

PADRE ISLES PROPERTY OWNERS' ASSOCIATION, INC.

BOARD OF DIRECTORS' MEETING

TUESDAY, FEBRUARY 24, 2026

1. Call to Order: 5:30 P.M.
2. Pledge of Allegiance
3. Board Members' Present: George Reed, Drew Diggins, John Pasch, Natasha Muse, Bill Davenport, Terry Brown

Motion: Natasha Muse: Approve meeting minutes for January 2026		
Second: John Pasch		
Aye: George Reed, Bill Davenport, Terry Brown, Drew Diggins	Nay: 0	Abstain: 0

4. President's Comments:
 - Election as the Primary Focus: The President emphasized that the most important priority for the Association at this time is the upcoming Board election. The Board and management team are fully committed to ensuring that the process is transparent, compliant with all election rules, and conducted with integrity.
 - Candidate Meet & Greet Reminder: Members were reminded that if they are unsure whom to vote for, an opportunity to meet the candidates will be available.
 - Date: March 5 | Time: 5:30 PM | Purpose: Candidate Meet & Greet for members to ask questions, learn about each candidate's priorities, and make an informed decision.
5. Presentations:
 - ACC Presentation – Mark Dragoo (ACC Chairperson): The ACC Committee continues to operate efficiently and effectively, maintaining steady progress on all architectural review responsibilities. The committee is currently implementing updated ACC guidelines to ensure clearer standards, improved consistency, and smoother processing for homeowners.
 - To support this effort, the committee is drafting a new user-friendly document that will streamline the approval of drawings and project submissions. This tool is intended to make the review process more transparent and easier for both applicants and committee members.
 - Application volume for the year has been consistent with last year, with a steady flow of submissions and no significant changes in trends to date.

- Bulkhead Activity Report – January 2026: The bulkhead team reported 428 linear feet of repairs completed to date. Work is progressing steadily and remains a critical component of protecting the structural integrity of our waterfront community.
- January Bulkhead Expense Summary:
 - 60406: Bulkhead / Drill & Probe – \$0.00
 - 60412: Bulkhead Build – \$0.00
 - 60404: Bulkhead Caps Repair – \$50,690.00 (428 lin ft. repair)
 - 60420: Bulkhead Demo – Water – \$0.00
 - 60411: Bulkhead Foam – \$3,100.00 (6 Panel seals)
 - 60408: Bulkhead Inspection – \$0.00
 - 60401: Bulkhead Inspection (ACC) – \$0.00
 - 60451: Bulkhead Inventory Installed – \$0.00
 - 15000: Bulkhead Material Inventory – \$0.00
 - 60407: Bulkhead Repair / Manta Ray Install – \$0.00
 - 60402: Bulkhead Tieback Repair – \$0.00
 - 60403: Bulkhead Washout/Screen – \$0.00
 - TOTAL: \$53,790.00

6. Executive Director’s Report:

- Annual Meeting – Last Saturday of March (28 Mar 26), 10:00 AM, Seashore Middle School Cafeteria – 15437 SPID and Zoom. Upcoming Board Election – 4 seats + Residual Bylaw Action on the Seawall.
- MC Registration: 1,364 joined out of 3,323 invited.
- Billish Park Well Project Update – Work in process to correct electrical damage due to a past lightning strike. Tank is full and ready to be connected to power.

7. Treasurer’s Report:

- Accounting basis: Cash basis. Revenues and expenses recorded as incurred.
- Accounts Receivable: Outstanding accounts receivable continues with almost 700 accounts delinquent totaling in excess of \$600,000.
 - On February 2, the approved Maintenance Charge Collection Policy was implemented with the issuance of the Initial Notice of Nonpayment to targeted large-balance delinquent accounts. Notices representing over \$95,000 have been issued. Collection efforts will continue with Initial Notices being sent to additional large-balance accounts.
 - Collection effort results will continue to be reported to the Board monthly with recommendations for accounts to be submitted to legal counsel for implementation of the lien process as prescribed in the Collection Policy.

- Auditors’ Report: CPA firm Adamson and Company has delayed submission of the Year End Audit Report (fiscal period ending 12/31/2024) to complete the boilerplate statement of potential legal liabilities related to the Joseph Hall case.
 - Summary of Financial Operations vs. Budget for the period January 1–31, 2026: [See attached financial report]
 - Investment Accounts: The January Herndon Plant Oakley investment statement reflects a total portfolio value of \$14,441,943 as of 1/31/26. Annualized investment income for the 12-month period ending 1/31/26 is \$516,648 (3.57%), compared to the prior reporting period of \$682,565 (4.75%) – an overall decrease of \$165,917 (1.17%).
 - Financial Overview: Approximately 25% of income available for operations comes from investment portfolio interest income. Every effort should be made to avoid using investment principal for general operations where reasonably possible. Enhanced delinquent account collection resources should be considered in order to recover the \$600K outstanding receivable balance.
8. New Business:
- Annual Meeting / Next Meeting – March 28, 2026, 10:00 AM, Seashore Middle School Cafeteria – 15437 SPID and Zoom.
9. Executive Session (with motion)

Motion: Drew Diggins: Adjourn meeting and go into executive session		
Second: Terry Brown		
Aye: George Reed, Natasha Muse, Bill Davenport, John Pasch	Nay: 0	Abstain: 0

Motion: Drew Diggins: Adjourn executive session meeting		
Second: John Pasch		
Aye: George Reed, Natasha Muse, Bill Davenport, Terry Brown	Nay: 0	Abstain: 0

Meeting adjourned 6:45 p.m.