

MADRONA BEACH COMMUNITY WATER SYSTEM

2025 Annual Meeting Minutes

June 28, 2025 | 10:00 am | Camano Island Yacht Club

I. CALL TO ORDER

The 2025 annual meeting of the Madrona Beach Community Water System was called to order at 10:04 am by Ryan White, president. Members representing 48 shares were present, achieving the 10% quorum requirement. Attendance was up 23% from 2024!

II. INTRODUCTION OF CURRENT BOARD MEMBERS

- Ryan White President
- Jeff Patt, Vice President
- Diana Nestor, Treasurer
- Laurie Cook, Secretary
- Jeff Erwin, Trustee
- Scott Lawhon, Trustee

III. MEETING MINUTES

The minutes of the 2024 annual meeting were presented and unanimously approved.

IV. INTRODUCTION OF CAMANO ISLAND FIRE CHIEF JASON ALLEN

Camano Island Fire & Rescue Chief Jason Allen, who took over the post in March 2025, gave an informative presentation. He discussed the importance of the levies which fund critical equipment, facility upgrades, and staff to support our growing population. They were able to hire 11 firefighters last year for a total of 34 full-time and 12 part-time staff. We now have a medic unit here in Madrona Beach.

Expenses are up 58% across the board. Several years ago, a new fire engine cost \$650k; now the cost is \$1.2 million, with a two-year waiting period. Our Camano Island Fire & Rescue responds to an average of 2,400 calls per year. The fire department will be exercising and flushing all fire hydrants in our water system during the summer at no cost to our association.

V. President's Report: State of the System

Ryan White, president, presented a summary of the health and operation of our water system:

- Our new Board of Trustees is working diligently to manage and improve our system.
- Now in year two, Quality Water Care (QWC) continues to do an excellent job as our service provider.
- Well #3 is up and running, certified, and operating well. We are only using wells #2 and #3.
- We continue to have a significant water loss and are working diligently with QWC to identify and repair the leaks.
- Following our plan, we upgraded approximately 20 connections throughout our system this past year. We will continue forward with this plan, as well as saving for the new water tank.
- A key project for our Board is to update our Bylaws.
- We are all stewards of our water system.

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VI. Financial & System Review

Diana Nestor, treasurer, presented the following information:

- Our Madrona Beach Community Water System is in a strong financial position. We are debt free and our total assets as of June 28, 2025 are \$317,898.
- To date in 2025, property transfers have generated income of \$20,900.
- Jeff Patt led the charge to revise our insurance policy, filling several gaps, doubling our liability, and reducing the cost.

VII. OPERATIONS REPORT: WATER SYSTEM UPGRADES

Jeff Patt, vice president, presented the following information:

A. Capital Improvements

- We have a total of 290 connections in our system.
- The older connections are of greatest concern, and we are upgrading these first. These old connections are sprinkler-grade black polyline. We will also be looking for leaks in the ravines.
- 40-50% of the connections upgraded were found to be leaking, some of them dramatically.
- We need to start addressing the mains as well, which is very expensive.
- We must put resources into improving our system.

B. New Storage Tank

- Our storage tank is 48 years old. With a life span of 60 years, it will need to be replaced in 10-15 years.
- The current tank is octagonal shaped, which results in weak points and added pressure on the corners. The foundation, walls, and rebar of the new tank will be thicker, and the tank will be seismic-ready.
- We are considering installing two smaller storage tanks instead of one large tank. This approach would provide greater flexibility and reduce the need to rely on a neighboring water system during the transition.
- The sooner we purchase a new tank, the less it will cost. However, resolving our water loss takes priority.

C. 2022-2024 Water Use Report

Our 2022-2024 water use report was presented. The State looks at a three-year rolling average of water loss and requires that any water loss over 10% be addressed.

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VIII. FUNDING AND CASH FLOW

A. 10-Year Cash Flow Plan

Jeff presented an updated 10-year cash flow plan to provide a long-term vision of where we're going and what is needed. The plan includes upgrading 25 connections per year and saving for the new storage tank. The average cost per connection upgrade is \$4,200, and the new tank is estimated to cost \$800,000. This is a working plan and will be updated as needed.

We are in a "catch-up" phase, as our rates were much too low and ongoing system maintenance has been deferred for 20 years. Our hope is to avoid special assessments. Our association is now considered to be more loan-worthy and we could consider getting a loan to fund some of the capital expenses in a shorter time period.

B. 2026 Water Rates

In order to continue funding the connection upgrades, storage tank, and other equipment, we need to increase the annual dues and other fees. A list of new fees was presented, effective 6/1/2025. The base rate in 2026 will be \$750 per share, \$700 for non-users. The non-user rate is based on what it costs to maintain and update the system.

IX. Floor Open to Questions

Several questions, comments, and feedback from shareholders were answered and acknowledged.

X. Adjournment

The meeting was adjourned by Ryan at 11:18am.

Respectfully submitted,
Laurie Cook, Board Secretary