

PADRE ISLES PROPERTY OWNERS' ASSOCIATION, INC.

BOARD OF DIRECTORS' MEETING

TUESDAY, JUNE 23, 2026

1. Call to Order: 5:30 P.M.
2. Pledge of Allegiance
3. Board Members' Present: George Reed, Drew Diggins, Natasha Muse, Terry Brown, Ross Garcia, Jim McFadden, Randy Eaton.

Motion: Randy Eaton: Approve the minutes for May 26, 2026		
Second: Terry Brown		
Aye: George Reed, Drew Diggins, Jim McFadden, Natasha Muse, Ross Garcia	Nay: 0	Abstain: 0

1. President's Comments:
 - a. Box culverts on Encantada remain the Board's top infrastructure priority.
 - b. The Board reviewed the survey results related to the potential removal of the sand berm.
 - c. The water velocity reduction measures and the results of the various mitigation options were discussed.
 - d. It was emphasized that the long-term solution is the installation of a flood gate to properly manage water flow and protect the canal system.
 - e. While the flood gate remains the ultimate objective, the Board agreed that implementing effective short-term solutions is critical to reducing risk and protecting the canals until the permanent solution can be completed.
4. Presentations:
 - f. Bulkhead Report:
 - i. Installed 75 linear feet of TruLine.
 - ii. Repaired 179 linear feet of cap.
 - iii. Repaired 13 wash outs / foam repairs.
 - iv. Most of the TruLine material currently being installed is the 24-inch profile.
 - v. The Board noted that the project is now utilizing a new vendor for the installation of the TruLine material.
 - vi. The transition to the new installation vendor is expected to improve the efficiency and quality of the installation process as work continues.
 - g. ACC Report:
 - i. The ACC currently has 1 new application and 6 pending applications under review.

- ii. Year-to-date, 50 applications have been approved, compared to 70 applications approved during the same period last year.
 - iii. The average application review time was 12 days in May 2026 and 16.7 days in June 2026.
 - iv. In addition to reviewing applications, the ACC conducted two construction site inspections and one committee site visit with property owners and contractors to review project progress and ensure compliance with community standards.
- h. Executive Director's Report:
 - i. 3 boats removed from the canals this month.
 - ii. Billish Park shade structure replacement in-work.
 - iii. POA will add a "Little Library" out front of the building — donated.
 - iv. Well Project – System Online.
 - v. Fixing and repairing sprinkler heads in progress.
 - vi. Art contest results by the end of June.
 - vii. Canal flow controls — moved to executive session.

5. Treasurer's Report:

- i. Accounting basis: The accounting basis adopted by the Padre Isles Property Owners Association is a Modified Cash basis. Revenues and expenses are generally recorded as incurred.
- j. Accounts Receivable and Delinquent Accounts: Analysis in progress ... to be included in final report.
- k. Summary of Financial Operations for the Fiscal Year to Date, Operating Period as of May 31: Analysis in progress ... to be included in final report.
- l. American Bank Activity through May 31: Our American Bank primary account balance as of May 31 was \$483,483. This includes \$205,771 in deposits; these deposits represent approximately 10% of our expected annual revenue. Essentially, we collected most of our fiscal year's revenue in the first quarter. Accordingly, we utilize these early collections to fund our operations throughout the entire fiscal year. During May, we also expended \$249,221 in operating expenses, the majority of which was for canal bulkhead repair and upgrade. During the fourth quarter, when CAM fee collections are essentially maximized, we should expect to draw on our investment account earnings, as noted in the Investment Accounts summary below. Accordingly, given our operating account's positive month-end balances since January, the Treasurer proposed transferring at least \$150,000 into our Herndon Plant Oakley investment account.
- m. Investment Accounts through May 31: The May Herndon Plant Oakley investment statement reflects a total portfolio value of \$14,696,988 as of 5/31, vs. a prior-month value of \$14,530,682 — an overall increase of \$166,306 (including \$66,702 in estimated accrued interest and \$36,492 in market value increase). Net annualized investment income for the 12-month period ending 5/31/26 is \$518,135 (3.5%).
- n. Financial Overview: Approximately 25% of budgeted income intended for operations comes from investment portfolio interest income. Every effort should be made to avoid using investment principles for general operations.

6. Next Meeting: July 28, 2026, at 5:30 P.M.

7. Executive Session

Motion: Jim McFadden: Enter Executive Session		
Second: Ross Garcia		
Aye: Drew Diggins, George Reed, Natasha Muse, Randy Eaton, Terry Brown	Nay: 0	Abstain: 0

Motion: Terry Brown: Recess Executive Session		
Second: Randy Eaton		
Aye: Drew Diggins, George Reed, Ross Garcia, Jim McFadden, Randy Eaton, Natasha Muse	Nay: 0	Abstain: 0

Motion: Terry Brown: Adjourn the meeting		
Second: Jim McFadden		
Aye: George Reed, Ross Garcia, Randy Eaton, Natasha Muse, Drew Diggins	Nay: 0	Abstain: 0

Meeting adjourned.