

**Driftwood Heights Association
Board Meeting Minutes
12/15/2025**

- **Meeting called to order at Camano Library, 6:05 pm.**
- **Present:**
 - President (Randy Barry)
 - Grounds & Buildings (Leonard Visser)
 - Water Quality (Teila Whitcher)
 - Operations (M Cona)
 - Volunteer (Christine Kelsey)
 - Volunteer (R Canady)
- **R Canady Vice President Vote.**

Motion to nominate R Canady for Vice President made by: Leonard Visser
Seconded by: Teila Whitcher
Yea 4 /Nay 0, Motion Carried.
- **Approval of meeting minutes**
 1. Motion to approve Oct 20, 2025, Board Meeting Minutes, with Sept Mthly Financial Report made by: Rick Canady
Second by: Mike Cona
Yea 5 /Nay 0, Motion Carried.
 2. Motion to approve Nov 17, 2025, Board Workshop Minutes, with Oct Mthly Financial Report made by: Teila Whitcher
Second by: Leonard Visser
Yea 5 /Nay 0, Motion Carried.
- 1. **Treasurer/Secretary:**
 - Monthly Financial Report:**
 - a. **Nov Account Balances** - gains/losses.
 - Checking Balance = \$ 56,106.75 change - **\$3,092.08**
 - Heritage Money Market Balance = \$ 81,455.11, change + \$ 6.69
 - Coastal Money Market Balance \$203,408.47, change + \$ 66.85
 - b. **Budget status**

See Attachment (1)
 - c. **Significant unplanned incomes/expenses**

Listed in Attachment (1)

November Un-budgeted:

LMI Metering Pump (Cl- injection) installation \$315.54

Booster Pump Installation (in progress) \$1184.34

d. Members in arrears and status of actions

Dec 4, 2025, Accounts Receivable balance. 9 in arrears, outstanding balance \$2,994.24.

e. NW billing errors for Sept 1, 2025 cycle

1). Late fees and letters not processed on time. Directed them to send as certified letters.

2). Reviewed process with NW Natural Water.

3). Billing Process:

Bills Mailed Jan/Jul

Due Dates Mar 1/Sept 1

Late Fee Applied Mar 31/Oct 1 (30-day grace period)

Late Notice (Certified Letter) Apr 30/Oct 31

Blue 48 Hour "Shutoff Notice" May 30/Nov 30

4). Any balance owed < \$25.00 would carry over to next cycle, if not paid then Certified letter would be sent.

Meter reading is between the last week of December and the first week in January, so we can produce the most correct data for yearly usage.

Motion to approve Items 3 & 4, made by: Teila Whitcher

Second by: Rick Canady

Yea 5 /Nay 0, Motion Carried.

f. Approval of Nov 2025 Monthly Financial Report

Motion to approve Nov 2025 Financial Report made by: Mike Cona

Second by: Leonard Visser

Yea 5 /Nay 0, Motion Carried.

g. Review/Approval of Q3 Financial Report

Motion to approve Q3 Financial Report made by: Leonard Visser

Second by: Teila Whitcher

Yea 5 /Nay 0, Motion Carried.

h. 2026 NW Natural Water (King Water) Contract Review

Motion to approve 2026 NW Natural Water Contract made by: Rick Canady

Second by: Teila Whitcher

Yea 5 /Nay 0, Motion Carried

i. Outstanding Financial Items for discussion

a) Recommend we schedule special Board meeting to discuss the following Budget issues and prepare 2026 Budget.

Agreed Upon Date January 20, 2026 at 6:00 pm.

1). How do we budget for large repairs

2). Assigning Budget Line Items

3). How do we calculate budget line-item projections.

4). How do we budget line-items from other associations that may impact us.

5). Create rules for jobs/projects of larger scope. Define cost levels and required actions for these levels.

Permission/authorization required, Formal bidding process required. Additional concerns or considerations.

6). Rules for Board regarding fund expenditures.

2. Water Quality:

a. Nov Free Cl- readings have been sent to NW Water Services LLC.

Readings have been stable for the last month and a half. Received and paid the invoice for special testing.

3. Operations:

NW Water updated status:

a. Still working with NW Water to identify locations and schedule excavations to determine the main water size and type of material for unknown portions of the system.

b. Quote to install new supply lines to meet code for 800/808 Patricia Ann repairs is \$8,120.00. Will require two supply lines, three plex will require upsizing line and meter.

This has been approved and work is anticipated to start the first of the year.

4. Grounds & Buildings:

a. Beach bulkhead repair Status:

The group is still involved in the project, but it seems that weather, holidays, and King Tides have put a damper on progress. The remaining budget remains same as provided at the last meeting (\$6,417.59). We have requested that they provide us with an estimate for materials required to complete the job. We need to decide whether to spend this year or carry project over to 2026 Budget.

The work is on hold until Spring due to weather. We will carry the funds over until Spring.

Team members expressed that they think we should give Nick Oliver something to show our appreciation for all the time and effort he has put into this project.

Motion to approve gift (up to \$200) for appreciation of N Oliver contribution made by: Mike Cona

Second by: Teila Whitcher

Yea 5 / Nay 0, Motion Carried.

5. Vice President

- a. Drafting new agreement and will send a copy to them for review, comment, and approval. Changes are needed before we submit to WA DOH as part of our Water System Self-Assessment. (Part of process to get Operating Permit back to Green). Working with Austin Bougie in the writing of the intertie agreement. Collected recent intertie agreements from other water associations to use as models for the current agreement.

Discussed possible intertie agreements with Camano Sunrise and Driftwood Heights 2. Discussed past incident with Camano Sunrise in which their pump was damaged due to inter tie activation by King Water during a water supply event. Our understanding is that when Camano Sunrise asked Driftwood Heights to help pay for the replacement pump, the board at that time refused.

Motion to approve Rick Canady to discuss the incident with Camano Sunrise to ascertain the amount of the past damage was made by:

Randy Barry.

Second by: Teila Whitcher

Yea 5 / Nay 0, Motion Carried

6. President:

- a. **Fire Hydrant testing status, review requirement statement in Island County Franchise agreement.**

Motion to approve Burns Fire (\$950) to perform the testing made by:

Rick Canady

Second by: Mike Cona

Yea 5 / Nay 0, Motion Carried.

b. **How do we move forward?** "Draft "Paid Administrative Position" job description was sent to board for review at this meeting.

Discussed the duties of the paid position. This role is intended to support both incoming and outgoing board members by maintaining a comprehensive record of all required reports, inspections, and testing, etc. needed to ensure community compliance with local, county, and state regulations. Because the position involves regular interaction with community members, strong interpersonal skills are essential. As approximately 60–80% of the workload is administrative, proficiency in Microsoft Office is required. Water-quality testing responsibilities will comprise roughly 10–25% of the role, varying by season and testing schedules. The position will be up to 10 hours a week depending on what if anything needs to be addressed."

Discussed changes to be made to the job description. Christine Kelsey will update the document for Board approval.

c. **In discussion with S Seymour on this topic. She still wants to pursue working on the project. Will also try to see if we can include "Small Water System Management Program Guide"- "Emergency Task Force" updates. made up of board members and a representative from each street in our association. The purpose would be to:**

- 1). Draft Procedures
- 2). Determine required parts and equipment
- 3). Assign responsibilities to members of the group should an event or equipment failure occur."

Randy Barry will reach out to the Department of Health and speak to the State Engineer regarding changing our status while they are reviewing our documentation.

● **All business complete, Motion to Adjourn meeting.**

Motion made by: Leonard Visser

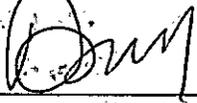
Second by: Rick Canady

Yea 5 /Nay 0, Motion Carried, meeting adjourned at 7:20 pm

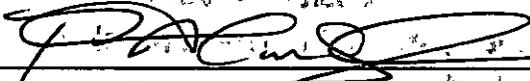
Dec 15, 2025, Board Meeting Minutes submitted by

Driftwood Heights Board members in lieu of Secretary

Approved by



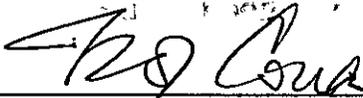
Randy Barry (President)



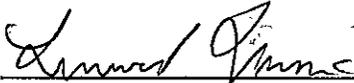
Rick Canady (Vice President)

Vacant

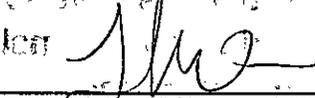
(Treasurer/Secretary)



Mike Cona (Operations)



Leonard Visser (Grounds and Buildings)



Teila Whitcher (Water Quality)

Board Monthly Treasurer Report Sept 2025

Date	9/30/2025		
	Balance	Balance	Change
Monthly	8/2025	9/2025	
Chk	\$57,491.00	\$68,020.02	\$10,529.02
Heritage MM	\$81,434.81	\$81,441.50	\$6.69
Coastal MM	\$201,706.29	\$201,772.60	\$66.31
Totals	<u>\$340,632.10</u>	<u>\$351,234.12</u>	<u>\$10,602.02</u>

# of Members in arrears	<u>11</u>	Total Arrears	<u>\$2,995.20</u> (10/16/25)
Shutoff Member	<u>1</u>		<u>(\$2,565.00)</u>
			\$430.20

Annual	12/2024	9/2025	
Chk	\$77,285.13	\$68,020.02	(\$9,265.11)
Heritage MM	\$281,092.80	\$81,441.50	(\$199,651.30)
Coastal MM	\$0.00	\$201,772.60	\$201,772.60
Totals	<u>\$358,377.93</u>	<u>\$351,234.12</u>	<u>(\$7,143.81)</u>

Monthly incomes/expenses

Incomes	\$16,411.31			
Expenses	<u>\$5,809.29</u>	Budgeted	\$ 1,215.47	Unbudgeted \$ 4,593.82
	\$10,602.02			

Monthly Significant/unbudgeted incomes/expenses

- | | |
|--------------------------------|------------|
| 1. Replacement Booster Pump #2 | \$4,593.82 |
| 2. Patricia Ann Leak | ? |

Budget Status Year to date (2025)

Income	Budget	Actual	Difference
	\$61,000.00	\$54,352.06	(\$6,647.94)
Expenses	<u>\$41,889.14</u>	<u>\$61,495.87</u>	<u>(\$19,606.73)</u>
		Total	<u>(\$26,254.67)</u>

Annual Significant/unbudgeted incomes/expenses

- | | |
|---|---------------|
| 1. Jan 2025 King Water Work Orders | (\$309.42) |
| 2. Feb 2025 King Water Work Orders | (\$500.31) |
| 3. Arlington Electric Generator Repairs | (\$3,545.78) |
| 4. Well site leak investigation | (\$1,621.20) |
| 5. Jul 2025 King Water Work Orders | (\$15,880.39) |
| 6. Beach Blkd Repairs | (\$5,538.54) |
| 7. Replacement Boposter Pump #2 | (\$4,593.82) |

total (\$31,989.46)

attach (1)

Board Monthly Treasurer Report Oct 2025

Date	10/31/2025		
	Balance	Balance	Change
Monthly	9/2025	10/2025	
Chk	\$68,020.02	\$59,198.83	(\$8,821.19)
Heritage MM	\$81,441.50	\$81,448.42	\$6.92
Coastal MM	\$201,772.60	\$203,341.62	\$1,569.02
Totals	<u>\$351,234.12</u>	<u>\$343,988.87</u>	<u>(\$7,245.25)</u>

# of Members in arrears	<u>10</u>	Total Arrears	<u>(\$3,294.00)</u>	(11/14/25)
Shutoff Member	<u>1</u>		<u>(\$2,580.00)</u>	
			<u>(\$5,874.00)</u>	

Annual	12/2024	10/2025	
Chk	\$77,285.13	\$59,198.83	(\$18,086.30)
Heritage MM	\$281,092.80	\$81,448.42	(\$199,644.38)
Coastal MM	\$0.00	\$203,341.62	\$203,341.62
Totals	<u>\$358,377.93</u>	<u>\$343,988.87</u>	<u>(\$14,389.06)</u>

Monthly incomes/expenses

Incomes	\$5,193.99			
Expenses	<u>\$12,439.24</u>	Budgeted	\$ 6,704.36	Unbudgeted \$ 5,734.88
	<u>(\$7,245.25)</u>			

Monthly Significant/unbudgeted incomes/expenses

1. LMI CI- Metering pump	(\$1,588.20)
2. 808 Patricia Ann water main Leak	(\$1,462.06)

Budget Status Year to date (2025)

Income	Budget	Actual	Difference
	\$61,000.00	\$59,546.05	(\$1,453.95)
Expenses	<u>\$47,025.81</u>	<u>\$73,935.11</u>	<u>(\$26,909.30)</u>
		Total	<u>(\$28,363.25)</u>

Annual Significant/unbudgeted incomes/expenses

1. Jan 2025 King Water Work Orders	(\$309.42)	
2. Feb 2025 King Water Work Orders	(\$500.31)	
3. Arlington Electric Generator Repairs	(\$3,545.78)	
4. Well site leak investigation	(\$1,621.20)	
5. Jul 2025 King Water Work Orders	(\$15,880.39)	
6. Beach Blkd Repairs	(\$5,538.54)	
7. Replacement Boposter Pump #2	(\$4,593.82)	
8. LMI CI- Metering Pump	(\$1,588.20)	
9. 808 Patricia Ann water main leak	(\$1,462.06)	
	<u>total</u>	<u>(\$35,039.72)</u>

Board Monthly Treasurer Report Nov 2025

Date	11/30/2025		
	Balance	Balance	Change
Monthly	10/2025	11/2025	
Chk	\$59,198.83	\$56,106.75	(\$3,092.08)
Heritage MM	\$81,448.42	\$81,455.11	\$6.69
Coastal MM	\$203,341.62	\$203,408.47	\$66.85
Totals	<u>\$343,988.87</u>	<u>\$340,970.33</u>	<u>(\$3,018.54)</u>
# of Members in arrears		<u>9</u>	Total Arrears <u>(\$2,994.24)</u> (12/4/25)
Shutoff Member		<u>0</u>	<u>\$0.00</u>
			<u>(\$2,994.24)</u>
Annual	12/2024	11/2025	
Chk	\$77,285.13	\$56,106.75	(\$21,178.38)
Heritage MM	\$281,092.80	\$81,455.11	(\$199,637.69)
Coastal MM	\$0.00	\$203,408.47	\$203,408.47
Totals	<u>\$358,377.93</u>	<u>\$340,970.33</u>	<u>(\$17,407.60)</u>

Monthly incomes/expenses

Incomes	\$74.50			
Expenses	<u>\$3,093.04</u>	Budgeted	\$ 1,062.18	Unbudgeted \$ 2,030.86
	<u>(\$3,018.54)</u>			

Monthly Significant/unbudgeted incomes/expenses

- 1. LMI Metering Pump (CI- injection) Installation (\$315.54)
- 2. Booster Pump Installation (in progress) (\$1,184.34)

Budget Status Year to date (2025)

Income	Budget	Actual	Difference
	\$61,000.00	\$59,620.55	(\$1,379.45)
Expenses	<u>\$50,332.12</u>	<u>\$77,028.15</u>	<u>(\$26,696.03)</u>
		Total	(\$28,075.48)

Annual Significant/unbudgeted incomes/expenses

- Annual Significant/unbudgeted incomes/expenses
- 1. Jan 2025 King Water Work Orders (\$309.42)
 - 2. Feb 2025 King Water Work Orders (\$500.31)
 - 3. Arlington Electric Generator Repairs (\$3,545.78)
 - 4. Well site leak investigation (\$1,621.20)
 - 5. Jul 2025 King Water Work Orders (\$15,880.39)
 - 6. Beach Blkd Repairs (\$5,538.54)
 - 7. Replacement Boposter Pump #2 (\$4,593.82)
 - 8. LMI CI- Metering Pump (\$1,588.20)
 - 9. 808 Patricia Ann water main leak (\$1,462.06)
 - 10. LMI Metering Pump (CI- injection) Installation (\$315.54)
 - 11. Booster Pump Installation (in progress) (\$1,184.34)
- total** (\$36,539.60)

Driftwood Heights Association

Driftwoodheights.net

For 3rd Quarter 2025

2025	Checking Balance (2nd Qtr. End)	\$	92,604.14
	Money Market Balance (2nd Qtr. End)	\$	281,491.12
	2025 2nd Quarter Cash Balance	\$	374,095.26
2025	Checking Balance (3rd Qtr. End)	\$	68,020.02
	Heritage MM (3rd Qtr End)	\$	81,441.50
	Coastal MM (3rd Qtr End)	\$	201,772.60
	Money Market Balance (3rd Qtr. End)	\$	283,214.10
	2025 3rd Quarter Cash Balance	\$	351,234.12
	Difference	\$	22,861.14

Checking Deposits

Association Fees	\$	14,837.24
Interest	\$	3.74

Total Checking Deposits	\$	14,840.98
-------------------------	----	-----------

Checking Withdrawals

Utilities PUD/Skagit Farmers Supply	\$	804.11
Insurance	\$	3,999.11
Office Expense	\$	337.02
Fees/Permits	\$	0.00
NW Natural Water Management Fees	\$	2,234.72
NW Natural Water Work Orders	\$	24,730.92
Grounds	\$	2,774.40
Arlington Electric (Generator)	\$	0.00
Engineering (Garrison Engineering)	\$	328.30
Legal Fees (Sjostrom Law Office)	\$	0.00
Heritage Bank Fees	\$	0.00
Beach Bulkhead Repairs	\$	5,816.52
	\$	0.00

Total Checking Withdrawals	\$	41,025.10
----------------------------	-----------	------------------

Money Market Balance (2nd Qtr. End)	\$	281,491.12
Total Money Market Interest	\$	222.98
Total Money Market Deposits	\$	1500.00
Total Money Market withdrawals	\$	0.00
Money Market Balance (3rd Qtr. End)	\$	283,214.10

SUBMITTED BY: Driftwood Heights Association Board