

# MADRONA BEACH COMMUNITY WATER SYSTEM

## Board Meeting Minutes

May 1, 2024

### BOARD MEMBER ATTENDANCE

Frank Waterworth, President

Jeff Patt, Vice President

~~Dave Ballard, Treasurer~~

Laurie Cook, Secretary

Jeff Erwin, Trustee

Eileen Peterson, Trustee

Jerry Piontkowski, Trustee

### SHAREHOLDER ATTENDANCE

Diana Nestor

Scott Lawhon

Ryan White

### **I. CALL TO ORDER**

The meeting was called to order at 6:34pm. Laurie Cook and Jerry Piontkowski were officially voted in to join the Board. Jerry replaced the Trustee position vacated by Don Tinius, and Laurie replaced the position vacated by Raven Messenger. Laurie will take on the role of Board Secretary.

### **II. SHAREHOLDER COMMENTS**

No shareholder comments.

### **III. MEETING MINUTES**

The minutes of the March and April meetings were unanimously approved, with no changes.

### **IV. TREASURER'S REPORT**

Dave was not present at the meeting, but he submitted the balance sheet as of 4/30/2024 and P&L for April 2024, which Laurie presented:

- Total assets: \$370,602.29
- April income: \$5,730.38
- April expenses: \$58,442.76
- April net loss: -\$52,712.38
- Currently, 5 shareholders have not yet paid their annual dues for 2024; two are making payments.

## **V. WATER SYSTEM OPERATIONS**

### **A. Melissa Street broken valve**

This is a key valve that controls one of the shutoffs and it is broken due to age. QWC has quoted \$6,000 in parts and labor for this repair. Jeff Patt motioned to proceed with this work, Frank seconded. All in favor.

### **B. Sunset Drive shareholder overage and connection upgrade**

Discussed in executive session.

### **C. Instructions and work order for QWC to upgrade connections in 2024**

Discuss at June meeting.

### **D. New system requests/updates**

None.

## **VI. THIRD WELL INSTALLATION PROGRESS**

### **A. Next steps**

Aquatech to drill well; Brett to coordinate with Chad on findings for review by the State to meet all required regulations.

### **B. Drawdown test**

QWC hopes to start drawdown testing next week; it is a 24-hour process, with water being piped into the easement. We purchased a piece of equipment (a Variable Flow Distributor) that allows us to change the gallons/minute with the push of a button, giving us an adjustable system.

## **VII. BUDGET/CASH FLOW PLAN/2025 FEES**

Jeff presented an updated 8-year cash flow plan, indexed to 4% inflation, and it was reviewed/discussed in detail. The cash flow plan and new fees will be presented at the annual meeting, with a message of conservation.

The Board voted unanimously on these fee increases, effective June 1, 2024:

1. Retain no less than \$150k bank balance on an annual basis
2. Increase annual usage fee from \$450 to \$650 for up to 110,000 gallons
3. Increase non-user fee from \$350 to \$550
4. Increase transfer fee from \$500 to \$1,500
5. Increase water connection fee from \$2,500 to \$5,000

### **NOTES:**

- Overage rates will also need to be increased, to be discussed at a future meeting.
- With an annual usage fee of \$650 per year, we will now be able to qualify for a low-interest loan.

## **VIII. OLD BUSINESS**

### **A. Update U.S. Bank signatures**

Complete. Need to decide on a second signer.

### **B. Move CD to U.S. Bank Money Market**

Complete.

### **C. MBCWS Liability and D&O Insurance Policy**

Jeff is researching options for insurance coverage and is speaking with other water districts about their coverage. Our policy with our current provider renews in June and is limited to \$1 million liability coverage. Jeff would like to increase this to \$5 million.

## **IX. NEW BUSINESS**

### **A. Annual meeting**

The Board will collaborate by email to finalize the agenda, items to be presented, and advance communication to shareholders.

### **B. Accounting resources**

Jeff briefly discussed an option to contract with our tax accountant for financial/bookkeeping services as we transition from Dave Ballard's treasurer role of 26 years.

## **X. ADMINISTRATION & POLICY**

### **A. Recruitment of new Board members**

We have two shareholders who want to join the Board: Scott Lawhon and Ryan White.

### **B. Board roster and terms**

To be discussed at a later date.

### **C. Updates to Bylaws**

To be discussed at a later date.

### **D. Tracking of estimates, work orders, invoices**

To be discussed at a later date.

## **XI. ADJOURNMENT**

The meeting was adjourned at 8:04 pm.

Next Board meeting: June 5, 2024 at 6:30pm.

Respectfully submitted,  
Laurie Cook, Board Secretary