Audit**

A copy of the engagement letter with Grau & Associates for the fiscal year 2025 audit was enclosed in the agenda package for the Board's review. The fee is \$20,500. Mr. Peugh noted the District is due to issue a request for proposals for audit services within the next year.

On MOTION by Mr. DeMatteis seconded by Mr. Porter with all in favor the fiscal year 2025 audit engagement letter was accepted.

**FIFTH ORDER OF BUSINESS**

**Staff Reports**

**Attorney**

Mr. Peugh reported that Southern States Management has requested the District pay for review of easements for the property needed for the conduit to connect the mast arms for the intersection. He is awaiting a cost estimate for the review.

Mr. Chiumento stated that a question was asked whether Senator Leek would consider giving funds to the District. He recommended if there is a specific ask, that it be asked now because they are planning their bills for the first of the year. They have indicated they are not going to get much money through the appropriations, but there are additional sources that can be used for resiliency projects.

**D. Engineer's Report**

A copy of the engineer's report was included in the agenda package for the Board's review. Mr. Ponitz reported that the lift station 13 rehab project in Island Estates is scheduled to begin the week of November 17.

**Manager**

**E. Bridge Report**

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Mr. Peugh reported the following data:

- Vehicle trips were up 9%, and revenue was up 21% from October of 2025.
- There are almost 30,000 accounts.
- There are 17,710 web users.
- There were \$31,172 in credit card transactions.
- There were 290 new bridge pass accounts added.

### **Miscellaneous Items**

Responses to the RFP for engineering services are due in December. Ritz Carlton has stopped paying their fee for availability, so the property has had a lien placed on it. Employee health insurance will be discussed at the next meeting.

### **F. Additional Budget Items Report**

The temporary fencing for the European Village was included in the additional budget items report in the amount of \$1,400. There appears to have been a petroleum spill at the first toll booth, which may require repair. Mr. Peugh estimates the repair may be expected to cost around \$28,000 based on previous repair cost on Hammock Dunes Parkway.

## **SIXTH ORDER OF BUSINESS**

### **Supervisors' Requests and Audience Comments**

Mr. Crahan stated that some of the landscaping employees are not wearing safety vests and asked the other Board and staff members to let Mr. Peugh know if they witness that occurring.

Mr. White requested an update on the Pump Station Emergency Numbers. Mr. Peugh stated that there is a sticker listing an after-hours phone number on the lift stations and a service is paid to answer any phone calls. As of October 1<sup>st</sup>, the phone number changed and the DCDD was not properly notified. A resident reported that she called the phone number, however District staff did not receive notifications of any issues. The system appears to be working now and new stickers are being made with the new phone number.

Mr. Crahan asked the other Board members to pay close attention as they cross the bridge and to report any issues with the road or light poles to Mr. Peugh.

### **Follow Up-Items**

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1. Mr. Chiumento to formally notice European Village that the DCDD will be installing permanent fence on our property and that EV will need to obtain alternate ingress/egress routes for their parking lot. Ongoing.
2. Mr. Ponitz to review Hammock Beach Circle Landscape Plan and Drainage Easement considerations. Alternate landscaping (crepe myrtles) in lieu of sabal palms acceptable for use by OH ARB and DCDD. Field review determined compliant with DCDD needs.
3. Mr. Peugh to notify both Reserve Study Proposers that the DCDD is not pursuing a Reserve Study at this time. Completed.

**SEVENTH ORDER OF BUSINESS****Financial Reports****G. Balance Sheet & Income Statement****H. Assessment Receipts Schedule****I. Approval of Check Register**

Copies of the financial statements as of September 30, 2025 were included in the agenda package for the Board's review along with a copy of the check register totaling \$701,298.60.

Mr. DeMatteis stated that there are some significant differences in the actuals and the projected budget for the rest of the fiscal year and the projections are being used for the budget for the upcoming fiscal year, so close attention needs to be paid when projections are being calculated.

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

**EIGHTH ORDER OF BUSINESS**

**Next Scheduled Meeting: December 12, 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. Crahan seconded by Mr. White with all in favor the meeting was adjourned.

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Secretary/Assistant Secretary

Signed by:  
  
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Chairman/Vice Chairman