

**Driftwood Heights Association
Board of Directors Meeting Minutes
4/13/2026**

Meeting called to order at Camano Library, 6 pm.

Present:

Directors

Acting Secretary/Treasurer (Randy Barry)
Acting President (Rick Canady)
Grounds & Buildings (Leonard Visser)
Operations (Mike Cona)
Water (Teila Whitcher)

Members

Christine Kelsey

First 15 Minutes of meeting reserved for owner comments, in person or by phone call to (360) 970-0845.

1 Review/approval of March meeting minutes

Motion: Approve March 17, 2026, Board Meeting Minutes, with Feb 2025 Monthly Financial Report.

Motion made by: Teila Whitcher
Second by: Leonard Visser
Yea 5 Nay 0
Motion: Carried

2 System management for the association

Note: Per March Board of Directors (BOD) meeting decision, BOD is actively seeking bids to fulfill as many services as possible through contract.

Randy and Rick met with Pearson Financial to finalize terms of service for financials, taxes and member billing as they provide to neighboring HOA's. Pearson is preparing a revised proposed contract and has agreed in principle to be able to prepare and present budget and financials for the May 30 Annual Members' Meeting (AMM).

Discussions are also in process with NW Natural Water to transfer member billing to Pearson Financial and to increase the role of NW Natural Water in day-to-day operations and management of the water system.

Rick asked for a proposal from Quality Water Care on Camano to compare to services offered by NW Natural Water.

Actions: Review services offered by contractors that have so far been contacted and determine next steps. Identify any operations and management tasks that will not be covered by contracts and clarify how those tasks will be addressed by the BOD in preparation for discussion at AMM.

Motion:

Motion made by: No motion made

Second by:

Yea Nay

3 Annual membership meeting

Note: The primary issue in front of the BOD is preparation for the sustained operation of the association through actions taken at the AMM in May. Items to review in preparation for AMM

- Logistics of the meeting
- Communication plan for AMM
- Prepare necessary materials
- Budget, funding, and tasks

3.1 When and where for the AMM

Note: Due to scheduling needs regarding holidays and availability of facilities, the AMM has been set for May 30 at 10:00AM at the Camano Multi-Purpose Center

3.2 Letters to Association Membership

Note: The letter edited and approved at the March BOD meeting (attached to March BOD meeting minutes) was sent to members regarding the status of the BOD and need for volunteers. No responses received from members.

3.3 Prepare and mail agenda for the AMM

Note: Christine and Rick prepared drafts of a letter to members and an agenda for 2026 AMM.

Action: Review and finalize the letter and agenda. Prepare for transmission to members.

Motion: Prepare and mail agenda

Motion made by: Leonard Visser

Second by: Mike Cona

Yea 5 Nay 0

Motion: Carried

3.4 Prepare ballot language for the AMM

Actions: *Prepare ballots for the AMM.*

- Board member votes
- Approval of 2026 budget
- ByLaw revision to increase transfer fee.

Motion to increase transfer fee to X10 annual assessment, to take effect Jan 2027.

Motion made by: Mike Cona

Second by: Leonard Visser

Yea 4 Nay 0

Motion: Carried

- Blank ballots in case they are needed?

3.5 Descriptions of Board positions

Note: in March the BOD identified the need for better descriptions of board positions so that volunteers have a clearer idea of what they are signing up for. The descriptions are in flux due to BOD efforts to increase contractor support and reduce BOD duties. Randy and Rick will continue to draft descriptions for the web for people to review prior to the AMM.

3.6 By-law requirements prior to AMM

Note: At the March BOD mtg Randy volunteered to Review and verify accuracy of the MML against Island County property records and prepare the MML for sign-in at annual membership meeting.

Action: Identify any additional items that will need to be prepared prior to the AMM.

4 Reports

4.1 Treasurer/Secretary:

Monthly Financial Report:

4.1.1 March Account Balances - gains/losses.

Checking Balance \$54,761.06 change -\$5,628.65

Heritage Money Market Balance \$81,482.12 change + \$6.92

Coastal Money Market Balance \$205,180.31 change + \$69.68

4.1.2 Budget status

See Attachment

4.1.3 Significant unplanned incomes/expenses

Listed in Attachment

4.1.4 Members in arrears and status of actions:

- Mar 32, 2026, Accounts receivable balance. 9 Members in arrears, outstanding balance \$2521.24. Certified "Late Notice" letters have been mailed

5 Approval of Mar 2026 Monthly Financial Report

Motion to approve Mar 2026 Financial Report

Motion made by: Leonard Visser

Second by: Mike Cona

Yea 4 Nay 0

Motion: Carried

5.1.1 Jul 2026-Jun 2027 Budget

Note: The 2026-2027 Budget proposal will be updated to show changes for new/revised contracts.

5.1.2 Lawyer Zoom Meeting regarding PUT and B&O taxes

Note: BOD members participated in a Zoom call with DHA attorney. Attorney advised consulting with a CPA and tax specialist to determine whether DHA owes back taxes for B&O or PUT taxes. Initial meeting with CPA/tax specialist (at Pearson Financial) indicated that the likelihood of DHA owing back taxes is low but should be examined in greater detail if/when we procure services with them.

5.1.3 Other pending actions of Secretary

Will make up generic Board and Member Meeting Agendas and put on Website, required information IAW 2028 WUCIOA. In the process of reviewing all requirements against our Bylaws and procedures.

5.2 Operations

5.2.1 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. We have been compiling information and taking pictures in conjunction with NW Natural Water repairs. (ongoing)

5.2.2 Work to install new supply lines for 800/808 Patricia Ann is complete.

5.2.3 Review Status of Water System pressure Mapping
BOD decided to push this action to after AMM

5.2.4 Revised Water Rights Self Analysis (WRSA) is in process of review and approval.

5.3 Grounds & Buildings

5.3.1 Beach bulkhead repair Status:

Update status of obtaining quotes for equipment and materials to complete repairs. Waiting for quotes, review at May 12 meeting.

5.3.2 Dec 19, 2025, Windstorm Well Site Storm Damage:

- a. Fence repair complete and paid. Sent costs to DH2 to discuss possible reimbursement of their share of repairs.
- b. Sauve & Sons Tree Work scheduled to remove, round, chip trees uphill from well site.
- c.

5.4 Water Quality no issues

6 New Business none

7 All business complete, Motion to Adjourn meeting. Meeting adjourned at 8:15pm

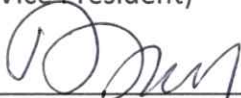
Motion made by: Randy Barry
Second by: Leonard Visser
Yea 4 Nay 0,
Motion: Carried

Approved by

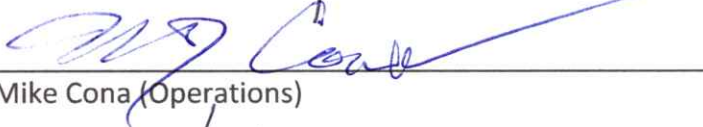


Rick Canady (Acting President)

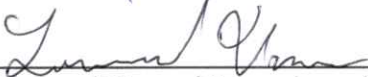
Vacant (Vice President)



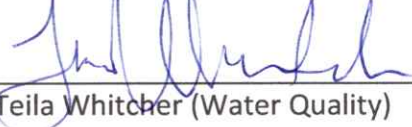
Randy Barry (Acting Treasurer/Secretary)



Mike Cona (Operations)



Leonard Visser (Grounds and Buildings)



Teila Whitcher (Water Quality)

Board Monthly Treasurer Report Mar 2026

Date	4/12/2026		
	Balance	Balance	Change
Monthly	2/2026	3/2026	
Chk	\$60,389.71	\$54,761.06	(\$5,628.65)
Heritage MM	\$81,475.20	\$81,482.12	\$6.92
Coastal MM	\$205,110.63	\$205,180.31	\$69.68
Totals	<u>\$346,975.54</u>	<u>\$341,423.49</u>	<u>(\$5,552.05)</u>
# of Members in arrears	<u>9</u>	Total Arrears	<u>(\$2,521.24)</u> (3/31/26)

Annual	12/2025	3/2026	
Chk	\$54,427.18	\$54,761.06	\$333.88
Heritage MM	\$81,462.03	\$81,482.12	\$20.09
Coastal MM	\$204,978.07	\$205,180.31	\$202.24
Totals	<u>\$340,867.28</u>	<u>\$341,423.49</u>	<u>\$556.21</u>

Monthly incomes/expenses

Incomes	\$7,257.87
Expenses	<u>\$12,809.92</u>
	-\$5,552.05

Monthly Significant/unbudgeted incomes/expenses

1. Well site fence repairs	(\$2,850.56)
2. 681 Vesper leak repair	(\$5,234.64)
3. 921 Margie Ann Meter check	(\$222.16)
4. Booster Pump Starter replacement	(\$1,913.75)
	<u>(\$10,221.11)</u>

Budget Status Year to date (2026)

Income	Budget	Actual	Difference
	\$30,500.00	\$32,899.21	\$2,399.21
Expenses	<u>\$11,014.88</u>	<u>\$32,343.00</u>	<u>(\$21,328.12)</u>
		Total	<u>(\$18,928.91)</u>

Annual Significant/unbudgeted incomes/expenses

1. Jan UnBudgeted	(\$9,250.35)	
2. Feb UnBudgeted	(\$2,641.39)	
3. Mar UnBudgeted	(\$10,221.11)	
4.	\$0.00	
	\$0.00	
	\$0.00	
	\$0.00	
	<u>\$0.00</u>	
	total	<u>(\$22,112.85)</u>

Driftwood Heights Association
BUDGET STATUS Mar 2026 (6mos budget)

2025 Expenses		Actual	Budget	Difference
Grounds Maintenance	\$	3,590.40	7,761.00	4170.60
Office Expenses	\$	444.38	887.50	443.12
Office Equipment/Supplies	\$	231.92	210.00	(21.92)
Bank Fees	\$	0.00	0.00	0.00
Insurance	\$	0.00	5,500.00	5500.00
Legal Expenses	\$	2,804.50	3,000.00	195.50
Engineering Expenses	\$	510.00	2,500.00	1,990.00
CPA Expenses	\$	0.00	0.00	0.00
Monthly Water Management	\$6,300.00	2512.48	5,366.04	2,853.56
Monthly Billing Fee	\$567.00		0.00	
Billing Statements	\$233.00		0.00	
Meter Read	\$735.00		0.00	
Cl- Carboy	\$369.00		0.00	
Consumer Confidence Report	\$105.00		0.00	
Water Efficiency Report	\$105.00		0.00	
Water Sampling	\$1,669.00		0.00	
Additional Hrs Charge CCR&Water Eff Rpt	\$210.00		0.00	
Water System Maintenance	\$3,150.00	15,423.19	6,000.00	(9,423.19)
Water System Repair/Work Orders	\$8,759.00		0.00	
Misc parts and Equipment	\$	102.60	500.00	397.40
Arlington Electric	\$	163.60	763.00	599.40
Fees/Permits	\$	20.00	500.00	480.00
Utilities	\$	590.72	1,722.00	1,131.28
Propane	\$	0.00	879.00	879.00
Refund of Overpaid Member Assessment	\$	575.00	0.00	(575.00)
Member returned deposits (NSF)	\$	0.00	0.00	0.00
Federal Taxes	\$	231.00	150.00	(81.00)
Beach Blkhd Repair	\$	200.00	2,000.00	1,800.00
Burns Fire Protection	\$	1,036.45	0.00	(1036.45)
Lehman Member pipeing repair	\$	1,056.20	0.00	(1056.20)
TOTAL EXPENSES	\$	29,492.44	37,738.54	8,246.10