

# MADRONA BEACH COMMUNITY WATER SYSTEM

## Board Meeting Minutes

June 5, 2024

### BOARD MEMBER ATTENDANCE

Laurie Cook  
Jeff Erwin  
Scott Lawhon  
Diana Nestor  
Jeff Patt  
Jerry Piontkowski  
Ryan White

### SHAREHOLDER ATTENDANCE

None

#### **I. CALL TO ORDER | BOARD MEMBER INTRODUCTIONS**

The meeting was called to order at 6:35pm by Jeff Patt. Since most of our Board members are new, we introduced ourselves to each other and shared our professional backgrounds.

#### **II. SHAREHOLDER COMMENTS – NONE**

#### **III. MEETING MINUTES**

The minutes of the May meeting were unanimously approved, with no changes.

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

Laurie presented the balance sheet as of 5/31/2024 and P&L for May 2024:

- Total assets: \$352,296.91
- May Income: \$1,497.50
- May expenses: \$19,809.33
- May net loss: -18,311.83

#### **V. BOARD TRANSITION & ELECTION OF OFFICERS**

##### **A. Roles & Responsibilities**

Laurie presented a document outlining roles and responsibilities for president, vice president, treasurer, and secretary, per our Bylaws. The document also includes tasks for other MBCWS roles, along with a detailed procedural document from Dave Ballard.

##### **1. Customer Service Manager (Laurie Cook, since January 2024)**

- Point of contact via MBCWS phone, voicemail, and email
- Respond to/triage shareholder questions, issues, requests
- Correspond with Quality Water Care for projects, scheduling
- Notify shareholders about outages
- Manage website, update documents, system status, etc.

2. Treasurer, Bookkeeper, Collections, Database Manager (previously Dave Ballard, for 28 years)

- Treasurer responsibilities of financial oversight, accounts payable, accounts receivable, banking, mail, reporting
- Enter/import meter reads into Access database
- Prepare and send quarterly meter reads via email and/or USPS to 300 shareholders
- Prepare and send annual invoices
- Prepare and send statements with late fees, interest, etc.
- Work with shareholders on payment plans
- Correspond with shareholders regarding all billing matters
- Provide information for property transfers, escrow
- Send water share certificates and welcome letters to new shareholders
- Manage Access database (contains shareholder contact information, quarterly usage numbers, and a suite of queries for reporting and mail merge)
- Single source for database updates

3. Operations Manager

- “Hands-on” resource in our district for water system questions, issues, decisions, etc.
- Coordinate with QWC on projects, specifications, etc.
- Don Tinius provided this crucial support to our association for decades, then Frank Waterworth and Dave Ballard, now Jeff Patt

4. Quality Water Care

- System management and maintenance
- Testing/reporting water quality
- Quarterly meter reads
- Underground locates
- Connection upgrades
- Emergency response

**B. Election of Officers**

After discussing the roles, responsibilities, and expectations of each position at length, the Board voted unanimously to designate the following officers:

Ryan White, President  
Jeff Patt, Vice President  
Diana Nestor, Treasurer  
Laurie Cook, Secretary

**C. Transition of Duties: Treasurer, Bookkeeper, Database Manager**

1. Pearson Financial Services Inc.

As we transition from Dave Ballard’s 28-year multi-faceted role, the Board discussed re-aligning the Treasurer responsibilities to a more traditional role of oversight, and transitioning bookkeeping and shareholder billing duties to paid staff. After reviewing the proposed contract with Pearson Financial Services Inc. in Stanwood, Ryan moved to engage Pearson in a 6-month contract, Jerry seconded, all in favor. Pearson has been our tax accountant for many years.

2. Database Manager

Laurie is currently on point to manage and update the Access database, which makes sense as she is the customer service manager and primary point of contact for shareholders. Scott will provide technical support as we learn about the database and reporting capabilities.

3. Overall Transition

The Board will work to get our arms around the many tasks and responsibilities needed to run our water system and determine how they will be handled moving forward. This will be an ongoing process.

**VI. WATER SYSTEM OPERATIONS & UPGRADES**

**A. Melissa Street Broken Valve**

This work will be completed next week.

**B. Landscaper**

Jeff has hired a landscaper for 10 hours at \$35/hour to tackle the blackberry bushes on our Grandview easement.

**C. Third Well**

All initial work has been successfully completed, including the drawdown tests. We are awaiting response/approvals from the State of Washington to take the next steps.

**D. Connection Upgrades**

Using our newly adopted cash flow plan as a guide, Jerry moved to authorize QWC to upgrade 25 connections 2024, Ryan seconded, all in favor. We will start with the older section of our district, especially the beach properties. For now, we will postpone upgrades for any properties where driveways/concrete would need to be torn up to access the connection. The Board needs to determine how to handle these situations, who pays to restore the concrete, etc.

**E. New System Requests/Updates**

None.

**VII. OLD BUSINESS**

**A. Update U.S. Bank Signatures**

Dave has been removed; Jeff has been added. Need to add Diana as Treasurer.

**B. MBCWS Liability and D&O Insurance Policy**

Jeff renewed our current insurance policies as of June 2024. He is researching options for insurance coverage and is speaking with other water districts about their coverage. Our current policy is limited to \$1 million liability coverage. Jeff would like to increase this to \$5 million to bring it to current standards and ensure that Well #3 is covered.

**VIII. NEW BUSINESS**

**A. Water Rate Chart**

Jeff presented a proposed water rate chart that clearly equates water usage to cost. The Board will review this further and determine when/how to publish it to shareholders.

**B. Usage and Rate Discussion**

The Board discussed various considerations for our fee structure, including low usage shareholders and low-income shareholders. We will look at the Access data to see how many people fall into the different tiers and evaluate usage over the past few years. Overage rate increases will also be discussed at a later date.

**C. Consider Switching to Coastal Community Bank (on Camano vs. Smokey Point)**

**IX. ADMINISTRATION & POLICY**

**A. Board Roster and Contact Information**

Laurie will publish this to Board members and update the website with our new officers. Specific Board terms to be discussed at a later date.

**B. Updates to Bylaws**

To be discussed at a later date.

**C. Tracking of Estimates, Work Orders, Invoices**

To be discussed at a later date.

**X. ADJOURNMENT**

The meeting was adjourned at 8:12 pm.

Next Board meeting: July 10, 2024 at 6:30pm.

Respectfully submitted,  
Laurie Cook, Board Secretary