

PADRE ISLES PROPERTY OWNERS' ASSOCIATION, INC.

BOARD OF DIRECTORS' MEETING

TUESDAY, MAY 26, 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 (on call)

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

4. President's Comments:
 - Current reports indicate that accounts receivable have improved, showing stronger payment activity and better overall collection trends.
 - The Association now has four new Board members, each beginning a three-year term. This change has created membership-tracking and administrative challenges, particularly regarding term alignment. The Board discussed the need for new ideas and improved systems to streamline membership management, ensure accurate records, and support long-term continuity.
 - The box culverts on Encantada remain in the study and evaluation stage with the City. The Board is currently awaiting the next scheduled meeting with City representatives to review engineering updates, timelines, and next steps.
5. Presentations:
 - Bulkhead Report:
 - Since Tropical Storm Alberto, the Association has completed 920 linear feet of bulkhead replacement across priority areas.
 - Crews are currently working on an additional 122 linear feet, with progress continuing as weather and access allow.
 - A further 180 linear feet is scheduled to begin soon, pending final staging and coordination with affected property owners. Ongoing bulkhead work remains essential to protecting the Island's infrastructure, especially following the loss of natural berm protection and increased water impact on canal systems.
 - Crews are installing 24-foot Truline material in locations requiring deeper structural reinforcement and 14-foot Truline material in areas

with shallower conditions. Material length is selected based on site-specific depth, soil stability, and canal conditions to ensure long-term durability and proper bulkhead performance.

- The Association is actively building a strong, skilled construction team with specialized knowledge in proper Truline installation.

- ACC Report:

- Most ACC Committee members are new, but the transition has been smooth thanks to the new system that allows faster access to bylaws, regulations, and supporting documents. This has significantly improved efficiency in reviewing applications and ensuring compliance.
- Application Activity: 16 applications received; 6 applications currently pending.
- The committee identified the need to update certain policies to help accelerate the approval process. Proposed improvements include: streamlining internal procedures to ensure applications move at a faster pace; revising policies on how meetings are conducted, including structure, timelines, and documentation standards; and updating guidelines on how information is processed, recorded, and communicated to applicants and the Board.

- Executive Director's Report:

- Staff Realignment: Discussion regarding staff realignment will take place during Executive Session.
- Wells Project: The wells project remains in progress, with coordination and planning continuing as scheduled. The crew is actively working on the irrigation control system to ensure the park's irrigation operates properly and consistently. This includes troubleshooting control panels, adjusting timers, and verifying that all zones function as intended. Work is ongoing to repair and replace damaged sprinkler heads.
- Art Contest: Results of the community Art Contest are expected to be finalized and announced by the end of June. The Kris & Jacob Daniels Report aired. GoFundMe fully funded painting supplies.
- Flow Controls beyond the Sam Dam: Request for budgetary estimate released to 3 contractors. Geotextile Marine Bags for immediate deployment; Velocity Control Gate options in review for permanent control at potentially 2 locations.

6. Treasurer's Report:

- Accounting basis: Modified Cash basis. Revenues and expenses are generally recorded as incurred.

- Accounts Receivable and Delinquent Accounts: The May delinquent balance is \$513,052 compared to the prior period balance of \$538,467, a reduction of \$25,415 (4.7%). A six-month comparative overview from October 2025 through April 2026 reveals a total reduction of \$114,747 (18.2%).
 - The Treasurer recommended enhancing the current Maintenance Fee Collection Policy to streamline the collection process, and further recommended that unresponsive POA members be turned over to a collection agency. The Board was asked to authorize and direct the Executive Director to engage a collection agency.
- Financial Operations Summary – January 1 through April 30, 2026: Actual gross revenues of \$1,634,792 vs. budget of \$950,000, a positive variance of \$684K. Actual total expenses of \$1,064,320 vs. budgeted expense of \$925,821, an over-budget variance of \$138,499. Net income through April 30: \$570,472.
- American Bank Activity through April 30: Primary account balance of \$526,933, including \$378,667 in deposits (17% of expected annual revenue). During April, \$722,220 was expended in operating expenses, the majority for canal bulkhead repair and upgrade.
- Investment Accounts through April 30: Herndon Plant Oakley portfolio value of \$14,593,101 as of 4/30/26 vs. prior month of \$14,472,419, an increase of \$120,682 (includes \$62,419 in estimated accrued interest and \$58,263 in market value increase). Net annualized investment income for the 12-month period ending 4/30/26: \$514,498 (3.5%).
- Financial Overview: Approximately 25% of budgeted income available for operations comes from investment portfolio interest income. Every effort should be made to avoid using investment principal for general operations. Enhanced delinquent account collection resources should be considered to recover the \$550K outstanding receivable balance.

Motion: Jim McFadden: Approve the Treasurer's Report		
Second: Randy Eaton		
Aye: George Reed, Natasha Muse, Ross Garcia, Drew Diggins, Terry Brown	Nay: 0	Abstain: 0

7. Old Business
8. New Business
9. Members' Comments
10. Next Meeting: June 23, 2026 at 5:30 P.M.
11. Executive Session (with motion)

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

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

Motion: Jim McFadden: Retain services for PIPOA compliance counsel with Brady Ortego of Steptoe & Johnson PLLC and/or J.D. Egbert / Casey Rickard of Branscomb Law		
Second: Terry Brown		
Aye: Drew Diggins, George Reed, Ross Garcia, Randy Eaton, Natasha Muse	Nay: 0	Abstain: 0

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

Meeting adjourned.