MINUTES OF MEETING
DUNES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, July 10, 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
Richard DeMatteis *by Zoom*	Treasurer

Also present were:

Greg Peugh	District Manager
Darrin Mossing	District Representative
Michael Chiumento	District Counsel
James Overton	District Utilities Manager
Ken Mazzio	Resident

The following is a summary of the discussions and actions taken at the July 10, 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 June 12, 2026 Meeting

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

> On MOTION by Mr. White seconded by Mr. DeGovanni with all in favor the June 12, 2026 meeting minutes were approved as revised.

THIRD ORDER OF BUSINESS **Audience Comments**

There being no comments, the next item followed.

FOURTH ORDER OF BUSINESS Reports and Discussion Items

Old Business

- Mr. Chiumento was to prepare a formal resolution documenting the borrowing from the bridge fund for the water and sewer capital project.
  - This was done and will be discussed later in the meeting.
- Review the fiscal year 2027 budget calculations including actuals versus budgeted expenditures, FICA calculations, and reconciliation of the water and sewer fund, beginning and ending balances and report any corrections or explanations to the board.
  - This is ongoing and will be discussed later in the meeting.
- Evaluate reapplication for FEMA funding related to the Hammock Dunes Parkway pavement rehabilitation.
  - FEMA was contacted several times and there has been no response. Mr. Porter recommended keeping a trail of correspondence attempts.
- Review Tournament requested golf tournament signage once examples are submitted and determine whether board approval is appropriate.
  - No examples have been submitted to date.
- Mr. Crahan requested staff send certified letter to the four remaining over capacity property owners who have not responded.
  - This was done. Only one responded, so the water for the remaining three will be shut off.
- Mr. Chiumento was to prepare a response letter to the homeowner at 501 Grenada Drive regarding retaining wall erosion claim.
  - This was done. The homeowner has indicated they will be repairing the wall. Mr. Chiumento noted if the District's property will be used during the repairs, a license agreement and proof of insurance would be necessary.

Consideration of Setting a Public Hearing to Adopt Revised Water, Sewer & Wastewater Rates

Mr. Peugh asked to set the public hearing for August 14, 2026 at 9:30 a.m.

On MOTION by Mr. DeGovanni seconded by Mr. Porter with all in favor setting a public hearing for August 14, 2026 at 9:30 a.m. to adopt revised water, sewer and wastewater rates was approved.

Discussion of Bridge / SunPass / Roadways

Mr. Peugh informed the Board that a discussion was had with the Florida Turnpike Enterprise about the All-Electronic Tolling (AET) project in which several questions were answered as to how the system works. FDOT was asked to sign a memorandum of understanding; they were unwilling to do so. A contract would be signed with Florida Transportation Enterprise once the project is bid and a bid is accepted. Mr. Peugh is awaiting specific pricing. A meeting is scheduled for October that should provide more information to the Board.

Mr. Peugh reported that two maintenance of traffic (MOT) alternatives are currently being evaluated for the AET project: (1) construction of a temporary travel lane west of the toll facility to maintain traffic during construction, or (2) temporary closure of the bridge with traffic detoured to alternate routes.

Mr. White requested that nighttime bridge closures continue to be evaluated during the preliminary design phase. He also encouraged pursuing funding opportunities for the AET project, noting that Representative Greco identified the project as a potential funding candidate and that an upcoming visit by U.S. Representative Fine could provide an opportunity to discuss funding.

Next, Mr. Peugh stated that the striping through the new intersection would be redone as it is not as reflective as it should be. The community will be informed as the work will cause lane closures. Mr. Crahan added that the arrows in the east-bound lane are not straight. The consensus of the Board was that correcting the arrows would cause more damage.

Discussion of the Golf Tournament at Hammock Beach

Mr. Peugh reported that that Daytona State College will be providing the majority of the offsite parking for the golf tournament.

Discussion of Stormwater Utility

Mr. Peugh reported that MalaCompra ditch cleaning project continues, and the Western most of the District's outfalls was cleaned out by the County during the process.

Mr. White stated that the County has indicated they cannot clean the portion that runs through the golf course's property. Mr. Peugh responded that he would discuss it with the golf course.

Next, Mr. Peugh provided a brief overview of the County's MalaCompra Drainage Project for those not in attendance at the June 23 presentation, noting that the project includes lowering and upsizing the primary drainage pipe beneath A1A. A letter from the Board supporting the County's project will be sent. Mr. White provided a statement to Mr. Peugh that could be provided to the County in support of the project.

Discussion of Borrowing from the Bridge Fund for the Water / Sewer Fund

A resolution to transfer $1.82 million from the water / sewer fund into the bridge fund at a term of 20 years and 1.69% interest rate was presented to the board for their approval.

Mr. DeMatteis suggested clarifying that the interest rate is based on the State Revolving Fund (SRF) interest rate.

On MOTION by Mr. DeGovanni seconded by Mr. Porter with all in favor Resolution 2026-04, approving an interfund loan, was approved as revised.

B. Discussion of MalaCompra Drainage Project Support

This item was discussed under the discussion of the stormwater utility.

C. Acceptance of the Fiscal Year 2025 Audit Report

A copy of the audit report was included in the agenda package for the Board's review. It was noted there were no negative findings to report.

Mr. Crahan requested the audit report be done prior to June 1st in the future so the Board can accept the audit report priorto the deadline to submit the report to the State.

> On MOTION by Mr. DeGovanni seconded by Mr. Porter with all in favor the fiscal year 2025 audit report was accepted.

D. Discussion of the Fiscal Year 2027 Budget

Mr. Peugh presented an updated budget, noting the changes include increasing employee health insurance by $26,000 to account for the new employees that were approved. Additionally, the water and sewer fund balance calculations were adjusted to match the other budgets and the pension amounts will be reduced to match the actuals. The FICA expenses are still under review. Lastly, Mr. Peugh went over the planned capital improvement projects for fiscal year 2027 totaling just under $2.4 million.

FIFTH ORDER OF BUSINESS Staff Reports

Attorney

There being nothing further to 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.

The Board asked that they be briefed on the plan for inspecting the stormwater system at the next meeting.

Manager

F. Bridge Report

Mr. Peugh reported the following data:

- Vehicle trips were up 1.26%, and revenue was flat from May of 2025.
- There are 30,060 accounts.
- There are 19,080 web users.
- There were $43,604 in credit card transactions.
- There were 405 new bridge pass accounts added.
- There were 681 accounts were closed with a total balance of $9,225.80.

G. Additional Budget Items Report

Added to the additional budget items report was cleaning of the storm drains for a total of $17,798.35.

Reminder of Upcoming General Election

Mr. Peugh stated that Mr. Porter and Mr. DeGovanni would remain in their seats as they ran unopposed.

SIXTH ORDER OF BUSINESS Supervisors' Requests and Audience Comments

There being none, the next item followed.

Follow Up-Items

1. **Mr. Peugh to continue reviewing budget calculations, including FICA expenses, fund balance reconciliations, and any remaining adjustments prior to budget adoption.**
2. **Mr. Overton to continue documenting all correspondence attempts with FEMA regarding the Hammock Dunes Parkway pavement rehabilitation funding request.**
3. **Mr. Peugh to inquire about state and federal funding opportunities for the AET project.**
4. **Mr. Peugh to reach out to Ocean Hammock Golf Course for maintenance of the County drainage ditch located on golf course property.**
5. **Mr. Peugh to incorporate Mr. White's statement and send District's letter of support for the County's MalaCompra Drainage Project.**
6. **Mr. Overton to meet with Mr. Brill and present the proposed stormwater system inspection and cleaning plan, including a phased implementation strategy, at the next Board meeting.**

SEVENTH ORDER OF BUSINESS Financial Reports

H. Balance Sheet & Income Statement

I. Assessment Receipts Schedule

J. Approval of Check Register

Copies of the financial statements as of May 31, 2026 were included in the agenda package for the Board's review along with a copy of the check register totaling $301,069.43.

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

EIGHTH ORDER OF BUSINESS **Next Scheduled Meeting: August 14, 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. DeGovanni seconded by Mr. Porter 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