

FIRGROVE MUTUAL WATER COMPANY

Regular Meeting Minutes

Date: 2/16/2021 Time: 6:00 p.m.

- I. Call to Order and Roll Call:** S. Williams called the meeting to order at 6:03 p.m. **Board Present:** N. Donovan, A. Fisher, D. Rose, M. Hinds, and S. Williams. **Staff Present:** L. Triplett, R. Lantz, and L. Jones.
- II. Approval of 12/15/2020:** S. Williams called for a review of the 12/15/2020 meeting minutes. D. Rose moved to accept the 12/15/2020 minutes as presented. A. Fisher seconded the motion. Motion passed 5 to 0. There was no Board meeting in January 2021.
- III. Resident/Customer Comments:** None.
- IV. General Correspondence and Articles:** None.
- V. Action Items:**
- A. Mortimer Rate Adjustment** – L. Jones explained communication received from Tom Mortimer about his rate increase the beginning of February. N. Donovan moved to approve Mortimer’s rate adjustment of \$285.00 per hour as presented. D. Rose seconded the motion. Motion passed 5 to 0.
- B. Pipe Purchase** – L. Jones explained that once a year the Regional Water Cooperative of Pierce County (RWPC) purchases pipe at a discounted rate and because of a large county project coming up in 2023, staff felt that the company could save approximately \$30,000 if the opportunity was taken now to purchase the pipe through the RWPC and store it until such time as needed. The pipe could also be used for other projects if needed before the 2023 project. N. Donovan moved to purchase up to 8,000 feet of pipe through the RWPC not to exceed \$200,000. M. Hinds seconded the motion. Motion passed 5 to 0.
- VI. Staff Reports:**
- A. Finance:**
- Cash Sheets – L. Triplett reported a quiet market for Firgrove in December and January. Financial services showed some market loss, and the quarterly advisory fees were charged. Firgrove had more share purchases in January. M. Hinds inquired if taking some of the low interest cash accounts and applying them to the Tacoma loan would be recommended. L. Triplett suggested in light of the current financial environment an analysis be prepared before making that decision. L. Jones pointed out that type of analysis was a part of last year’s overall Water System Plan Update. N. Donovan also suggested that it would be wise to wait until the repercussions from the pandemic have settled before proceeding with the analysis.
 - FQ3 2021 Operating Results – L. Jones reviewed the operating percentages by department. He noted that expenses were at 73.9% and revenue at 81% of budget. Expenditures were lower than typical due to staffing levels, plus lack of attending conferences and furthering education due to COVID. The bottom line of the operating results is positive.
- B. Operations:**
- Equipment Purchases – R. Lantz reported purchase of a new 20-foot trailer to haul the mini excavator. Also, a new backhoe has been ordered to arrive in mid-May. The backhoe was discounted from the original price of \$192,000 to \$109,000. S. Williams inquired if staff are available with a CDL Class A license to transport the trailer and mini. R. Lantz replied it is under the weight for a Class A license. Staff are available with either Class A or Class B licenses.
 - Zone 2A Roof Repair – R. Lantz reported the roof repair is proceeding and a crane would be in place on 2/18/21 to remove the old roof so the new roof can be constructed. S. Williams inquired if the tank had been drained for the repair. R. Lantz replied that the water had been pumped into the system down to a certain level and then the remainder drained.

- **Main Breaks** – R. Lantz reported several main breaks. The first took place on New Year’s Eve in front of the House of Kee on Meridian. It was a leaky fitting and was temporarily repaired at that time. The next leak was January 25 on 107th Avenue Court East where a fir tree root broke a 4-inch AC main. The tree root was cut out and the main repaired with PVC for now since the main in that area will eventually be replaced. The last leak was on 138th where a 2-inch galvanized nipple was leaking, and the pipe had separated. The new repair was completed to standard requirements.

C. Administration:

- **Legislative Update** – L. Jones reported several bills are still in legislation that could affect water purveyors. SB 5034 is a comprehensive revision of the Washington Nonprofit Corporation Act. L. Jones had just received a 16-page brief from Firgrove’s attorney that needs to be reviewed before presented to the Board. A second bill, HB 1337, relates to how ADUs are counted as connections and what charges can be implemented by the purveyor. The RWPC is currently testifying on this bill and will be monitoring the outcome of this bill. The last bill, HB 1139, addresses lead monitoring in schools. Staff will continue to monitor and report back on the outcome of these bills.

D. Board:

- **Investment Report** – Rhonda Arnett, CB Financial Services, attended the meeting to give the Board her regular investment update. She reviewed the 2020 performance of the portfolio and the first two months of 2021. The portfolio has stayed stable due to the diversified and conservative distribution of funds. It is anticipated that the market will do well in 2021. Therefore, no changes are recommended at this time. Converting investments to cash is not currently needed as L. Jones stated a conservative approach to capital projects will be used and some projects may be deferred.

VII. Informational Items:

- A. Webinar Information** - L. Jones reported attending a webinar regarding the recent water system breach in Florida. Basically, the system had multiple vulnerabilities through older software programs used in the system and someone was able to tamper with the chemical dosage within the system. L. Jones reported that Firgrove has updated software. Staff are currently working on other safeguards to improve security in the Firgrove system.

VIII. Executive Session:

- A. Personnel** – The Board entered Executive Session at 7:25 p.m. to discussion personnel matters and returned to the regular meeting at 7:44 p.m. No action was taken.

- IX. Adjournment and Next Meeting:** The next Board meetings are scheduled for Tuesday, March 16, 2021, at 6:00 p.m. and Tuesday, April 20, 2021, at 6:00 p.m. S. Williams adjourned the meeting at 7:47 p.m.

- X. Pending Items:** Nothing added, subtracted, or changed.