

**BUDGET COMMITTEE MEETING #1 ~ PRESENTATION OF THE PROPOSED BUDGET
HYBRID MEETING: IN-PERSON ~ VIRTUAL MEETING VIA ZOOM**

Thursday, April 2, 2026 at 5:00pm ~ Columbia Grange 267 ~ 37493 NE Grange Hall Rd

BUDGET COMMITTEE MEMBERS PRESENT: Michael Arion, Lauri Aunan, Erika Bronson, Matt Bruton, Allen Cress, Angie Kimpo, Andrew Parker, Kelly Piper, Nina Sackett Kronberg

BUDGET COMMITTEE MEMBERS ABSENT: Dan Graff

STAFF MEMBERS PRESENT: District Manager Andrew Dirks, District Clerk Heather McGivney, District Clerk Kelsey Zavoral, Clerk Lynda Ronell

AGENDA

- 1. Call to Order** – Board President Erika Bronson called the meeting to order at 5:00pm.
- 2. Roll Call** – Michael Arion, Lauri Aunan, Erika Bronson, Matt Bruton, Allen Cress, Angie Kimpo, Andrew Parker, Kelly Piper, and Nina Sackett Kronberg were present. Dan Graff was absent.
- 3. Approval of the Agenda** – Erika Bronson suggested that we move public comments to directly follow the Budget Message, so that the public could give their opinions on the proposed budget before deliberation began. Michael Arion moved to approve the agenda as amended, seconded by Angie Kimpo (*motion passed 9 yes votes: M. Arion, L. Aunan, E. Bronson, M. Bruton, A. Cress, A. Kimpo, A. Parker, K. Piper, N. Sackett Kronberg; 0 no votes*)
- 4. Election of the Fiscal Year 2026-2027 Budget Committee Chairperson**
 - Eerika Bronson called for nominations for Budget Committee Chairperson. Kelly Piper nominated Matt Bruton, seconded by Angie Kimpo. (*motion passed 9 yes votes: M. Arion, L. Aunan, E. Bronson, M. Bruton, A. Cress, A. Kimpo, A. Parker, K. Piper, N. Sackett Kronberg; 0 no votes*)
- 5. Review of the Budget Message**
 - Heather McGivney read the Fiscal Year 2026-2027 Budget Message aloud. The proposed budget presents a balanced plan with approximately \$2.47 million in total resources, primarily derived from rate revenue, property taxes, and grant funding. Key features include increased emphasis on capital investment and infrastructure maintenance, with a focus on system upgrades, replacement of aging assets, and improved monitoring systems. The District has eliminated its debt service obligation following a final loan payment in 2025, and the proposed budget reflects a shift toward proactive asset management and system resiliency, with conservative revenue projections and adequate reserves.
- 6. Public Comments** – None
- 7. Review of Past Years' Financial Information & Budget Actual vs. Money Spent So Far for FY2025-2026**
 - Heather explained that the two leftmost columns on the budget document showed actual spending for fiscal years 2023-24 and 2024-25, with figures pulled from our audit. She pointed out key details about personnel costs, materials and services, and capital outlay items. Key points included personnel cost increases due to new hires, significant expenditures in FY2023-24 for legal fees, spending for the Drinking Water Source Protection grant in FY2023-24 and the System Optimization Review grant in FY2024-25, and the final payments on our debt. The conversation

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ended with a review of how the ending fund balance for the previous fiscal year becomes the net working capital that begins the next year.

- She then pointed out some highlights of how the current spending compares to our adopted FY2025-26 budget through the end of February, which is 2/3 of the way through the fiscal year. Base rate income was lower than anticipated at 63.44% compared to the expected 67% for this time of year, partially due to some farmers turning off irrigation lines for the winter. However the water sales stands at 77.22% of expected yearly revenue, partly because the fiscal year starts in the summer when customers buy more water, and the percentage gradually falls towards the expected percentages in the winter when there is less water usage. Interest income is already over 100% of expected revenue because the figure adopted in the budget was conservative. Revenue from interest will likely be over budget for the near future if we keep a substantial amount in our savings account. Personnel services were at 48% of budgeted amounts, because staffing uncertainty during the budget adoption phase led to an overestimation of personnel expenses. Spending on the whole stands at 43.5% of the total budgeted amount for the fiscal year.

8. Begin Presentation of the Fiscal Year 2026-2027 Proposed Budget

- We've taken a conservative approach to estimating resources. The discussion covered various revenue sources including interest earnings from the LGIP savings account, miscellaneous income, and base rate/water sales revenues which incorporate a new 4.7% rate increase. However, budget law only creates a spending limit for the year, so if we earn more than we project, it won't cause trouble as long as we don't spend over the amount that we adopt in the budget resolution. We can keep any extra money in savings and spend it in future budget cycles.
- In Personnel Services, we are using a 4.7% increase in the cost of living line item for all staff salaries, the same percentage as the base rate/water sales increase. All other salary projections are based on current salaries. There are fixed costs like Social Security, Medicare, and workers' compensation taxes. Other fixed costs include health benefits, pension contributions at 24.5% of payroll, and on call and DRC pay.
- Materials and Services includes line items like facility and vehicle maintenance, infrastructure maintenance, expenses for utilities, legal services, office supplies, etc. Most line items are similar to the current adopted budget, with increases for inflation in some categories like fuel and utilities. Two new line items were added for software and IT services, which increase expenditures by \$58,000. A line item with a significant increase from the current budget is service lines, and decreased expenditures are expected for PRVs. Other budget line items reviewed included insurance, staff training, consulting, and engineering.
- For Capital Outlay, several line items, like fire hydrants and PRV stations were rolled into the main upgrade line item since the projects are often done together. The District is planning to purchase two vehicles, as our main vehicles are more than 10 years old. There would be one new utility truck which, along with our current vehicle, will allow each worker to have a service truck, and a new half ton pickup truck to replace the manager vehicle. The plan is to budget for replacing our current service truck in the 2027-28 fiscal year so that we would ultimately have three new trucks. There was also discussion about water treatment projects, including potential sand replacement for our filter ponds and associated costs. They also discussed a \$100,000 budget for permanently fixing the overflow issue at the Larch Mountain reservoir. We would also like to replace the PLC system and related automation in the treatment plant, with \$100,000 allocated in the budget for these upgrades. Taking into account the Capital Improvement Plan that should be completed soon, the group discussed the need to begin planning and engineering work for future capital improvement projects, even if full implementation of the project wouldn't occur in the next fiscal year.
- The group gave particular attention to ensuring adequate funding for ongoing and future projects. The committee discussed the budget's Unappropriated Ending Fund Balance with a current projection of \$334,000. They debated whether to move some of those funds to Contingency, with

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some members advocating for setting aside more money for future capital improvements and emergency needs.

9. Budget Committee Questions to Be Answered in Budget Committee Meeting #2

- No questions were asked during the meeting, so Heather encouraged committee members to call the office, or email their questions to Andrew at manager@corbettwater.com.

Public Comments – None

ADJOURNMENT OF MEETING – Angie Kimpo moved to adjourn the meeting at 7:15pm, seconded by Michael Arion. (*motion passed 9 yes votes: M. Arion, L. Aunan, E. Bronson, M. Bruton, A. Cress, A. Kimpo, A. Parker, K. Piper, N. Sackett Kronberg; 0 no votes*) The meeting was adjourned at 7:15pm.

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