

# MADRONA BEACH COMMUNITY WATER SYSTEM

## Board Meeting Minutes

May 14, 2025

### BOARD MEMBER ATTENDANCE

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

### SHAREHOLDER ATTENDANCE

None

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

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

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

None.

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

The minutes of the April meeting were unanimously approved.

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

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

Diana presented the April financials, with these highlights:

Total assets as of 4/30/2025: \$242,850.29  
April income: \$10,632.03 (water fees, interest earned)  
April expenses: \$19,945.65  
April net income: -\$9,313.62

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

Payments are continuing to come in, with 13 shareholders still owing all or part of their annual water fees. Diana will send final notices and updated invoices, with 18% interest and \$75 late fees added. Outstanding accounts as of June 1 may have their water shut off.

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

The group discussed the draft 2025 budget and agreed not to present this detailed budget at the annual meeting. Instead, we will present the balance sheet and updated cash flow plan, which summarizes projected income and expenses.

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

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

We have 10 more connection upgrades pending for 2025. New equipment has been pre-purchased for these connections and is being stored at our well site. However, because our water loss is still very high, we agreed to focus on 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.

### **B. 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.

### **C. Leak on Sunset**

This issue was investigated and found to be a homeowner responsibility.

### **D. Options for New Storage Tank**

We continued our discussion of options for the new storage tank. Our current tank was built in 1977 and has a lifespan of 60 years. We may want to pursue the USDA loan so we can replace it sooner than later, which would also lower the cost. Brett at QWC suggests that we use the old tank for equipment storage.

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

Ryan will contact potential providers. To be discussed at the next meeting.

## **VI. CUSTOMER SERVICE REPORT**

Covered in previous discussions.

## **VII. OLD BUSINESS**

### **A. Quality Water Care 2025 Contract**

To be discussed at the next meeting.

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

There was further discussion about the agenda, format, and logistics for the meeting. New Fire Chief Allen has asked to address the group for a neighborhood introduction. We will finalize the agenda at the June meeting.

### **C. Open Board Member Position**

The group will continue looking for a shareholder to join our Board as a Trustee.

## **VIII. NEW BUSINESS**

### **A. Insurance Policy Renewals**

Jeff recommended that we increase our general liability policy from \$750k to at least \$1 million in coverage. This protects all shareholders. The D&O liability protects the Board and is currently \$1 million, which is no longer adequate. There is also an auto policy with limited scope. Jeff believes we can do better on both the rate and coverage. He is researching other providers, including the company Camano West uses for their insurance, and will bring this information to next month's meeting.

### **B. 2026 Water Rates**

The group agreed unanimously to raise our water rates for 2026 as outlined below. This will allow for inflation, the 17% Quality Water Care cost increases, and continued improvement of our cash flow for the pending projects.

- User fee: \$750
- Non-user fee: \$650
- Property transfer fee: \$2,000 (same as 2025)

### **C. July Meeting**

We agreed to cancel the July meeting.

## **XI. ADJOURNMENT**

The meeting was adjourned at 8:04 pm.

Next Board meeting: June 18, 2025 at 6:30pm.

Respectfully submitted, Laurie Cook, Board Secretary