

MADRONA BEACH COMMUNITY WATER SYSTEM

Board Meeting Minutes

January 14, 2026

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 by Ryan at 6:35pm.

II. SHAREHOLDER COMMENTS

None.

III. MEETING MINUTES

The minutes of the December meeting were unanimously approved.

IV. TREASURER'S REPORT

A. Balance Sheet, 2025 YTD P&L

Diana presented the financials, with these highlights:

Total assets as of 12/31/2025: \$243,932.36

2025 YTD income: \$221,062.83 (water fees, property transfer fees, interest earned)

2025 YTD expenses: \$200,554.74

2025 YTD net income: \$20,808.09

B. Accounting Support: Update and Ongoing Plan

Jeff and Diana met several times with the local bookkeeper (Susan), an expert at helping non-profit organizations with QuickBooks support. The team did a great job! Susan helped generate annual invoices, clean up issues in QB, streamline the P&L, reconcile QB to our bank statements, and provide a review of our books. After discussion about whether to utilize Susan on a quarterly or semi-annual basis, Diana feels this is not needed right now.

Coastal Bank resolved the issue with the sweep account not showing in QuickBooks.

Jeff will ask Susan to send her rates and terms in writing for our records.

C. 2026 Annual Invoicing Update

Annual invoices have all been sent! Diana and Laurie worked to pull and review the necessary data from the Quality Water Care meter read spreadsheet and Access database, with Jeff and Scott providing support. In the process, multiple discrepancies in contact information were identified between Access and QuickBooks, and these were all corrected. Invoices must be generated on an individual basis in QuickBooks.

V. WATER SYSTEM OPERATIONS & UPGRADES

A. Well #2 Status, Well #3 Status, Generator Status

During the recent winter storm and extended power outage, the generator didn't come on, and several components of our system failed. Our tank was almost empty. Quality Water Care responded quickly, at the weekend emergency rate of \$225 per hour. Numerous issues were identified, including that the motor for well #3 is not strong enough; the power provided by the generator is "dirty;" and our equipment is old, worn, and not sized right so it didn't function properly.

New Starter

A new starter (\$3,500) or VFD (\$10,000) is needed for pump #2. The starter is harder on the equipment and has a shorter lifespan, but we need to pull the pump out eventually. Scott motioned to replace the starter, Jeff Erwin, seconded, all in favor. The wiring will also be upgraded.

New Generator

It is critical that we purchase and install a new commercial grade generator: A Kohler with a 6.2 liter V8 engine weighing 1,900 pounds. It runs on propane, not gas like our current generator, has an automatic on/off, and is Wi-Fi capable. Cost is \$53,000 ++. Jeff Erwin motioned to approve, Jeff Patt seconded, all in favor.

New Proportional Meter

A new proportional meter is needed to control the addition of chemicals (chlorine, magnesium). The current equipment is over and under dispensing. Cost is \$2,000. Scott motioned to approve, Jeff Erwin, seconded, all in favor.

Unfortunately, our water loss continues to be significant, and we want to stay on track with the deferred maintenance. However, given these expenses, we will need to reduce the number of connection upgrades in 2026.

Could we apply for a grant?

B. Lead Service Line Inventory

Ryan spoke with the Department of Health and learned that we just need to do the best we can with the inventory by sending it to shareholders, encouraging them to determine whether they have lead pipes, and requesting that they fill out the form. We will also post a link on our website.

C. Generator Service Contract

Ryan confirmed that Washington Generator Service serviced our generator on 11/13/2025.

D. Ravines at Henning/Olympic

Testing in the Henning/Olympic ravine still needs to be scheduled by QWC.

VI. CUSTOMER SERVICE REPORT

A. Shareholder Feedback

Laurie reported that she received numerous shareholder inquiries and questions about billing and payment, water usage, and fee increases. More details will be shared at the next meeting.

As discussed earlier, many database updates have been made to synch up our three databases: Access, QuickBooks, and the QWC meter read spreadsheet.

VII. OLD BUSINESS

A. Quality Water Care 2025 Contract

Tabled for next meeting. We will take our existing contract and draft an update to be negotiated with QWC.

B. Meter Read Process

Laurie will set up a Zoom call to review the project with our WordPress guru, Scott. We will continue to assess the quarterly spreadsheets sent by QWC to identify and proactively contact high usage properties.

VIII. NEW BUSINESS

None.

XI. ADJOURNMENT

The meeting was adjourned at 8:02 pm.

Next Board meeting: March 11, 2026 at 6:30pm.

Respectfully submitted, Laurie Cook, Board Secretary