

MADRONA BEACH COMMUNITY WATER SYSTEM

Board Meeting Minutes

March 12, 2025

BOARD MEMBER ATTENDANCE

Laurie Cook
Jeff Erwin
Scott Lawhon
Diana Nestor
Jeff Patt (Absent)
Ryan White

SHAREHOLDER ATTENDANCE

None

I. CALL TO ORDER

The meeting was called to order at 6:35 pm by Ryan.

II. SHAREHOLDER COMMENTS

None.

III. MEETING MINUTES

The minutes of the February meeting were unanimously approved.

IV. TREASURER'S REPORT

A. Balance Sheet, February P&L

Diana presented the February financials, with these highlights:

Total assets as of 2/28/2025: \$362,622.43
February income: \$121,870.48 (water fees, interest earned)
February expenses: \$3,887.72
February net income: \$117,982.76

B. Annual Invoicing Update

Payments are continuing to come in, with approximately 70 shareholders still owing their annual water fees. Twelve shareholders have requested payment plans. Because our invoices were sent later than expected, the Board agreed to give another month – until April 1 – before we start adding interest to payments due.

C. Pearson Transition

Diana reported that the transition from Pearson Financial is complete. Checks, keys, and a digital scan of all documents have been picked up, and everything is going well.

D. 2025 Budget & Streamlined Chart of Accounts

Diana and Scott presented a draft 2025 budget, with an updated chart of accounts and 2023/2024 actual expenses. The Board needs to review this and provide feedback, with a goal of presenting a completed budget to shareholders at the June annual meeting.

E. Insurance Policy

Island County has requested a copy of our insurance policy, which Diana will send.

V. WATER SYSTEM OPERATIONS & UPGRADES

A. Connection Upgrades: 2025 Plan

Quality Water Care (QWC) has been working on the first wave of approved 2025 connection upgrades, starting with properties at Sunset/Maple and Olympic. After learning there were 50+ properties on a single shutoff valve to be affected by this work (on the west side of Maple and east side of Sunset from Olympic to Fifth Street), Jeff and Laurie requested that QWC add a second valve in this area while the water was turned off, at a cost of approximately \$5,500.

The Board discussed the connection upgrades at length, including how we can improve the process and communication with QWC. Our goal is to give our shareholders and customer service manager more notice about the work being done, and especially when water will be turned off to facilitate this work.

B. Storage Tank Restriction

Our priority is to bring the loss rate down by continuing to focus on connection upgrades. We will wait to address any upgrades to the storage tank.

C. Generator Service Contract

To be discussed at the next meeting.

VI. CUSTOMER SERVICE REPORT

Laurie shared feedback from shareholders who were surprised by the sudden disruption in their neighborhood for the connection upgrades, including our Board president. As discussed earlier, it is our priority to improve communication and give shareholders more notice about planned work and water shutdowns.

VII. OLD BUSINESS

A. FinCen BOI Requirement

This reporting requirement has been suspended again.

B. Updates to Bylaws

To be discussed at the next meeting.

C. Quality Water Care 2025 Rate Increase

Ryan shared an update on his recent conversations with QWC about their 17% rate increase, payment terms, executing a written contract, and our desire to improve communication/timing for planned upgrade work. As QWC continues to grow, we hope they will upgrade their operational processes and improve customer service. Ryan and Becky will continue their dialogue.

VIII. NEW BUSINESS

A. Annual Meeting

Laurie will reach out to the yacht club about scheduling our meeting on Saturday, June 21st. She will post a “save the date” message on the website.

B. Open Board Member Position

Laurie informed the group that we have a shareholder interested in joining the Board who has great technical skills/background. Laurie will speak with him further and invite him to attend our next meeting.

XI. ADJOURNMENT

The meeting was adjourned at 7:30pm. A short executive session followed.

Next Board meeting: April 9, 2025 at 6:30pm.

Respectfully submitted, Laurie Cook, Board Secretary