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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 11, 2026, at 9:30 a.m. at the Dunes Administrative Office, 101 Jungle Hut Road, Palm Coast, Florida.

Present and constituting a quorum were:

George DeGovanni	Vice Chairman
Kevin Porter	Assistant Secretary
Bill White *by Zoom*	Assistant Secretary
Richard DeMatteis	Treasurer

Also present were:

Greg Peugh	District Manager
Daniel Harvey	District Representative
Darrin Mossing *by Zoom*	District Representative
Michael Chiumento *by Zoom*	District Counsel
James Overton	District Utilities Manager

The following is a summary of the discussions and actions taken at the September 11, 2026 meeting.

FIRST ORDER OF BUSINESS **Roll Call**

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

SECOND ORDER OF BUSINESS **Minutes**

A. Approval of the Minutes of the August 14, 2026 Meeting

There being no comments on the minutes, a motion followed.

> On MOTION by Mr. DeMatteis seconded by Mr. Porter with all in favor the August 14, 2026 meeting minutes were approved as presented.

THIRD ORDER OF BUSINESS **Audience Comments**

There being no comments, the next item followed.

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FOURTH ORDER OF BUSINESS Reports and Discussion Items

Old Business

- Mr. Peugh and Mr. Overton were to prepare a comparison of the current and projected Dunes utility rates and the City of Palm Coast rates.
    - This was done and sent to the Board members by email. The results showed the Dunes rates were significantly lower than Palm Coast's and Flagler Beach's rates.
- Mr. Peugh to follow up with ADP regarding whether additional measures are recommended to protect or assist employees in the event of an audit related to the unpaid FICA 457B taxes.
    - ADP has seen other companies offer reimbursement up to a certain threshold and the employees would be required to provide receipt of costs of re-filing their taxes.
    - Mr. Peugh is to consult with his tax accountant to see how much refiling his tax statement would cost.
- Mr. Peugh and Mr. Overton to meet with the representative of Ocean Hammock golf course to discuss the amended utility rates and maintenance of the county drainage ditch located on the golf course property.
    - The rates have been sent to both golf courses and meetings have been requested.
- District staff and District counsel to finalize the temporary construction easement and license agreement for the retaining wall repair on 501 Grenada.
    - The documents need to be finalized and permits need to be in place with St. Johns River Water Management District.
- McKim & Creed to complete the cybersecurity review and identify any additional measures needed to secure the District's water system.
    - The schematics have been provided to McKim & Creed and are under review.

Discussion of AT&T Fiber on Camino Del Mar

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Mr. Peugh informed the Board that AT&T is looking into install fiber down the south side of Camino Del Mar off of A1A if there is not existing conduit. They have indicated they would not install the fiber if they would be required to pay an annual license fee, however they are open to discussing a one-time fee. Mr. Day, AT&T Network Engineer, attended the meeting and noted that AT&T was investigating if the existing conduits on Camino Del Mar had additional capacity for the new fiber.

This item will be added to the next agenda to discuss the fee further.

Discussion of Bridge / SunPass / Roadways

Mr. Peugh reported that KCA is still working on the design for the All-Electronic Toll (AET) System for the presentation at the October Board meeting.

Discussion of Golf Course Tournament at Hammock Beach (October 9-11, 2026)

The golf tournament has requested additional signage to be installed on the light poles, which was presented to the Board for their review. The tournament will pay for the banners to be installed and removed. Additionally, they have indicated they would like to put a variable message board up, as well as smaller signs along Hammock Dunes Parkway. Mr. Chiumento recommended that the Tournament provide an agreement outlining responsibility for the installation and removal of the signs, including provisions to address any resulting damages.

There were no objections from the board members.

Discussion of Stormwater Utility

Mr. Peugh relayed a resident's concerns regarding the appearance and water quality of Lake San Gabriel and noted that the resident may attend the next Board meeting to discuss the matter further.

Mr. DeMatteis recommended providing the community with information regarding the seasonal causes of fish kills and evaluating options to improve response time and corrective actions when such events occur.

B. Consideration of Designating a Regular Meeting Schedule for Fiscal Year 2027

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A proposed meeting schedule including meetings on the second Friday of each month, with the exception of October, which is proposed for the third Friday due to the conflict with the golf tournament.

> On MOTION by Mr. DeGovanni seconded by Mr. Porter with all in favor the fiscal year 2027 meeting schedule was approved as presented.

C. Consideration of Adopting Goals and Objectives for Fiscal Year 2027

Proposed goals and objectives were presented to the Board for their review. The goals and objectives are largely compliance based as they are a requirement of the State. The goals and objectives are consistent with what was approved the previous year.

> On MOTION by Mr. DeMatteis seconded by Mr. Porter with all in favor the goals and objectives for fiscal year 2027 were approved as presented.

Discussion of Cybersecurity

Mr. Peugh reported that several municipalities in different states have had cyber-attacks on their water plants. The District has a cybersecurity plan in place and it gets updated every five years as part of the Emergency Response Plan that is submitted to the Environmental Protection Agency (EPA). McKim & Creed (District Consultant) is looking at if there is anything else that the District needs to do to keep the system secure. MPower (District IT consultant) is assisting by providing system architecture schematics to McKim & Creed.

FIFTH ORDER OF BUSINESS Staff Reports

Attorney

There being nothing further to report, the next item followed.

D. Engineer's Report

A copy of the engineer's report was included in the agenda package for the Board's review. Mr. Overton reported two proposals for landscape and irrigation maintenance services are under review by staff and will be presented to the Board at the next meeting.

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Mr. DeMatteis asked about improving the landscaping at the northwest corner of the intersection.

The landscaping improvement will be discussed further at a future meeting.

Manager

E. Bridge Report

Mr. Peugh reported the following data:

- Vehicle trips were down 1.14%, and revenue was down 2.57% from August of 2026.
- There are 30,346 accounts.
- There are 19,350 web users.
- There were $36,568 in credit card transactions.
- There were 363 new bridge pass accounts added.

Next, Mr. Peugh reported a ring and manhole cover needs to be replaced at the entrance to Northshore Estates and the replacement will take three to four weeks for shipment.

Additionally, it was reported there were multiple mechanical failures of a diesel pump, variable frequency drive and SCADA programming that led to a pressure drop in the water distribution system.

Lastly, Mr. Peugh provided the board members with the ending unrestricted fund balances for fiscal years 21-26 as requested by Mr. Crahan.

F. Additional Budget Items Report

Added to the additional budget items report were the costs to repair the damage done by the FDOT subcontractor for a new total of $134,354.26, flow meter replacements for a total of $5,365, PLC module and CPU replacements due to lighting strikes and dirty power totaling $4,928, and roll up door beam replacements for the RO building totaling $18,284.40

SIXTH ORDER OF BUSINESS Supervisors' Requests

Mr. DeMatteis questioned if there is a policy in place for how much PTO employees can roll over and if that policy should be updated.

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Mr. Peugh responded that 480 hours is the maximum that can be carried to the next fiscal year. Anything over that will be paid out. It was not excessive when compared to other employers.

Mr. DeMatteis stated that the allocation of expenses needs to be improved so that they are showing the monthly expense rather than a lump sum.

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 July 31, 2026 were included in the agenda package for the Board's review along with a copy of the check register totaling $778,868.68.

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

Follow Up-Items

1. **Mr. Overton to finalize 501 Granada Drive temporary construction easement/license agreement once permits are obtained and provided.**
2. **DCDD staff to complete McKim & Creed cybersecurity review and identify any additional measures recommended to secure the District's water system.**
3. **Mr. Peugh to add AT&T Camino Del Mar fiber/license fee discussion on the October agenda. Completed**
4. **DCDD staff and counsel to obtain County agreement regarding tournament signage installation, removal, and damages. Completed and Signed.**
5. **DCDD staff to reach out to Future Horizons (DCDD Stormwater Pond Contractor) regarding preventative measures and response procedures for seasonal fish kills. Awaiting Fish Removal quote.**
6. **DCDD staff to evaluate landscaping improvements at the northwest corner of the intersection for discussion at a future Board meeting.**

TENTH ORDER OF BUSINESS Next Scheduled Meeting: October 16, 2026 at 9:30 a.m. at the Dunes Administrative Office, 101 Jungle Hut Road, Palm Coast, Florida

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ELEVENTH ORDER OF BUSINESS **Adjournment**

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

Signed by:
Gregory Peugh
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Secretary/Assistant Secretary

Signed by:
Gary Graham
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Chairman/Vice Chairman