

**MINUTES OF MEETING
DUNES COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, May 8, 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 DeGovanni	Vice Chairman
Kevin Porter	Assistant Secretary
Bill White	Assistant Secretary

Also present were:

Greg Peugh	District Manager
Darrin Mossing	District Representative
Dave Ponitz	District Utilities Manager
Daniel Harvey	GMS
Joe Schofield	Continuing Services Engineering Consultant

The following is a summary of the discussions and actions taken at the May 8, 2026 meeting.

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Minutes

A. Approval of the Minutes of the April 10, 2026 Meeting

Mr. Crahan provided corrections to the minutes, which will be included in the final version.

On MOTION by Mr. Crahan seconded by Mr. Porter with all in favor the April 10, 2026 meeting minutes were approved as revised.

Acceptance of the Audit Committee's Recommendation

Mr. Crahan asked that the audit firm be held to the statutory requirement to submit the audit report to the Auditor General by June 30, 2027.

May 8, 2026

Dunes CDD

On MOTION by Mr. DeGiovanni seconded by Mr. White with all in favor accepting the audit committee’s recommendation to rank Grau & Associates #1 and McIntosh CPA #2 was approved.

THIRD ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

FOURTH ORDER OF BUSINESS

Reports and Discussion Items

B. Consideration of Resolution 2026-03, Approving the Proposed Budget for Fiscal Year 2027 and Setting a Public Hearing Date

The proposed budget for fiscal year 2027 was presented to the Board for their review. Mr. Peugh recommended keeping the consumption tier ranges for each of the golf courses the same based on his review of the extensive research done in 2002 when the rates were initially set. The rates will be increased as appropriate.

On MOTION by Mr. DeGiovanni seconded by Mr. Porter with all in favor Resolution 2026-03, approving the proposed budget and setting a public hearing for August 14, 2026 at 9:30 a.m. was approved.

Old Business

- The board questioned whether the grant funds were included in the budget under non-operating revenue.
 - The non-operating revenue only includes a transfer of surplus funds.
 - Grant funds are separate line item.
- The board inquired about the need for pursuing a line of credit for short-term monetary needs.
 - Mr. Mossing contacted Regions Bank and was advised the fee for a \$1 million line of credit would be around \$10,000.
 - The Board felt it best to pursue a line of credit when it is actually needed due to the cost of keeping a line of credit open.

Discussion of the Golf Tournament at Hammock Beach

There being no new updates on the golf tournament, the next item followed.

May 8, 2026

Dunes CDD

Discussion of Stormwater Utility

Mr. Peugh stated that he is continuing to work on the stormwater roll that will be submitted to the county along with the final budget.

Mr. Crahan asked if there is a preventative maintenance plan.

Mr. Peugh responded that documents are being put together to bid out services to identify and inspect the entirety of the stormwater system to determine and prioritize its needs.

Discussion of Bridge Accident Mediation

Mr. Peugh reported that the bridge accident case has been settled for a sum of \$65,000. The District owes \$25,000 of that amount, which is the insurance policy deductible.

Discussion of Bridge / Intersection

Mr. Peugh stated that the SunPass kickoff meeting had just occurred.

Next, Mr. Peugh reported the property next to the Toll Facility (the old tennis courts) has been sold.

FIFTH ORDER OF BUSINESS

Staff Reports

Attorney

There being no report, the next item followed.

E. Engineer's Report

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

Manager

F. Bridge Report

Mr. Peugh reported the following data:

- Vehicle trips were down 1.54%, and revenue was down 1.34% from April of 2025.
- There are 29,818 accounts.
- There are 18,650 web users.
- There were \$38,884 in credit card transactions.

May 8, 2026

Dunes CDD

- There were 393 new bridge pass accounts added.

Miscellaneous Items

Mr. Peugh reported that there were 30 residential over capacity letters sent out; 18 were rescinded, one has paid, two have been suspended until more data is provided, and eight are outstanding.

Next, Mr. Peugh stated that the trees along Hammock Dunes Parkway have been fertilized. Mr. Crahan stated that they still do not look good. Mr. Peugh will have them looked at again.

Next, Mr. Peugh reported that Palm Coast has not paid the \$72,000 owed for renting use of the pipe, so he has deducted that amount from what the District pays to Palm Coast. Palm Coast has asked if the District would prefer to pay a reduced rate. There was no interest amongst the board.

Next, Mr. Peugh reported a request was made to the city to investigate the timing of the Palm Harbor traffic light.

Lastly, Mr. Peugh informed the Board that the European Village has submitted the required proof of insurance and it is valid for 1 year.

D. Additional Budget Items Report

Included on the additional budget items report were a new motor and pump bowl for Well 4 totaling \$49,370, two prominent chemical pumps totaling \$7,294.52, two Rosemount flow meters totaling \$12,240, the La Costa reclaim main repair totaling \$3,500, and office plant replacements that died due to the freeze totaling \$4,983.60.

E. Report on the Numbers of Registered Voters

Mr. Peugh informed the Board there are 2,880 registered voters reported to be residing within the District's boundaries.

Reminder of Upcoming General Election

The qualifying period for the seats up for election in November is June 8th through June 12th.

May 8, 2026

Dunes CDD

SIXTH ORDER OF BUSINESS

Supervisors' Requests and Audience Comments

There being none, the next item followed.

Follow Up-Items

1. **The Grau auditing letter of understanding is to include a clause stating that the audit will be submitted by the statutory deadline. This was completed.**
2. **The next version of the preliminary budget is to include what various percent increases in salaries equate to in total dollars. This is in the draft budget.**
3. **Two trees south of the Discovery Gate need to be examined for health. A report from Old City Tree is included in the Board packet.**
4. **Staff is to pursue obtaining a backup well site from the County. The County has been contacted and the process is ongoing.**

SEVENTH ORDER OF BUSINESS

Financial Reports

- F. Balance Sheet & Income Statement**
- G. Assessment Receipts Schedule**
- H. Approval of Check Register**

Copies of the financial statements as of March 31, 2026 were included in the agenda package for the Board's review along with a copy of the check register totaling \$556,494.67.

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: June 12, 2026 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. White with all in favor the meeting was adjourned.

May 8, 2026

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Signed by:

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Secretary/Assistant Secretary

Signed by:

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Chairman/Vice Chairman