

**Driftwood Heights Initial Meeting**  
**7/30/22**  
**Members Elected/Re-Elected 5/21/22**

**Meeting Minutes**

Meeting held at 775 Lehman Drive.

Change of venue was requested by Treasurer and Operations via email due to lack of technology needed. This is noted due to treasurer not having Wi-Fi access during meeting.

Present:                      President: Louis B Roberts  
                                    Vice President: Wayne Kanaby  
                                    VP Maintenance: Randy Barry  
                                    VP Operations: Not present  
                                    Treasurer: Sherri Hall  
                                    Secretary: Genelly Carranza

Next meeting:              During discussion by Randy Barry near end of meeting, President said a letter had already been written and an Emergency Meeting of all members (homeowners) was scheduled that would outrank the meeting regarding the future of water for our community. No further information regarding future meeting was given.

**Announcements**

- A. President announced the new Secretary, Genelly Carranza. Later in the meeting the Treasurer formally terminated her office as Secretary.
- B. Later in the meeting Treasurer stated in response to President that she had to leave by 11am to go to her full-time job. Previous notification had been given multiple times.
- C. President notified board that Leonard has resigned. Resolution made, seconded by Sherri Hall, and passed unanimously that Randy Barry would assume both Position, Operations/Maintenance until replacement is found and approved by board. (See Resolution 1)
- D. Accountant Vedder, who was hired by Driftwood Shores, became seriously ill, was hospitalized, and died, causing a lapse in our bill payment. There was plenty of money in accounts to pay all bills. President, Treasurer (See Discussion 8)  
It was later announced near end of meeting, that Association had no insurance for Casualty and Property. No other discussion regarding a renewal of insurance was held. (See Discussion for beach closure)  
-President wanted to know about the individual board members (not homeowners) liability

- E. April 2022 upon review of statements from Heritage Bank, Treasurer noticed checks not being written to contractors. She immediately contacted Vedder's office and began the process to get PUD and Secretary of State paid immediately. She went to the bank, accessed temporary checks, and did not find out about insurance lapse until May. She wrote the checks requested by insurance. Yard Biz was only bill paid because he personally collected payment while doing Vedder's yard service. (Treasurer)

## **Discussions**

1. President: "The agenda is gonna be a little flexible. In other words, we have some minutiae things that we have to take care of immediately, and uh, I've made a thing for you (to Treasurer and Secretary). I'm gonna give to you in a minute, uhm, all typed out (See attachment 1) The bank is insisting for authorized signatures that we have to get two signatures, yours (Treasurer) and Genelly's, and we also have to have, believe it or not, a resolution signature, which means you guys either have to go in in person and sign or"

Treasurer asked, what the discussion was for. President continues, "This is for an authorized signature at the bank. To remove certain people that are on it and to add" Treasurer interrupts, stating the previous process based on prior change of board. President continues, "Please stop. Don't do that. Let me explain, I talked to Toni, the manager over there, I had a meeting with her in person and on the phone. Now, Toni over there explained to me that you can do; Everyone on the board has to have a signature on it to remove or add an authorized signatures. The only actual ones they need right away to authorize me to be on the signed signature are you two. (Treasurer and Secretary) But the rest of us will get, either in person, you go down and you sign. They call it a resolution, or you can do it by e-doc. But we have a number of names and I'll go over that, that need to be added or deleted."

## **2. Water Cost Comparison**

Vice President discussed cost figures acquired from Driftwood Shores regarding water costs. As an association our water costs to the residents are one of the lowest on the island. This was just for comparison. He explained that it was only for information and not necessarily something Driftwood Heights should do. President said they would pass that around, nothing was passed.

## **3. Heritage Bank Money Market and Checking Accounts**

President:

Recommends removal: Paul Corbitt, Steven Casteel, Terry Baumgardener

Administration Rights Debit cards, Remove: Paul Corbitt, Steven Casteel and Eileen Teuffel

Remove: Eileen Teuffel online banking rights.

Treasurer stated that all names, except Paul Corbitt, were removed. President asked if Treasurer has online banking. She does. Treasurer states that according to the online account there are no other names with access. President states he needed 20-21 bank statements, so he needs online bank access. Treasurer states that when President has bank access, he will be able to see all digital data. President says, "I got them right here."

**President Recommends**

Adding Administration Rights: Louis Roberts – President

Add to Signature Authorization: Louis Roberts-President

Operations mentioned that VP will also need access according to Bylaws since he needs to be acting President if needed.

President stated, "I don't like a lot of names with authorized signatures."

President says, "Anyway, so I need each of you to sign one of these." Papers are distributed to Treasurer and Secretary. (See Attachment 1)

Treasurer states that she will not sign until safe deposit box has been inventoried.

President does not seem to know that Whidbey and Heritage Bank have merged. Treasurer begins talking, President interrupts and says, "But right now, right now, we need to talk about Heritage Bank, that's the emergency."

Treasurer says, "That's the same bank." President says, "Whidbey is a different bank."

President continues to press about the two banks and Treasurer again tells him they have merged.

President says, "Okay, I need to get this signed. This is something that is required." (Attachment 1)

Operations recommends having a time that all Board Members meet at the bank and take care of all bank business. Overlapping discussion goes on about the inventory of the safe deposit box. President says he has an inventory (this was in the envelope with deposit box key).

President firmly states, "The inventory will be done by Wayne and I!"

Treasurer responds that is not the procedure since the outgoing Secretary is responsible for the contents.

President says, "That has nothing to do with the checking and money market."

Treasurer responds, "It (Attachment 1) will grant you access to it, and no one is getting access to the accounts until I have an inventory of that box."

President says, "Okay, so you are refusing to sign to give authorization. No problem, give it back! Now, you know that this is something that's not in the best interest of the membership of Driftwood Heights."

Treasurer says, "I can sign that on a moment's notice once I have that inventory."

Operations explains that the Treasurer wants to go with Secretary to the bank and do an inventory of the box contents. Operations tries to explain that with a change over this should be done.

President talks over Operations, "That's fine, but it's not gonna happen. Okay?! Wayne and I are gonna do the inventory."

Treasurer disagrees and says it needs to be done by outgoing secretary, the new Secretary gets key. The Secretary has always held the key.

President asks why the inventory wasn't done earlier. Treasurer says that she just got access to the contents of the Secretary's box in the storage unit a few weeks prior.

President challenges, "Excuse me?!"

Treasurer says she only had access to the combination to the gate and not the storage shed.

President says, "Okay, let me just ask you a question. When did you physically take charge of our accounting?"

Treasurer responds that she took charge at the beginning of the year but had nothing to do with writing checks or any of those things because it was being handled by Vedder (accountant).

President asks, "When did you fire Vedder and start doing the accounting?" (See Termination of Accounting Services letter, Attachment 4)

Discussion continues. Eventually, Treasurer explains that she was Treasurer after Vedder in (estimation) May. (Refer to Announcement 2)

**4. Combining Treasurer Responsibilities with Secretary**

President wants to give some of the Treasurer responsibilities to Secretary. He wants to teach Secretary to do accounting so she can take over "heavy tasks" that he is going to bring out

**5. Island County Deed List**

President wants Island County to be paid \$8 an hour to give us data regarding quit claim deeds. He states it is not his job to find them.

Operations states he doesn't see why we are trying to push things through when no one has been given any information regarding why we need it. He asks Vice President if he has been informed about this information. Vice President says it sounds like a good idea and asks how we get the membership list now.

Operations explains that King Water does this. They do all of the billing.

President says loudly, "This house is recorded under a trust; its got the wrong name. The house next door has 2 lots it is not on the list with 2 lots. There is another house down there, it's quit claim, it's not on the list.

President, voice raised, "Everything I've done I've got due diligence on. I'm a forensic accountant. Anything I say you can take as fact because it will stand in court. So that is what I did for a living, and so I will tell you what I did and it's not up for debate. You can have your own opinion, but it is not debatable because I have my due diligence. You do not have due diligence on this. I brought up a good idea, I asked for a resolution because then we can bring it to the board, would you like to do it, or would you like to do it now?"

Operations says, he wouldn't like to do it now because he doesn't know the details or final cost. No one knows how many hours it will take. Once the board has all of the information, then they can make a decision.

Vice President calmly says that there are lots that are being missed, and for a small amount of money, we would get an official list. He says personally he would recommend that for a small sum of money, perhaps it might be good for us to do it once. Then compare the list to that of King Water and conclude that one might be better than the other.

President says it would take less than an hour. Even if it takes \$24, who cares? He begins talking about the cost of land maintenance by our yard service.

**6. President Requests Minutes Insertion**

President suddenly, in the middle of discussion, tells Secretary to insert into the minutes the prior bank document (Attachment 1), and make sure that she writes it was voted down by the board to give him authorization. Questions raised. He states that Treasurer says she wouldn't do it, so he calls that a vote. Treasurer again states that she would sign the authorization once she has taken the inventory. President says Treasurer can join the President and Vice President if she would like. "But it has to be done now."

Treasurer explains again that the inventory needs done with incoming Secretary so that the key can be handed over. President says it will not be done without him and VP present, or he will not turn over the key he possesses.

**7. (Continuation of #4)**

President brings up bank reconciliation. President asks if Treasurer does bank reconciliations. Asks where they are. Tells him they are on the spreadsheets.

Asks Treasurer how she calculates the annual balance. She explains the process. President says he wants a formal bank reconciliation, like Eileen Teufel used to do. He says he would like to delegate the duties to Secretary. Says someone could teach her how to use the spreadsheet, but she shouldn't need a spreadsheet, she should just use the statements. He goes on to explain what she would do on the reconciliation.

**8. Increase the Directors and Officers Liability Insurance**

Right now, each board member has 1 million dollars of liability. With inflation he feels 2 million is a better number. Says the insurance agent would need to shop for policies. Says his wife has been in insurance for 30 years. He says they owned their own brokerage, so insurance is something they know. Says he was licensed in insurance also. Operations asks where the board members are at risk. He indicates that there might have been something nefarious about prior board and then current board would be liable. Says that board can be sued collectively according to Article 7.10, that if we don't have updated pipes, that could be a problem. If we don't have insurance, that could be a problem.

**9. President asks for resolution for Secretary to collect mail. (Continuation of 4, 7)**

Treasurer asks how she will get the bills to be paid.

Operations asks what is the difference? President begins a list of problems. Treasurer states that all those problems happened with Vedder (accountant). Says he wants to give Secretary the chance to see if there is something wrong with the checking account. Tells Secretary that the only thing she needs to look at are the bank statements. Treasurer reminds him that Vedder's issue was only found through her monitoring the bank statements.

President calls for a vote, but when he gets to VP, VP discusses that it is just a second set of eyes. Treasurer says that bank statements come once a month, but bills come several times. It makes more sense for her to get mail. President asks how many keys Treasurer has for the mailbox. She has two. President says he would like to have one. Treasurer states that Secretary gets one and treasurer gets one. President insists. President says the key was in Eileen Teufel's possession and the Treasurer has been holding it back for a long time. President says, "I need that key."

Question was asked how Treasurer would get her bank statements.

President asked if the Treasurer has online access. Treasurer says she does. He asks if she has a "passcode." Treasurer says yes. President wants the password. Treasurer says he will get his own password and not use hers.

President again tells Treasurer that she is not giving him access to the bank accounts. She reminds him that access will be given after safe deposit box inventory. President says he is asking her to give authorization and she has refused with conditions.

Vice President interrupts and explains that the process is to go to the bank and once authorized then the bank will give him access with his own password. Operations states there would need to be 2 separate log ins. Vice President states, "You never give someone your password."

President complains that he does not have access to the mailbox, the bank deposit box, the bank accounts. "Why can't I see things? What are you hiding?" Treasurer states, "Because you

take things!" President claims he wrote out what he took and told everybody. (See Attachment 5) Treasurer says he took the key to the safe deposit box and the inventory in his possession. President raises voice and says, "I had to make a copy of the contents, excuse me for living, I don't even know the box number. What is the secrecy, what is the box number there?"

President says he found a deposit book from Whidbey Island that he found when he found the safety deposit key. He said, I didn't even know we had a Whidbey Island account. Do we?"

Treasurer again explained that the Whidbey bank and Heritage Bank merged. Heritage bank will still take deposit slips from Whidbey, so she uses them. No reason to get new ones.

Treasurer explains that she has only had to deposit 2 checks, and she just took it into the bank.

President starts talking about deposit box number again. He asks why she can't give documents to the Secretary. Treasurer explains that she has the Secretary box in her car to hand over to Secretary. (See Resolution 2)

President states that he needs to look for something.

President states that he will let everyone see the inventory list of safe deposit box. Does not pass it around. President says he will make a copy for Treasurer.

## 10. Website

President and Treasurer discuss the website, such as how it works or how it is accessed.

President says he sees that the Treasurer in her website capacity can forward mail to him. He also sees that she can give him administrator access to the site. Treasurer explains that administrator access would allow changes to the site, and she is not willing to allow those changes. President says, "Okay, I'm making a resolution, we need to vote now."

Operations wants to ask a question and President interrupts, "Not now!" (Lots of overlapping speech.) President says loudly, "There is a person that is stopping the meeting. I need to finish this, Randy."

Operations explains how too much access can cause extreme problems in the upkeep of the site. This is based upon his experience in his programming experience. President complains that he has not had access to website through Treasurer. (She tried to do this before the meeting, but the President pushed it to the very end. Also, since no WIFI was provided, Treasurer could not do this at all. Agenda, Treasurer c)

President wants to change to a suggestion that Secretary gets administrative access and password to website. He says it is in the Bylaws that the two positions can be combined.

Treasurer again states that if someone else has access they would have to take it over and she will not be responsible for fixing problems. President says, "Okay, but you are required to give her an administrative password." Treasurer says she is not.

President says, "If she dies, we are dead."

Operations says, "If the website went down, would that stop us from making water?"

President admits that the resolution failed. He says, "That was another vote denied. Everyone said nay to that." (Resolution 3, 4)

President tells Secretary to write down, "Resolution failed, only one passcode to the website."

Operations and Treasurer explain that it should read only one authorized administrator.

President concedes.

**11. President: Bank Statements Again**

Treasurer says she has them electronically (online banking). President complains that he has been asking for 6 weeks. Treasurer reminded him that he asked for the printed statements, and she has always told him they were available through online banking. She says that she has been telling him she has them digitally.

Asks for statements to be sent, she says she will send them within the week. President said he needed them for this meeting and that he wanted to reconcile them.

Other members mention that there is a lot of stuff going on in this meeting. Vice President says that board cannot cover all of it in 1 hour.

**12. Secretary Box Hand-Over**

President asks if anyone needs to leave early. Treasurer responds that she needs to leave at 11am. Treasurer states that when she needs to leave, she would like someone to follow her out to put the container into Secretary's car.

President says he wants to look at the contents of Secretary bin.

President says I sent Steve Casteel to get them, I sent Vice President to get them, I sent Paul Corbitt to get them, and you are still saying I can't look at them.

Vice President recommends that when Treasurer leaves, all members will go out and transfer the contents, and President can look at what is inside. Agreed.

Treasurer states that President has already been in Secretary box to get the safe deposit key. President says that he took them from another box. (See attached sign out sheet for boxes ordered by President.)

President says that the Treasurer has lied to him about quite a few things, and he is going to bring them up. Treasurer denies lying. Vice President says he feels there has been misinterpretation.

**13. Vice President-Bylaws**

Vice president is reading Bylaws and discussing that some are difficult to garner meaning. Vice President recommends that each person looks at Bylaws and comes back with recommendations of each person's duties. What is each office responsible for?

**14. Treasurer must leave, and Board goes to get Secretary box.**

While getting box, President looks through and begins to remove a few files. Secretary asks that he allow her to inventory the box first. Others agree. Afterwards, President loudly accuses Treasurer in this public venue of lying and causing bills to go unpaid. Treasurer requested this go in the minutes.

**15. Contracts and Costs**

(Written Secretary notes) President discusses contracts, water, grounds maintenance, and says outgoing board handled things badly. He feels there is a lack of transparency with contracts and costs.

Beach Bulkhead is estimated cost 200-300K- to be looked into.

**16. Board Address**

President says we do not have a physical address registered with Secretary of State. Asks for address to use, since President does not want to use his. Vice President is eventually convinced for temporary use.

685 Lehman Drive, Camano Island, WA 98282

(See attachment 2, Later that VP did not remember what he gave address access use for. He told Operations he was taking pain medication for fractured hip and broken ribs.)

**17. Liability at Beach**

Operations asked about beach space liability during lapse of insurance. Should the board limit availability?

Board discussed a new lock and letter should be sent out.

**18. New Fee Assessment**

Discussion to raise yearly fees by \$100, no resolution proposed.

**19. Removal of Treasurer under Article 7.1**

(Article 7.1 does not exist, possibly 7.10)

President gave 3 options.

Treasurer could resign (no longer at meeting)

Board Vote

Letter to members (President stated "Very embarrassing")

- Resolution failed

**Roundtable**

Operations:

Operations discusses that board needs a training session, tour etc. So that Board knows what is involved. He would like to have future meetings at the library due to having privacy, technology, and no interruptions.

Operations said that he'd like to see the board try to get more interest from members. President says the letter has been written. (See attachment 5)



President asks when he was thinking of doing this training, Operations gives 6<sup>th</sup>, 13<sup>th</sup>, or 27<sup>th</sup>. All of these dates are currently available.

President states that there is going to be an emergency meeting called that will outrank training meeting. (laughs) "I mean having a water company (voice rising) with no property and casualty insurance is the STUPIDEST thing in the fucking world! Excuse my French."

Vice President thinks training, and tour is a good idea. President says he is calling an emergency meeting in the next 30 days to get the Board (?) to vote. He says he will discuss that later.

President says he has never set up a library conference room. Operations states that he has. He explains the process.

Well site is in pretty good shape. A few things might need to be replaced in the near future. Tanks will need to have their linings checked. Operations is contacting the company to find out when inspections should happen based on last maintenance. Operations says we need to develop a maintenance plan and repair plan that is predictive, so board can budget.

Piping system has been done in sections over the years, some are older than others, money has been put aside on reserve. Operations says board needs a plan. Discussion about history and the need for a plan.

President: I noticed a large bill for tank cleaning, is that not a maintenance thing King Water does?

Operations: No, that is a separate company that is certified by EPA. This is a confined space and can be hazardous. They must be emptied one at a time, cleaned, inspected, and sealed.

(Tape recording ends, Secretary continues notes)

President: Brought up King Water management plan. Says he called and talked to employee.

Operations said that King Water owner, Sandra Bodamer told him employees complained of being "berated" by Driftwood Heights President.

Discussion became chaotic. Eventually, Secretary had leave. No more minutes were dictated, and meeting was not formally adjourned.

10. *Chlorophyll *a** and *Chlorophyll *b** were determined by the method of Arar and Collins (1971).