CORBETT
WATER DISTRICT

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BOARD OF COMMISSIONERS REGULAR MONTHLY BOARD MEETING
HYBRID MEETING: IN-PERSON ~ VIRTUAL MEETING VIA ZOOM
Tuesday, October 20, 2026 at 6:00pm ~ Corbett Fire Hall 36930 E Hist. Col. Riv. Hwy

BOARD MEMBERS PRESENT: Michael Arion, Erika Bronson, Dan Graff, Andrew Parker, Kelly Piper
BOARD MEMBERS ABSENT: None
STAFF MEMBERS PRESENT: District Manager Andrew Dirks, District Clerk Kelsey Zavoral, District Clerk Heather McGivney, Clerk Lynda Ronell

AMENDED AGENDA
1. Call to Order – Board President Erika Bronson called the meeting to order at 6:00pm.
2. Roll Call – All Board members were present. Andrew Parker joined the meeting at approximately 6:30pm.
3. Approval of the Agenda – Michael Arion moved to approve the agenda, seconded by Kelly Piper *(motion passed 4 yes votes: M. Arion, E. Bronson, D. Graff, K. Piper; 0 no votes)*
4. Public Comments

- Klaus Heyne said that Corbett Water is doing a fantastic job trying to move the District into the 21st century. He spoke about the amount of time between billing and late charges, specifically noting the short grace period before penalties are applied. He did some research around other utilities in the area and they all seem to have a longer grace period and a smaller penalty. He feels like this policy might erode public goodwill, especially in light of the potential rate increases that might be coming. He has two suggestions, mail bills more quickly after meter reading, or add a longer grace period before penalties are assessed. Andrew Dirks explained that this month's late billing was partly due to a Post Office error where bills were sent to Portland and back without being sorted, and that Corbett Water didn't assess late fees this month.
- Gordon Fulks said that he agrees with Mr. Heyne that grace periods are entirely within our control. He then said that Corbett Water is still charging a $10 fee as part of the base rate that should have been removed when our loan was paid off in 2025, noting that keeping the charge would have required a rate hearing.
- Nina Kronberg had two suggestions: the first is to have tabletop microphones for Board members so that the audio quality during board meetings is better for those who join online. Second is to consider purchasing portable water tanks like the tanks Corbett Fire has to improve fire flow capabilities while permanent solutions are being implemented. And being portable, they might be useful in wildfire fighting situations.
- Malcolm Freund agrees with Mr. Fulks that the $10 fee to cover the loan should be removed. He has confirmed with Treasurer Michael Arion that the loan was paid off. However, he didn't see that the fee has been taken off. Kelly Piper clarified that the base rate no longer includes this charge, and previous rate hearings have clarified what is included in the base rate. Dan Graff asked that someone look into past meeting minutes to determine when the fee was removed. Lynda Ronell said that the fee hasn't been charged in several years, despite the fact that the loan was only recently paid off.

5. Grant Update

- *System Optimization Review:* Andrew Dirks said that Kennedy Jenks are finalizing the SOR grant technical report for submission to the Bureau of Reclamation. An unexpected problem arose and they needed to redesign the proposed pump station to handle fire flow plus regular demand.

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- *Hazard Mitigation Grant Program (HMGP):* Andrew Dirks said that he and Angie Kimpo met with Multnomah County Emergency Management, but there is no new information. Angie reached out to Oregon Emergency Management today, but Andrew hasn't heard back yet.
- *Aquifer Storage and Recovery (ASR) Feasibility Study:* Andrew Dirks had the Board review contractor bids for testing a private well. The data will help inform us about the amount of water that can be produced from the aquifer. The well is one of the oldest and deepest in Multnomah County. The testing involves a slight budget overrun, but he expressed confidence in managing within the grant's overall budget.
- *Drinking Water Source Protection (DWSP):* Andrew Dirks and Jim Morgan had a meeting with GSI to go over progress. Andrew and GSI will work on the quarterly report and a request for reimbursement.

6. Approval of the Minutes:

- Michael Arion moved to approve the September 15, 2026 Regular Board Meeting Minutes, seconded by Dan Graff *(motion passed 4 yes votes: M. Arion, E. Bronson, D. Graff, K. Piper; 0 no votes)*.

7. Treasurer's Report September 2026

- Michael Arion reported receiving approximately $18,000 in ASR grant funds.
- He noted some discrepancies in base rate and water sales revenue compared to last fiscal year to date due to the change from 2-month to 1-month billing. Interest income is down from last year because we have less money in our LGIP account, but it is on track to meet the projection in the budget. Fuel costs have increased and personnel salaries are up from last year because Andrew Dirks started midway through 2025.
- Our bank balance increased about $30,000 compared to last month.
- Kelly Piper moved to approve the Treasurer's report for August 2026, seconded by Dan Graff *(motion passed 4 yes votes: M. Arion, E. Bronson, D. Graff, K. Piper; 0 no votes)*.

8. Manager's Report – District Manager Andrew Dirks

- We completed a flow meter installation at the treatment plant and finished the rebuild of the fire hydrant on Gordon Creek. We installed a new service line on Mershon and did a service line repair on Salzman. There was also a leak fix across from the Springdale Fire Station.
- Multnomah County placed a temporary ballot drop box at the District office for voters to turn in their ballots. If it is successful, they might lay a concrete slab and make the placement permanent.
- Anderson Perry is expected to provide construction standards next month.
- The monthly treatment report has been submitted, along with the quarterly report for the ASR grant.
- Andrew introduced our new legal counsel, Laura Schroeder, who spoke a few words about how impressed she is with the number of grants and projects that we have underway, and she is happy to join our team.
- Andrew Parker asked about updates on the Stark Street Bridge project, Andrew Dirks indicated he didn't know, but he will be contacted by the County about the next meeting.

BUSINESS ITEMS

1. OAWU Rate Study – Tim Tice

- As a foundation, we have only two ways to generate revenue: our base rate and water sales. We don't have revenue from system development charges that a city might have from new construction. All of the numbers that Tim presented were based on the current $2.28 million budget. Our current base rates cover only about 23% of the budget. The industry standard goal is for base rate receipts to cover approximately 50% of the budget. Water sales would fund the rest.
- Each unit of water costs $11.82 to produce. The average single family residential user consumes around 10 units per month. Tim identified that the District has unaccounted for water losses of about 19.7%, or 39,500 units annually, equivalent to approximately $450,000.
- The average inflation for water has been 4.4% annually. With the District's rate history, our rates have not kept pace with inflation. We are losing money on many users.

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- The study revealed that Corbett's current base rates and water sales roughly cover the fixed costs of running the District (personnel and materials). However, this means there is insufficient revenue to cover capital improvements or contingency needs.
- The discussion focused on implementing American Water Works Association (AWWA) standards for base rates for size of meter ratios. This is correlated to the cost of replacing the meter every fifteen years.
- He recommended increasing base rates and adjusting consumption tiers to meet fixed expenses and fund capital improvements. The new approach would include covering fixed expenses and adding $500,000 for capital expenses. Using the AWWA standard ratios would adjust base rates to $39.70 per month for a ¾" meter to achieve the target. The new bottom of the tiered consumption rate would be $5.10 per unit. We would treat the money that we have saved in the bank as contingency funds.
- Tim suggested implementing consumption rate changes in January 2027 to allow ratepayers to adjust to the new billing structure and then adjust the base rates at the beginning of our next fiscal year, starting July 1, 2027. Then the recommendation is to raise base rate and usage rates by 4.4% each year, which is the average inflation for water. The adjustments to meet the target can be made over several years, as long as we are both keeping pace with inflation and gaining ground on reaching the revenue goal.
- If we were to include a $5.8 million loan for a major capital project, we would add $2.15 per unit on top of the already suggested adjustments, based on annual payments of about $350,000 at 4.25% interest over 30 years. The specific implementation details and tier structure remain under consideration.
- Dan Graff noted that this proposal is a big jump from current rates, but we haven't been consistently raising rates to keep up with inflation. He believes that there were about 15 years when we didn't meaningfully raise rates at all. So we need a big correction now. And inflation adjustments only allow us to break even. We need to plan on sufficient maintenance to keep up with system replacements. If we assume that our water system will last 100 years, that means replacing 1% of the system every year.

Next Steps

- Tim suggested some questions to consider moving forward. How much revenue should come from base rates? If the goal is 50%, then the base rate would be around $90 per month, which Tim doesn't recommend at this time. How much should be added for cash flow forecasting? This proposal was based on $500,000, but should that number be increased? Which meter ratio should be used for base rates, the current ratios or AWWA recommendations? How many tiers should we have for consumption rates? What amount should be added for a capital improvement scenario? This proposal was based on $5.8 million.
- Michael Arion suggested that we get a more accurate engineering estimate for the main line replacement project before determining the exact rate increases needed. The $5.8 million figure provided by Kennedy Jenks included some variance and was not an exact estimate.
- Legal counsel Laura Schroeder emphasized the importance of increasing base rates over usage rates because base rates provide more stable income. She also highlighted the need for out-of-District users to have individual contracts to address legal and easement issues. Or out-of-District customers can petition to join the District.
- Andrew Parker asked about the unaccounted for water. Are we tracking how much water Corbett Fire District is using for training and firefighting? Andrew Dirks says that the Fire Chief informs him of the approximate amount of water used after incidents. Andrew Parker would like to explore the possibility of installing a meter on the hydrant used by the Corbett Fire to track water usage. He doesn't advocate charging for the water, but it would explain some of the water that is unaccounted for. Andrew Parker asked that Andrew Dirks include updates on Fire District water usage in the Manager's report, when available.
- The Board decided to discuss the rate study recommendations at the next regular monthly meeting and make decisions on base rates, consumption rates, and keeping a tiered usage rate structure. They

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will consider implementing the new consumption rates in January 2027 and the new base rates for the next fiscal year starting July 1, 2027. Once those decisions are made, Tim Tice can adjust the dollar figures in his recommendation, and Andrew Dirks can report back.

2. Grayling Engineers General Engineering Professional Services Agreement

- Andrew Dirks feels that it would be good to have more than one on-call engineering firm at our disposal. The services are only charged if we use them.
- Kelly Piper moved to approve the on-call engineering services agreement for Grayling Engineers, seconded by Michael Arion *(motion passed 5 yes votes: M. Arion, E. Bronson, D. Graff, A. Parker, K. Piper; 0 no votes).*

ITEMS NOT ON THE AGENDA / SUGGESTIONS FOR FUTURE AGENDA ITEMS

- Kelly Piper asked what it would entail to bring out-of-District customers into the District. Laura Schroeder answered that we would work with Multnomah County to redraw the District, or the out-of-District customers could petition the District to join through annexation, which would be approved by the County. We would need to ensure that the customers being annexed in pay the expenses and provide easements.

ADJOURNMENT OF MEETING – Board President Erika Bronson adjourned the meeting at 7:42pm.

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