

MINUTES OF MEETING
DUNES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, February 13, 2026, 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 DeGiovanni	Vice Chairman
Kevin Porter	Assistant Secretary
Bill White	Assistant Secretary
Rich DeMatteis	Treasurer

Also present were:

Greg Peugh	District Manager
Darrin Mossing	District Representative
Michael Chiumento	District Counsel
Dave Ponitz	District Utilities Manager
Daniel Harvey	GMS

The following is a summary of the discussions and actions taken at the February 13, 2026 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. January 9, 2026 Meeting

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

On MOTION by Mr. DeGiovanni seconded by Mr. DeMatteis with all in favor the January 9, 2026 meeting minutes were approved as presented.

THIRD ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

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FOURTH ORDER OF BUSINESS**Reports and Discussion Items****Old Business**

- Gary Crahan requested a preliminary schedule be prepared for the SunPass project.
 - Kisinger Campo & Associates (KCA) provided a tentative schedule and cost estimate for the project. The estimated timeline to completion is 25 months and it is estimated to cost \$6.7 million. The plan is to get past Bike Week and Spring Break prior to evaluating whether a traffic signal or the SunPass system is more appropriate. Mr. Peugh noted with the updated configuration, KCA's updated traffic evaluation indicated the intersection is not expected to fail until 2040. The Board requested Mr. Peugh obtain a proposal from KCA for the SunPass Project as quickly as possible.
- George DeGiovanni inquired about requesting additional Sheriff patrols on Hammock Dunes Parkway and Camino Del Mar intersection to monitor motorist's practice through the intersection.
 - The Sheriff's Office was asked to look at the intersection.
- Mr. Crahan requested that the Hammock Beach Club be made aware of the upcoming roadway repairs proposed along Hammock Dunes Parkway.
 - This was done.
- Mr. Crahan requested that the previous presentation of the Dunes CDD updates be placed on the District's website.
 - This was completed and the presentations are available on the Dunes CDD website under the Board Members & Staff heading.

Discussion of the Golf Tournament at Hammock Beach

Mr. Peugh reminded the Board the golf tournament will take place October 9th through the 11th. The county is holding monthly coordination meetings with the tournament committee and Mr. Peugh has been invited to attend the meetings.

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Discussion of Stormwater Utility

Mr. Peugh reported there have been some fishkills recently. They will be cleaned up as needed.

Discussion of Bridge Accident Mediation

Mr. Peugh reported the summary judgment hearing is scheduled for March 6th.

Discussion of Bridge / Intersection

Mr. Peugh reported there is one more light in the process of being installed.

Selection of Auditor Proposal Committee

Mr. Peugh informed the Board that the renewal period for the current audit firm is up, so the District will need to go through the request for proposals process. It was recommended the board members be selected as the audit committee.

On MOTION by Mr. DeMatteis seconded by Mr. DeGovanni with all in favor appointing the board members to serve as the audit committee was approved.

B. Discussion of Spanish Moss

Two board members previously asked if the Spanish moss is detrimental to the trees. An expert that was consulted said that the moss does not hurt the trees, and it only shows up in excessive quantities when a tree is dead or dying. There are two trees that appear to be dying. If they do not sprout this coming spring, it has been recommended to replace them. It is not recommended to remove the moss. Removing the moss from the entirety of the Parkway would cost around \$90,000. Removing the moss from just the two dying trees would cost \$500. Mr. Peugh will bring a price for fertilizing all the trees back to the Board at a future meeting.

The Board directed Mr. Peugh to fertilize and to have the Spanish moss removed from the two sick trees. Staff is to drive the parkway to see if they can identify any other sick trees.

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C. Road Repair Report – Hammock Dunes Parkway Near Hammock Beach Parkway

Mr. Peugh presented the road repair report, noting the subgrade and base appeared in good condition and there was no cavity noted. The contractor’s pavement repair was completed with no incident.

D. Consideration of Resolution 2026-01, Accepting Potable Water, Sanitary Sewer, and Storm Drainage Infrastructure from Oasis at Hammock Dunes II, LLC

Mr. Peugh reported that the District now has an easement agreement to access the pump station and all documents, including FDEP Water & Sewer clearances, have been signed off on, with exception of the easement that the HDOA has agreed to.

On MOTION by Mr. DeGiovanni seconded by Mr. Porter with all in favor Resolution 2026-01, accepting potable water, sanitary sewer, and storm drainage infrastructure from Oasis at Hammock Dunes II, LLC, was approved.

FIFTH ORDER OF BUSINESS

Staff Reports

Attorney

Mr. Peugh stated that Palm Coast is not paying the \$72,000 quarterly installments for the use of the Reclaimed Line as they are stating that the \$10 per quarter provision in the interlocal agreement states that amount is fixed, however the agreement also says Palm Coast will charge \$0.20 for every thousand gallons, and the District is currently being charged \$0.42. Mr. Peugh will propose negotiating an updated interlocal agreement with the city.

B. Engineer’s 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 up almost 1%, and revenue was up 1.35% from January of 2025.

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- There are 29,658 accounts.
- There are 18,040 web users.
- There were \$27,008 in credit card transactions.
- There were 328 new bridge pass accounts added.

G. Additional Budget Items Report

Included on the additional budget items report were the temporary fencing and permanent gates at the European Village totaling \$4,000 and \$11,650, a chlorine analyzer totaling \$11,000, and seals, motor, and spare motor for a transfer pump totaling \$15,500.

H. Ethics Training Information

The board members were provided with a memorandum that included options for completing the required ethics training.

Miscellaneous Items

Mr. Peugh reminded the board members Seats 1 and 5 are up for election this year. The qualifying period is June 8th through noon of June 12th.

Next, it was reported Mr. Peugh met with Heidi Petito who confirmed the next phase of the beach renourishment is north of Varn Park. Cleaning of the Mala Compra ditch is scheduled for between spring and summer of 2026.

Lastly, it was reported there is a Bike to the Beach event on March 14th in which the bridge will be used by the bikers. Mr. DeGovanni recommended asking the event to hire the Sheriff's Office to direct traffic during the event.

SIXTH ORDER OF BUSINESS

Supervisors' Requests and Audience Comments

Mr. Crahan requested a discussion of the European Village rate be added to the next agenda.

Mr. DeMatteis reported that the Ocean Hammock POA is reviewing their new owner orientation package and will try to insert something that makes owners aware of access easements to the ponds.

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Follow Up-Items

1. Mr. Crahan requested staff review arborist findings for HD Parkway tree conditions. Completed by Dave and Cory, no additional distressed trees were denoted.
2. Rates and Budget for FY 2027 – Schedule for Notice of Rule Development – 28 Days/ TBD?
3. Mr. Crahan requested evaluation of the rate for European Village License Agreement for current and future years.
4. Mr. DeMatteis requested seasonal adjustment for FY 2026 Toll Revenues projection as opposed to the current straight line method.
5. Mr. DeMatteis requested GMS review the accrual for the Intersection project that was paid this FY.

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 December 31, 2025 were included in the agenda package for the Board’s review along with a copy of the check register totaling \$1,241,742.07.

Mr. DeMatteis asked about the \$815,000 expense related to the intersection project showing up in the bridge account.

Mr. Peugh responded that it was budgeted for, however it was not completed last year as was planned, so the expense is bleeding over into this year’s financials.

Mr. DeMatteis asked if the balance of the contract will be accrued.

Mr. Mossing responded that he would look at it.

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

EIGHTH ORDER OF BUSINESS

Next Scheduled Meeting: March 13, 2026 at 9:30 a.m. at the Dunes Administrative Office, 101 Jungle Hut Road, Palm Coast, Florida

NINTH ORDER OF BUSINESS

Adjournment

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

Signed by:

Gregory Pugh

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Secretary/Assistant Secretary

Signed by:

Gary Cralan

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Chairman/Vice Chairman