

# MADRONA BEACH COMMUNITY WATER SYSTEM

## Board Meeting Minutes

April 9, 2025

### BOARD MEMBER ATTENDANCE

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

### SHAREHOLDER ATTENDANCE

None

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

The meeting was called to order at 6:40pm by Jeff. We did not have a quorum for voting purposes.

#### **II. SHAREHOLDER COMMENTS**

None.

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

The minutes of the March meeting will be approved at the May meeting.

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

##### **A. Balance Sheet, March P&L**

Diana presented the March financials, with these highlights:

Total assets as of 3/31/2025: \$362,811.56  
March income: \$27,747.88 (water fees, interest earned)  
March expenses: \$28,084.15  
March net income: -\$336.27

Diana is in the process of reviewing the Quality Water Care (QWC) invoices in detail to better understand the services for which we are being billed. For example, meter reads are \$1,100 per month (\$3.50 per meter read), and there is an \$836 monthly fee that is not clearly defined. This analysis will also assist Ryan in negotiating our contract with QWC.

##### **B. Annual Invoicing Update**

Payments are continuing to come in, with 34 shareholders still owing all or part of their annual water fees. Twelve shareholders have requested payment plans, with final payments due by the end of June. The Board previously agreed to give shareholders until April 1 before we start adding interest. Diana will send QuickBooks reminder notices and inform them that 18% interest will be charged on unpaid balances as of April 1 and a \$75 late fee will be charged as of May 1. Outstanding accounts as of June 1 may have their water shut off. Laurie will update the website with these dates.

## **C. 2025 Budget & Streamlined Chart of Accounts**

The group discussed the draft 2025 budget and updated chart of accounts and agreed to review this and provide feedback to Diana. Our goal is to present a completed budget at the June annual meeting.

## **V. WATER SYSTEM OPERATIONS & UPGRADES**

### **A. 2025 Connection Upgrades**

QWC has been working on the second wave of approved 2025 connection upgrades; these are for the properties at Sunset/Maple and Olympic. They have provided more notice of the construction work and two required shutdowns, which allows us to inform shareholders in a timely manner. Laurie will create a list of upgraded connections/properties. Ultimately, we should update our map with current shutoff valve locations, fire hydrants, and upgraded connections. We budgeted \$117,000 for the connection upgrades in 2025. After the initial upgrades, we have \$91,000 remaining. At \$3,500 each, this translates to 26 more connections.

### **B. Water Loss**

Our water loss is still very high. The group discussed the need to “go into the swamp” – the 5-acre ravine at Blackburn and Sunset, and the ravine at Henning and Olympic. The trees in these areas haven’t been maintained and there are likely leaks that need to be found and resolved.

### **C. Q1 Meter Reads + Water Leak on Sunset**

After reviewing the Q1 meter reads sent by QWC, Jeff contacted two shareholders who had high usage. He learned there was one leak from a sprinkler and another from a running toilet.

### **D. Feedback on Water Quality After Upgrades**

Several shareholders reported a distinct change in water quality, color, and smell since the connection upgrades were completed. Jeff and Laurie have advised them to run the water longer to clear out the pipes, including the outside faucets. There are many vacation homes in the area where the upgrades were completed. Since shareholders are not here full-time, this process will take longer.

### **E. Generator Service Contract**

To be discussed at the next meeting.

## **VI. CUSTOMER SERVICE REPORT**

Covered in previous discussions.

## **VII. OLD BUSINESS**

### **A. Lead Service Line Inventory**

Jeff shared the approach Camano West has used for this state requirement, which essentially provides a list of service addresses and general answers such as “unknown.” Laurie will pull service addresses and shareholder numbers to an XLS spreadsheet so we can take a similar approach.

## **B. Updates to Bylaws | Next Steps**

To be discussed at the next meeting.

## **C. Quality Water Care 2025 Rate Increase, Payment Terms, Contract**

To be discussed at the next meeting.

## **D. Annual Meeting: Saturday, June 28**

Laurie confirmed availability of the yacht club Chart Room for our annual meeting on Saturday, June 28 at 10am. She will post a "save the date" message on the website. The group briefly discussed the draft agenda and agreed that we should include a summary of 2024, the 30 upgrades completed, and where we are now. In addition, we will present our 2025 budget, updated cash flow plan, storage tank options, and 2026 fees.

## **E. Open Board Member Position**

Laurie provided an update that the shareholder who is interested in joining the Board has a work schedule that would make it difficult for him to attend monthly meetings. Jeff will contact him to see if he could occasionally contribute his technical/engineering skills.

## **VIII. NEW BUSINESS**

### **A. New Storage Tank**

Jeff researched options for a new storage tank, including keeping the original tank while we add a new 79,000-gallon tank. The process will take 10-12 months, including working through the various studies required by the state. We would start in the Spring and finish in December.

If we go with the option of tearing down the current tank and adding one new (larger) tank, we would be reliant on Camano West for our water supply for 3 months. The option of two tanks mitigates this issue and gives us more flexibility. We could approach the project in phases to add the first new tank, then save up for the second tank. A USDA loan would allow us to finish the project more quickly. Long-term, we would have two 79,000-gallon tanks. We could also keep the old tank even after adding the two new ones.

### **B. July Meeting**

Jeff suggested that we cancel the July meeting to allow for summer vacations.

## **XI. ADJOURNMENT**

The meeting was adjourned at 8:04 pm. A short executive session followed.

Next Board meeting: May 14, 2025 at 6:30pm.

Respectfully submitted, Laurie Cook, Board Secretary