Nevada Irrigation District
Board of Directors

MINUTES

July 28, 2026

The Board of Directors of the Nevada Irrigation District convened in a special session at the Placer County Planning Commission Chambers located at 3091 County Center Drive, Auburn, California at 5:00 PM on July 28, 2026.

Present were Chris Bierwagen, President (Division II) and Brad Fowler, Vice-President (Division III); and Directors Ricki Heck (Division I); Earl Stephens (Division IV); and Rich Johansen (Division V).

Staff members present included Jennifer Hanson, General Manager; Greg Jones, Assistant General Manager; Chip Close, Director of Water Operations; Dustin Cooper, District Counsel (via Zoom); and Joanne Phillips, Administrative Analyst.

STANDING ORDERS

- Call to Order: President Bierwagen called the meeting to order
- President Bierwagen led the Pledge of Allegiance
- Roll Call: 5 Members Present

RATE-SETTING PROCESS WORKSHOP

Jennifer Hanson, General Manager, presented the item

Key Presentation Points:

1. Board adopted guard rails:

- Board to set the actual rate increase annually beginning August 6, 2026
- Hold at least two public workshops
    - July 22, 2026, in Grass Valley and July 28, 2026, in Auburn
- Rate decreases considered separately for irrigation and treated water users
    - No projected savings attributed to only one customer type is used to offset rates
- Consider extraordinary revenue to decrease rates if possible
    - Strategy used to reduce 2027 rates
- Consider rolling the five-year unspent fund balance to lower rates
    - Strategy used to reduce 2027 rates
- Discuss the cost-benefit of Capital Projects
    - Done during annual budgeting (project specific)
- Aggressively look for external revenue sources
    - Tentative $5 Million DOE Grant for Scotts Flat
    - Grant consultant on board
    - Internal grant update meetings
- Do not spend unspent capital funds on unnecessary CIP projects
    - Done during annual budgeting (project specific)

- Explore developing Ag Water Efficiency Grant Program
  - Effort initiated
2. 2027 Proposed Rates
   - Increase rates for 2027 using excess revenue and excess fund balances
   - Recommend a 9% increase for 2027.
     - Treated water holds new allocation between fixed and volumetric
     - Raw water is a flat 9%
     - Will need $8,640,055 to offset over the five-year rate term
     - Will backfill with unspent Hydro and Water funds
     - Modified fund balances due to 2025 audit completion
3. Funding requirements to buy down the cost-of-service study to 9% in 2027 and 12.5% thereafter
   - Funding proposal includes annual Delta In Rate Revenue and annual transfers from Fund 50
4. Treated Water Rates
5. Raw Water Rates

Board Discussion:

- Rates cannot be higher than what was shown in the noticed rates per Proposition 218
- Recommending lower rates for 2027 than the Proposition 218 noticed rates, by using Hydropower funds to offset
- Lower rates in 2027 will impact revenues collected throughout the rate period
- Extended implementation date from July 1, 2026, to January 1, 2027, also reduced the revenue that will be recovered
- Future rate decreases will lower revenue collections over what was originally modeled resulting in the need to use other revenues and/or cut capital expenses

Public Comments:

Carl McCosker – Nevada County Farm Bureau

- Discontinued 5% discounted rates for irrigation users who paid up front
- Believes the actual rate increase is 14% if the discontinued discount is taken into account
- Thanked the Board for hosting an evening meeting for the public to conveniently participate
- Reminded of the history of how NID came to fruition with the Farm Bureaus
- Date for forming the Ag Committee

Dean Farquar – Out of District water customer, 50-year NID customer

- Out of District water rates will increase by 217% in the first year and 476% over five years
- Reason out of District water users pay a higher amount than in-District users
- Thought the 25% higher rates were because he doesn't pay property tax or support hydropower system
- 87 out of District customers will pay $4300 over five years for one inch of water.
- Has attempted to join the District
- Discussion regarding Miners Railroad Act
- Discussion regarding annexation and fee schedule

- Wants to know what his and his neighbors' water will cost next year

Jennifer Hanson, General Manager, explained that out of District water users no longer pay a 25% additional fee, instead the rates are calculated based on no property tax revenue, and there is no decrease from the Hydropower revenues used to subsidize rates for In-District users.

No discounted rate in 2027 for out of District water users unless the Board would like to do so, but that would cause a significant decrease in revenues if the decreased rate was applied to outside District customers.

She also explained each of the funds, the beginning and projected fund balances, and adjustments made after the 2025 audit. She explained that the proposed rate decrease for the 2027 rate increase, is calculated using transfers from Fund 50 operating account. Future transfers will be made after the Board provides input on future rates.

Director Heck expressed her appreciation for Mr. Farquar's comments and interested in tuning into the concerns of out of District customers.

Board Discussion continued:

- Efforts to annex out of District customers into the District

Dustin Cooper, District Counsel, commented that there are legal issues to consider.

- Sympathize with the costs to the out of District customers, and it should be further incentive to come into the District
- Concerned if the out of District customers use less water, which would generate less revenue, and continuing of raising rates

Dean Farquar, member of the public, comments continued:

- Commented about joining the District, and the importance of having a plan to annex the 87 out of District customers into the District

Jennifer Hanson, General Manager, said we could put a team together to look into the process of annexation by October.

Board Comments continued:

- Appreciate that guardrails have been implemented
- Grants and other sources of revenue being explored
- Having a better understanding of interest rates and CPI and how the increased rates will affect customers
- Six years without a rate increase would have equated to a 1.5% increase per year for six years for 9%
- If rates increased based on the CPI for every year that there was not a rate increase, this year's increase would need to be 27.8%
- Appreciate staff keeping a tight rein on spending and looking for other sources of revenue
- If infrastructure is not taken care of or if it fails, water cannot be delivered to anyone
- Need to deliver high quality, reliable water

- Discussed Ag Efficiency workshop to assist high water users control cost and/or improve productivity, and look for ways to help the other classes of raw water users to help ease the burden of increased costs
- Highlighting projects that come in under budget
- Setting up a link on the website for Prop 4 support letters for grant funding
- Acknowledging the rates could have been evened out over the six years without an increase and the significant events contributing to the current rate increase, such as Scotts Flat Spillway, FERC relicensing and the state proposing to take more water

Wayne Vinyard, member of the public

- Commented on the purpose of the revenues from Hydropower revenues

Greg Lawley, resident of Lincoln:

- Asked for clarification on the Fund numbers
- Asked about types of customers that are on the waiting lists
- Asked if a shortfall of water is anticipated this year
- Acknowledged costs of doing business versus cost of living rates
- Thanked the Board for the workshops

Joe Fischer:

- Believes the Board operates in a reactive approach
- Wants District to identify additional sources of revenues (floating solar panels on lakes)

Director Stephens commented on the Power Purchase Agreement (PPA) with PG&E and directions to staff to proactively look for new sources of revenues.

- Asked if the District has asked PG&E for a rate increase

Jennifer Hansen, General Manager, discussed options for selling power after the PPA expires.

- Suggested a strategic messaging campaign for all the good the District provides
- Inquired if benefits could be set aside for a special class of recreation users who live within 15 miles of a District recreation facility

MEETING ADJOURNED at 7:47 p.m. The Board is scheduled to reconvene in a special session on Thursday, August 6, 2026, at 9:00 a.m. at the District's Business Center located at 1036 West Main Street, Grass Valley, California.

Submitted By

Kris Stepanian, Board Secretary