

FIRGROVE MUTUAL INC.
Special Meeting Minutes
Date: 3/29/22 Time: 6:00 p.m.

- I. Call to Order and Roll Call:** A. Fisher called the meeting to order at 6:12 p.m.
Board Present: A. Fisher, M. Hinds, E. Ott, and D. Rose, **Board Absent:** S. Williams. **Staff Present:** L. Jones, R. Lantz, and L. Triplett.

II. Action Items:

- A. FY 2023 Operating Budget** – L. Jones responded to D. Rose’s question from the March regular meeting about what is included in the “General” line items within the proposed budget. General includes salaries, vacation, sick leave, payroll taxes, healthcare premiums, retirement contributions, office forms and supplies, dues, and employee activity fund. These costs are generally consistent across departments. R. Lantz reported on subdepartment costs for the Service/Development and Field departments. L. Triplett discussed accounting, billing and collections, and IT costs as the largest expenses in the Finance department. M. Hinds inquired if the Springbrook upgrade is included in the budget. L. Triplett replied this project is in the capital budget. Firgrove has started discussions with Springbrook and is moving toward the upgrade. D. Rose thanked staff for its transparency as to what is in the General budget line items. A. Fisher inquired what are the line items below the operating budget. L. Jones and L. Triplett explained the depreciation and amortization expenses, debt, other income, and investment gains and losses. D. Rose moved to approve the FY 2023 operating budget as presented. M. Hinds seconded the motion. Motion passed 4-0 with Board members present.
- B. FCS Group Revenue Rate Update Scope of Work** – L Jones. stated the proposed FCS Group scope of work will update the financial chapter of the 2019 Water System Plan (WSP). Firgrove deferred two adopted rate increases due to COVID-19. Given these deferrals and larger than anticipated development revenues, staff presented the following options: 1) Implement the approved plan now and move forward from this point; 2) Revise the study and implement updated study recommendations at report time; 3) Implement a previously adopted 3.5% increase 4/1/22 and implement updated recommendations starting 4/1/23. E. Ott inquired how many years will the study cover. L. Jones replied 8 years to match the remainder of the WSP, with a study period of 20 years. E. Ott also inquired if there will be a chance to discuss study results prior to implementation. L. Jones replied yes, FCS Group will present the study to the Board for review. Typically, there is a range of options presented for consideration. D. Rose inquired if staff need additional budget beyond the proposed \$30,700.00. L. Jones replied that FCS Group has been consistent at delivering previous studies within budget. D. Rose moved to approve the FCS Group scope of work not to exceed \$30,700.00. M. Hinds seconded the motion. Motion passed 4-0 with Board members present.

III. Other Information: L. Jones followed up on a question from the Board regarding parking spaces and installation of a new fence and gate at the Administration/Operations building. L. Jones contacted Pierce County and there is no issue with respect to the number and type of spaces planned. E. Ott inquired if the excavation east of the driveway is for the gate. R. Lantz replied yes, but there is no update on when the gate will be installed. R. Lantz informed the Board of a break-in that occurred on 3/2/22 at 3:45 a.m. An air compressor and two light standards were stolen. E. Ott inquired if Firgrove insurance will cover the cost. L. Jones replied that a claim will not be filed because of the deductible amount and low value of the equipment stolen. L. Jones presented Firgrove's organizational chart in response to E. Ott's request from an earlier meeting for that information. Current open positions were also discussed.

IV. Adjournment and Next Meeting: The next regular Board meetings will be held on Tuesday, April 19, 2022, at 7:00 p.m., and Tuesday, May 17, 2022, at 6:00 p.m. A. Fisher called for a motion to adjourn the meeting at 7:00 p.m. M. Hinds so moved. E. Ott seconded the motion. Motion passed 4-0 with Board members present.