

MADRONA BEACH COMMUNITY WATER SYSTEM

Board Meeting Minutes

August 12, 2026

BOARD MEMBER ATTENDANCE

Laurie Cook
Jeff Erwin
Scott Lawhon
Diana Nestor
Jeff Patt

SHAREHOLDER ATTENDANCE

None

I. CALL TO ORDER

The meeting was called to order by Jeff at 6:37pm. A quorum was present.

II. SHAREHOLDER COMMENTS

None.

III. MEETING MINUTES

Laurie was unable to print the June minutes for review, so they will be approved at the September meeting.

IV. TREASURER'S REPORT

A. Balance Sheet and 2026 YTD P&L

Total cash assets as of 7/31/2026: \$317,649.44

YTD 2026 income: \$251,528.16 (water fees, interest on late payments, interest earned, transfer fees)

YTD 2026 expenses: \$158,029.92

YTD 2026 net income: \$93,747.08

We need to conduct an inventory and costs incurred for all fixed assets (new well, new generator, new connections) and advise our CPA, for tax depreciation and insurance purposes. Diana will work with Susan and provide this to Jeff. They will also meet later this year for QuickBooks review.

B. Status Report: 2026 Water Fee Payments

One shareholder payment is still outstanding. Laurie will follow up with a final deadline.

C. Ziplly Locate Fees

Discussion about the \$125 charge we are paying Quality Water Care (QWC) for each Ziplly locate request, which is happening frequently throughout the neighborhood. Should this be our responsibility? Other water systems on the island are expressing the same concern. One consideration is that if anything goes wrong with a dig, Ziplly pays for the repair; otherwise, we could end up paying. Need to discuss further.

V. WATER SYSTEM OPERATIONS & UPGRADES

A. Testing for Leaks & Major Repairs in July

Two major leaks in our main lines were identified and repaired at a total cost of approximately \$35k. The specialist contractor hired to test our system for leaks has completed their work. He identified two leaks: one on Olympic (main line) and one on High Road. Total cost for these services was \$1,800. During this repair work, an additional shutoff valve was added at Sunset and 5th. More work is needed in this area.

The shareholder on Horizon Way with extremely high Q2 usage fixed two leaks and usage dropped significantly. Do we need to replace the current 1" meter with a ¾" meter?

B. Connection Upgrades

After review of our balance sheet and anticipated expenses for the remainder of the year, we agreed to contract QWC for an 12 additional connection upgrades in the area of Maple and 4th. This will bring the total upgrades in 2026 to 20.

A shareholder wants to move her water line/meter from High Street to Madrona Beach Road. Jeff will coordinate this with a pending request from another shareholder in this same area.

C. Generator Update

The new generator is running well and is tested for 15 minutes every Friday.

D. Water Use Efficiency (WUE) Goal

We agreed to advise Quality Water Care and the Department of Health that our WUE goal in the next three years is 20%.

VI. CUSTOMER SERVICE REPORT

A. Status Report: Water Usage Tool and Notification

Laurie will send this notification to all shareholders when the Q3 meter reads have been uploaded to the website.

VII. OLD BUSINESS

A. New Office 365 Environment

Tobin Fekkes assisted Laurie in moving historical and current files/documents to our new Share Drive. Laurie will work with Scott and Diana to move key treasurer files/documents so that all key association documents are stored in the cloud, not on individual laptops.

B. New Quality Water Care 2026 Contract

Laurie consulted with Bob Cole at the Law Office of Cole & Gilday, P.C to review the QWC contract on our behalf. Mr. Cole advised us to agree to it, with a request for QWC to omit the office and fuel charges if we are concerned about these. He is not concerned about the absence of legalese in this “month to month” contract. We will finalize, sign, and return the contract to QWC.

VIII. NEW BUSINESS

A. New MBCWS Logo

Scott presented a beautiful logo he designed for our water system! We voted unanimously to start using this on our website and communications. Laurie will implement this.

IX. ADJOURNMENT

The meeting was adjourned at 8:18pm.

Next Board meeting: September 9, 2026 at 6:30pm.

Respectfully submitted, Laurie Cook, Board Secretary