Nevada Irrigation District

2026 Cost of Service Study
March 25, 2026

BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

This page intentionally left blank.

BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

2625 Alcatraz Ave, #602
Berkeley, CA 94705
Tel: 510 653 3399
www.bartlewells.com

March 25, 2026

Nevada Irrigation District
1036 West Main Street
Grass Valley, CA 95945

Re: 2026 Cost of Service Study

Bartle Wells Associates (BWA) is pleased to submit the attached *2026 Cost of Service Study* for the Nevada Irrigation District. The study develops long-term financial projections for the District's water utility and calculates new rates designed to equitably recover the costs of providing service. The recommended rates are designed to meet the District's funding needs, comply with legal requirements, and be equitable to the District's customers.

The proposed rates incorporate both overall rate revenue increases as well as some modifications to the rate structures designed to improve rate equity and align rates with the current cost of providing service. Rate increases are phased-in over five years to minimize the annual impact on customers.

We enjoyed working with the District on this project and appreciated the assistance and input received from the District throughout the project. Final recommendations were developed with input from the District's project team, the District's Board, and independent legal counsel. Please contact us anytime if you have questions about the recommendations in this report or other issues regarding utility rates and finances.

Sincerely,

BARTLE WELLS ASSOCIATES

Erik Helgeson, MBA
Principal/Vice-President

Nevada Irrigation District
Water Rate Study

Table of Contents

TABLES

FIGURES

This page intentionally left blank.

1. Executive Summary

Background

The Nevada Irrigation District (NID or District) provides water service to over 25,000 homes, businesses, and farms throughout a 450 square-mile service area that includes portions of Nevada, Placer, and Yuba Counties. The District provides raw (untreated) water primarily for agricultural irrigation and treated water for domestic, commercial, municipal, and industrial needs. The District also produces hydroelectric energy and provides recreational services at its reservoirs in the foothills of the Sierra Nevada. NID's water supply comes from natural runoff from over 70,000 acres of high mountain watershed in the Sierra Nevada Mountains. NID owns and operates 10 major and 17 minor reservoirs, more than 470 miles of canals, 6 water treatment plants, 13 water systems, and over 430 miles of treated water pipelines. NID's water system serves nearly 20,000 treated water customers and approximately 6,000 raw water customers. The three major sources of revenue for the District are water sales, property taxes, and hydroelectric power revenue.

In 2023, the District retained Bartle Wells Associates (BWA) to develop updated financial projections and a cost of service water rate study for the District. Final recommendations incorporate input from District staff. The proposed rates are designed to fund the operating and capital needs of the District's water system, while proportionally and equitably recovering costs from all customers.

Financial Challenges

The District is facing a number of financial challenges that will require annual rate increases over the next five years. These challenges include:

- **Water System Maintenance and Improvements** – The District takes a proactive approach to maintaining its water system, which requires continuous repair and improvement projects. Additionally, the District is required to complete several capital projects within the next five years to comply with regulatory requirements. The largest of which is the Scotts Flats Spillway Improvement Project estimated to cost over $54 million. Accounting for construction cost inflation, the District anticipates funding approximately $139 million of capital improvement projects over the next 5 years, averaging $27.8 million per year. The proposed rates will allow the District to fund capital expenditures through a combination of rate revenue, reserves, and debt issuance.
- **Ongoing Cost Inflation** – On top of rate increases needed for other purposes, annual rate increases are needed to keep revenues aligned with inflation and prevent rates from falling below the cost of providing service. Historically, inflation consistently hovered between 2% and 3% but exceeded 25% in recent years for public works projects. Given the recent volatility in inflation,

BWA designed the inflation projections to be slightly conservative, leaving the District in a strong financial position while avoiding excessive rate increases.

Water Rate Recommendations

Updated District financial projections indicate the need for annual water rate revenue increases over the next five-year period. The proposed rates incorporate modifications to the District's water rate structure designed to align rates with the current cost of providing service. Due to these modifications, impacts on customer water bills will vary based on customer class, water meter size, and water use when the proposed rates are implemented. The remaining four years of the recommended rate increases are applied on an across-the-board basis with the same percentage increase to all charges.

The proposed water rates share several similarities with the District's existing rate structure but incorporate structural modifications designed to better align rates with the current projected cost of service and customer demand. Rate structure and customer class recommendations are described as follows:

- Remove the Monthly Regulatory Fee for Treated Water Customers: BWA reviewed the current regulatory fee that is used to recover regulatory compliance costs and determined that it would be more appropriate to incorporate these costs into the overall rate structure. Removing this separate fee will simplify billing and reduce administrative burden.
- Establish Uniform Water Use Rates for Volumetric Charges for Treated Water Customers: Move from two tiers to a single tier or uniform rate per hundred cubic feet (HCF) of water use. This reflects the District's operating cost structure, which remains relatively flat despite changes in the usage volume.

The following tables show the proposed water rates, including the recommended rate structure changes, based on the District's financial projections and the cost of providing service.

The cost-of-service analysis and rate development were based on an assumed implementation date of January 1, 2026. However, the Board elected to delay implementation of the proposed rates until January 1, 2027 as a policy decision. This delay does not affect the underlying cost-of-service analysis or the proportional relationship of the rates, but results in rates being implemented below the full cost of service in the initial year. The following table shows the proposed treated water rates and their effective schedule. The following tables show the proposed treated and raw water rates and their effective schedule.

Table 1: Recommended Treated Water Rates

Treated Water Rates	2025 *Existing*	Jan. 1, 2027 *Projected*	Jan. 1, 2028 *Projected*	Jan. 1, 2029 *Projected*	Jan. 1, 2030 *Projected*	Jan.1, 2031 *Projected*
Inside District Monthly Fixed Service Charges ($ per Meter per Month)						
5/8"	$29.33	$32.69	$36.78	$41.38	$46.55	$52.37
3/4"	44.00	49.05	55.18	62.08	69.84	78.57
1"	73.34	81.74	91.96	103.46	116.39	130.94
1.5"	146.67	163.49	183.93	206.92	232.79	261.89
2"	234.68	261.57	294.27	331.05	372.43	418.98
3"	469.35	523.16	588.56	662.13	744.90	838.01
4"	733.36	817.44	919.62	1,034.57	1,163.89	1,309.38
6"	1,466.72	1,634.86	1,839.22	2,069.12	2,327.76	2,618.73
8"	2,346.75	2,615.78	2,942.75	3,310.59	3,724.41	4,189.96
Outside District Monthly Fixed Service Charges ($ per Meter per Month)						
5/8"	36.67	43.16	48.56	54.63	61.46	69.14
3/4"	55.00	64.73	72.82	81.92	92.16	103.68
1"	91.67	107.89	121.38	136.55	153.62	172.82
1.5 "	183.34	215.76	242.73	273.07	307.20	345.60
2"	293.34	345.22	388.37	436.92	491.54	552.98
3"	586.69	690.45	776.76	873.86	983.09	1,105.98
4"	916.70	1,078.82	1,213.67	1,365.38	1,536.05	1,728.06
6"	1,833.40	2,157.64	2,427.35	2,730.77	3,072.12	3,456.14
8"	2,933.44	3,452.22	3,883.75	4,369.22	4,915.37	5,529.79
Additional Monthly Regulatory Fee ($ per Service per Month)						
All Treated Customers	1.90	0.00	0.00	0.00	0.00	0.00
Inside District Volumetric Rates ($ per HCF)						
Tier 1 (0-5 HCF)	2.42	3.21	3.61	4.06	4.57	5.14
Tier 2 (>5 HCF)	3.13	3.21	3.61	4.06	4.57	5.14
Outside District Volumetric Rates ($ per HCF)						
Tier 1 (0-5 HCF)	3.03	4.26	4.79	5.39	6.06	6.82
Tier 2 (>5 HCF)	3.91	4.26	4.79	5.39	6.06	6.82

Note: HCF = hundred cubic feet.

Table 2: Recommended Raw Water Rates

Raw Water Rates	2025 *Existing*	Jan. 1, 2027 *Projected*	Jan. 1, 2028 *Projected*	Jan. 1, 2029 *Projected*	Jan. 1, 2030 *Projected*	Jan. 1, 2031 *Projected*
Fixed Service Charges ($ per Customer per Season)						
In-District						
Summer	$570.99	$660.60	$743.18	$836.08	$940.59	$1,058.16
Winter	713.73	807.14	908.03	1,021.53	1,149.22	1,292.87
Annual	1,284.72	1,467.74	1,651.21	1,857.61	2,089.81	2,351.04
Out-District Raw Water						
Summer	713.73	1,151.87	1,295.85	1,457.83	1,640.06	1,845.07
Winter	890.74	1,298.41	1,460.71	1,643.30	1,848.71	2,079.80
Volumetric Rates ($ per Miners Inch)						
In-District						
Summer	336.48	393.50	442.69	498.03	560.28	630.32
Winter	420.61	478.78	538.63	605.96	681.71	766.92
Annual	757.09	872.28	981.32	1,103.99	1,241.99	1,397.24
Out-District Raw Water						
Summer	420.61	1,560.03	1,755.03	1,974.41	2,221.21	2,498.86
Winter	524.91	1,639.73	1,844.70	2,075.29	2,334.70	2,626.54

Pumping Charges ($ per Acre Foot)	2025 *Existing*	Jan. 1, 2027 *Projected*	Jan. 1, 2028 *Projected*	Jan. 1, 2029 *Projected*	Jan. 1, 2030 *Projected*	Jan. 1, 2031 *Projected*
Magnolia #3	$62.94	$49.81	$51.80	$53.87	$56.03	$58.27
Edgewood Ditch	15.58	14.92	15.52	16.14	16.79	17.46

Note: A miner's inch is a unit of flow used for irrigation and equals 11.22 gallons per minute, on a 24-hour per day basis.

In future years, the District can re-evaluate its finances and revenue requirements and adjust rates as needed based on updated projections. However, while the District always has the flexibility to implement rate adjustments that are lower than those adopted pursuant to Proposition 218, future rates cannot exceed adopted increases without going through the Proposition 218 process again. Rates adopted pursuant to Proposition 218 are essentially future rate caps.

2. Background, Objectives, and Legal Requirements

Background

The Nevada Irrigation District (NID or District) provides water service to over 25,000 homes, businesses, and farms throughout a 450 square-mile service area that includes portions of Nevada, Placer, and Yuba Counties. The District provides raw (untreated) water primarily for agricultural irrigation and treated potable water for domestic, commercial, municipal, and industrial needs.

NID's water supply comes from natural runoff from over 70,000 acres of high mountain watershed in the Sierra Nevada Mountains. NID owns and operates 10 major and 17 minor reservoirs, more than 475 miles of canals, six water treatment plants, 13 water systems, and over 400 miles of treated water pipelines. NID's water system serves approximately 20,000 treated water customers and 6,000 raw water customers.

The District also produces hydroelectric energy and provides recreational services at its reservoirs in the foothills of the Sierra Nevada Mountains. NID is a leader among Northern California water agencies in producing clean, hydroelectric energy. The District began producing power in 1966 and has seven power plants that generate enough electricity to supply the equivalent of more than 60,000 homes. NID's hydroelectric division generates revenues that are used to help defray the costs of operating NID's water systems. NID also operates recreational facilities and campgrounds and provides opportunities for boating and other water sports at District reservoirs. The three major sources of revenue for the District are water sales, property taxes, and electric power revenue.

Rate Study Objectives

In 2025, NID retained Bartle Wells Associates (BWA) to assist the District with a comprehensive effort to identify the cost of service for providing treated water vs. irrigation water service. The analysis is based on current and historical data provided by the District. The findings presented in this report are developed with substantial input from District staff and represent a comprehensive effort to identify costs associated with providing treated and irrigation water service, including costs for ongoing operations, wholesale water supply, debt service, and capital improvements needed to keep the District's aging infrastructure in safe and reliable operating condition. Key goals and objectives of this study include developing water rates that:

- Recover the costs of providing service, including operating, capital, and debt funding needs;
- Are proportionate, fair, and equitable to all customers;
- Are easy to understand and implement;
- Comply with the substantive requirements of the California Constitution, Article 13D, Section 6 (which was adopted by the voters as Proposition 218 in 1996) and other applicable laws;

- Support the long-term operational and financial stability of the District.

General Rate Study Process

The general process used for this cost of service rate study is summarized in the following diagram.

Figure 1: Cost of Service Rate Study Process

Key elements of the study include:

1) **Project Initiation and Data Collection –** Review financial policies; collect financial and other relevant data; and review rate structures; and
2) **Demand Analysis** – Analyze past water demands and customer characteristics and forecast future demands; and
3) **Long Range Financial Plans** - Develop financial projections to evaluate annual revenue requirements from rates and the overall level of rate increases needed to fund the costs of providing service and support long-term financial stability; and
4) **Cost Allocation** – Group the District's costs in terms of the function they serve as a basis to proportionally allocate the revenue requirement from rates; and
5) **Cost of Service Rate Design** - Develop rate structures that proportionately recover costs between customer classes (i.e., residential and commercial), as well as from customers within their designated customer class; and
6) **Prop 218 Process** – Ensure compliance with the substantive and procedural requirements of Proposition 218.

Constitutional Requirements for Rates

The water rates proposed in this report are designed to comply with two key articles of the California Constitution: Article 13D, Section 6, as explained below.

Article 13D, Section 6

Proposition 218 was adopted by California voters in 1996 and added Articles 13C and 13D to the California Constitution. Article 13D, Section 6 governs property-related charges, which the California Supreme Court has ruled includes rates imposed for water service. Article 13D, Section 6 establishes both: a) procedural requirements for imposing or increasing property-related charges, and b) substantive requirements for those charges. Article 13D, section 6, prohibits a local agency from imposing a proposed rate change if there is a majority written protest. Article 13D, section 6, also requires voter approval for new or increased property-related charges but exempts rates for water, wastewater, and garbage service from this secondary voting requirement if rates are adopted by the appropriate procedure, without a majority protest, and meet the substantive requirements. This report substantiates water rates to comply with the substantive requirements of Proposition 218.

The substantive requirements of Article 13D, Section 6 require property-related charges, such as the District's water rates, to meet the following conditions:

1) Revenues derived from the fee or charge shall not exceed the costs required to provide the property-related service.
2) Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.
3) The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.
4) No fee or charge may be imposed for a service unless that service is used by or immediately available to the property in question.
5) No fee or charge may be imposed for general governmental services, such as police or fire services, where the service is available to the public at large in substantially the same manner as it is to property owners.

Statute of Limitations

Pursuant to California Government Code 53759, there is a 120-day statute of limitations for challenging any new, increased, or extended fees. This statute of limitations applies to the water rates proposed in this rate study and included in the Proposition 218 Notice.

Exhaustion of Administrative Remedies

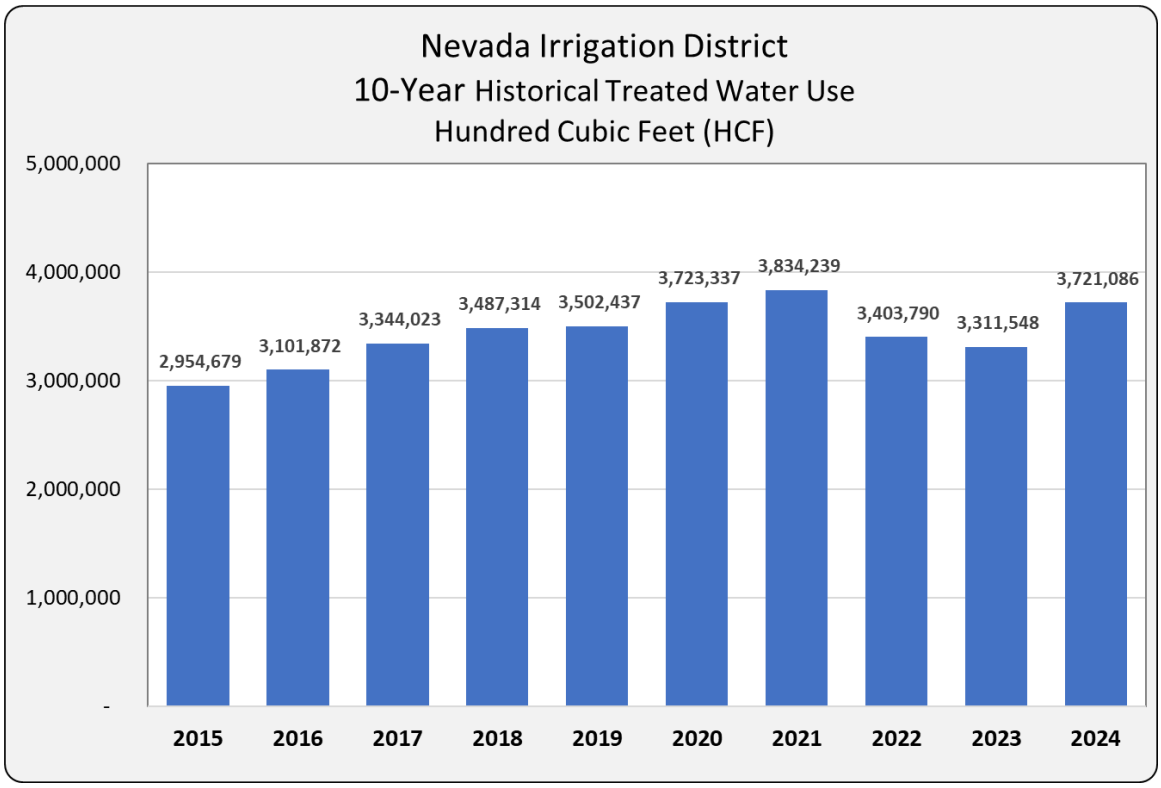
Pursuant to California Government Code section 53759.1, the District has elected to impose an exhaustion of administrative remedies requirement for any person seeking to pursue a judicial action or proceeding alleging noncompliance with Article 13D of the California Constitution for any new, increased, or extended fee. Additional details on the exhaustion of administrative remedies requirement are included in the District's Proposition 218 Notice to customers.

3. Water Demand and Customer Characteristics

Treated Water Demand

The District's treated water demand grew at a steady pace from 2015 to 2021. In 2021, the District Board declared a drought emergency, eventually imposing conservation measures to achieve a 20% reduction in water use from all District customers. Statewide drought conditions continued in 2022. In 2023 precipitation was far above average due to atmospheric rivers.

Figure 2: Historical Water Demand



The District experiences a seasonal demand pattern, with increased water use during the warmer summer months. This is primarily due to landscape irrigation and the delivery of water to irrigation customers, reaching two to three times the level of use during the lower-demand winter months. Although the exact timing and magnitude of peak and minimum demands vary from year to year, these higher seasonal demands require the District to maintain additional infrastructure capacity, including larger storage facilities, pumps, and pipelines, as well as increased water supplies. The costs associated with maintaining this additional capacity form the basis for the District's seasonal irrigation water rates, which vary depending on the level of water use.

The following chart shows the District's current and projected annual water use by customer class.

Table 3: Current and Projected Water Use by Customer Class

Water Account Type	Usage Description	2024	2025
		Actual	*Projected*
In-District Raw			
Summer	Miners Inches	10,987.0	10,987.0
Winter	Miners Inches	536.0	536.0
Annual	Miners Inches	184.3	184.3
Municipal	Acre Feet	1,462.1	1,462.1
Out-District Raw			
Summer	Miners Inches	276.0	276.0
Winter	Miners Inches	4.0	4.0
Municipal	Acre Feet	1,147.9	1,147.9
In-District Treated			
Step 1	HCF	1,482,729.0	1,482,729.0
Step 2	HCF	2,160,150.0	2,160,150.0
Municipal	HCF	10,304.0	10,304.0
Out-District Treated			
Step 1	HCF	8,729.0	8,729.0
Step 2	HCF	7,697.0	7,697.0
Municipal	HCF	51,477.2	51,477.2

Note: A miner's inch is a unit of flow used for irrigation and equals 11.22 gallons per minute, on a 24-hour per day basis.

Projected 2025 water demand is based on partial-year actual use in 2024 and continuing non-drought conditions. Water demand projections are conservative to reflect statewide elevated awareness of drought conditions and water efficiency messaging and upgrades during the drought, which will result in long-term water use reductions within the District's service area. The District is projecting demand will stabilize around the historical three-year average, approximately 3.4 million HCF of annual water use.

Customer Characteristics & Equivalent Capacity

Each connection to the District's water system is considered one service (customer). Some of the District's fixed costs are reasonably recovered on a per-customer basis, while others are recovered based on the capacity required to serve each customer. The size of a customer's meter reflects the portion they require of the water system's capacity. A significant percentage of the costs of any water system is related to its requirement to deliver water to any customer instantaneously at any time, up to the

maximum safe flow capacity of a customer's meter. Simply put, as the size of a customer's water meter increases, the instantaneous demand it can place on the District's water system increases.

Fixed charges for each meter size are based on the capacity of a meter relative to the capacity of the smallest meter size (e.g., a 5/8-inch meter) in the District's system. In this study, the relative capacity of a meter size, referred to as a meter equivalent unit (MEU), is calculated by dividing the capacity of a given meter size by the capacity of a 5/8-inch meter. The sum of all MEU reflects the total capacity of the District.

The meter equivalent ratios used for all customer classes are proportional to the maximum safe flow of a 5/8-inch meter, which is 20 gallons per minute (GPM). For example, a 1-inch meter with a maximum safe flow of 50 GPM will have a meter equivalent ratio of 2.5 MEU. Total meter equivalent units for each meter size are derived by multiplying the meter equivalent ratio by the number of services at each meter size.

The following table contains the total number of each type of water services and calculations of meter equivalent units.

Table 4: Water Services and Meter Equivalent Units

Water Accounts	Accounts	Seasonal Accounts	Meter Equivalent Units (MEU)	Meter Equivalent Units (MEU)
In-District Raw Water	**Accounts**	**Seasonal Accounts**		
Summer	4,536	4,536		
Winter	590	590		
Annual	237	474		
Municipal	2	4		
Out-District Raw Water	**Accounts**	**Seasonal Accounts**		
Summer	82	82		
Winter	7	7		
Municipal	2	4		
In-District Treated Water	**Accounts**		**MEU**	**Total MEU**
5/8”	14,898		1.0	14,898
3/4"	4,171		1.5	6,257
1”	209		2.5	523
1 ½”	122		5.0	610
2”	50		8.0	400
3”	27		16.0	432
4”	10		25.0	250
6”	9		50.0	450
8”	1		80.0	80
Out-District Treated Water	**Accounts**		**MEU**	**Total MEU**
5/8”	99		1.0	99
3/4"	13		1.5	20
1”	0		2.5	0
1 ½”	1		5.0	5
2”	1		8.0	8

4. Water Finances & Cash Flow Projections

Working closely with District staff, BWA developed long-term cash-flow projections to determine the water utility's annual revenue requirements and project required water rate revenue increases. The financial projections incorporate the latest information available from the District's budget, annual reports, capital spending projections, and metered water demand data, as well as a number of reasonable assumptions developed with input from the District.

Water Financial Overview

The water division relies on revenues from water rates to fund the costs of providing service. Water rate revenues are projected to account for approximately 58% of total water revenues, with the remaining revenues coming from property tax allocations, interest earnings, rents, and other miscellaneous revenues. As such, water rates must be set at adequate levels to fund the costs of operating and maintaining the water system, pay for wholesale water purchases, and fund necessary capital improvements to keep the water system in good operating condition.

Current and Historical Water Rates

The following table shows the history of the District's treated water rates. Historical rates include the following components:

- Fixed monthly service charges based on meter size and service area,
- Flat, fixed monthly regulatory fee, and
- Volumetric tiered water rates vary by service area.

Table 5: Current and Historical Treated Water Rates

	2018	2019	2020	2021-Current
Treated Water Rates				
Inside District Monthly Fixed Service Charges ($ per Meter per Month)				
5/8”	$24.83	$26.25	$27.75	$29.33
3/4"	37.25	39.37	41.62	44.00
1”	62.07	65.61	69.37	73.34
1.5”	124.15	131.23	138.74	146.67
2”	198.64	209.97	221.98	234.68
3”	372.43	419.94	443.96	469.35
4”	620.73	656.15	693.68	733.36
6”	1,241.45	1,312.30	1,387.36	1,466.72
8”	1,986.32	2,099.68	2,219.78	2,346.75
Outside District Monthly Fixed Service Charges ($ per Meter per Month)				
5/8”	31.03	32.81	34.68	36.67
3/4"	46.56	49.21	52.03	55.00
1”	77.58	82.02	86.71	91.67
1.5”	155.18	164.04	173.42	183.34
2”	248.29	262.46	277.47	293.34
3”	465.54	524.92	554.95	586.69
4”	775.91	820.19	867.10	916.70
6”	1,551.81	1,640.37	1,734.20	1,833.40
8”	2,482.89	2,624.60	2,774.73	2,933.44
Additional Monthly Regulatory Fee ($ per Service per Month)				
All Treated Customers		1.90	1.90	1.90
Inside District Volumetric Rates ($ per HCF)				
Tier 1 (0-5 HCF)	2.05	2.17	2.29	2.42
Tier 2 (>5 HCF)	2.65	2.80	2.96	3.13
Outside District Volumetric Rates ($ per HCF)				
Tier 1 (0-5 HCF)	2.56	2.71	2.86	3.03
Tier 2 (>5 HCF)	3.31	3.50	3.70	3.91

The following table shows the history of the District's raw water rates. Historical rates include the following components:

- Fixed monthly service charges based on meter size and service area, and
- Volumetric tiered water rates vary by service area.

Table 6: Current and Historical Raw Water Rates

	2018	2019	2020	2021-Current
Raw Water Rates				
Fixed Service Charges ($ per Customer per Season)				
Inside	510.87	540.09	570.99	570.99
Outside[1]	638.59	675.12	713.73	713.73
Volumetric Rates ($ per Miners Inch)				
Inside	301.06	318.28	336.48	336.48
Outside[1]	376.32	397.85	420.61	420.61

[1] Winter Seasonal Raw Rates = 125% of Summer Raw Rates, and outside winter users = 1.56% of Inside Summer Raw Rates (i.e., 1.25 x 1.25).

Financial Plan Assumptions

Financial plan assumptions are based on input from District staff, historical cost escalations, and conservative projections for future cost escalations to reasonably ensure that the rates adopted by the District will provide sufficient revenues to meet the revenue requirements.

Revenue Assumptions

- Proposed rates are effective annually for the next five years, beginning January 1, 2026.
- The customer base is projected to remain static (minimal to no growth) because the District is materially built out.
- Interest earnings are projected based on the annual beginning fund balance multiplied by the projected interest rate. The interest rate projections are based on recent and anticipated interest rates.
- Discretionary non-rate revenues, which materially support the water system, including property taxes and transfers in from the District's hydroelectric enterprise, will continue.

Expense Assumptions

- Operating and maintenance expenses are based on the District's 2025 Budget adjusted for rate-setting purposes with input from District staff.
- Cost escalation is based on the recent and historical Consumer Price Index (CPI) and Engineering News-Record Construction Cost Index (ENR). This report projects that during the rate period covered by this study, the average annual inflation rate will be 4%.

- Debt service projections are based on outstanding debt schedules and any projected issuances of new debt.

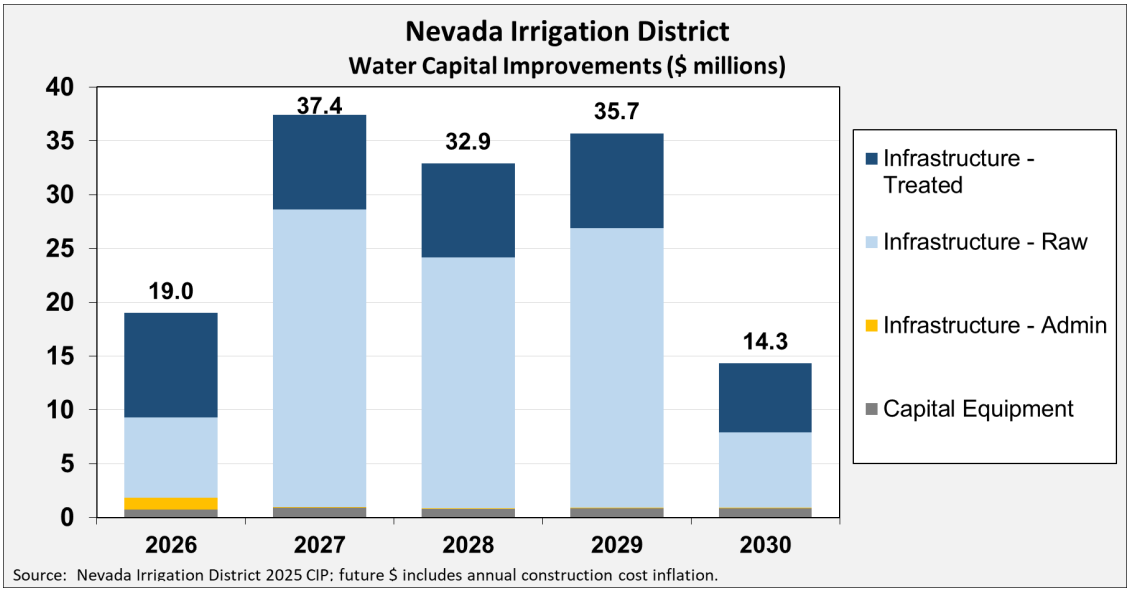
Key Drivers of Rate Increases

The District is facing a number of financial challenges that will drive the need for rate increases in upcoming years. Key drivers of future rate increases are summarized below.

Capital Improvement Funding Needs

The District takes a proactive approach to maintaining its water system which requires ongoing repair and improvement projects. Accounting for construction cost inflation, the District anticipates funding approximately $139 million of capital improvement projects over the next five years, averaging $27.8 million per year.

Figure 3: Water Capital Improvements



Ongoing Cost Inflation

On top of rate increases needed for the purposes described above, annual rate increases are needed to keep revenues aligned with inflation and prevent rates from falling below the cost of providing service. Annual inflation projections of 4% are designed to leave the District in a strong financial position while avoiding excessive rate increases due to assumption.

Cash Flow Projections and Funding Sources that Reduce Water Rates

Long-term cash-flow projections were developed based on assumptions and key drivers of future rate increases described in the previous section. The projections were used to determine the water utility's annual revenue requirements and project required water rate revenue increases. The long-term cash-flow projections incorporate the latest information available from the District's budget, annual reports,

capital spending projections, and metered water demand data, as well as a number of reasonable assumptions developed with input from the District. Detailed revenue, expense, and customer demand projections are shown in Appendix A of this report.

As shown in the following table, the water division relies on substantial funding from multiple sources other than water rates to pay for both operating and capital expenses. NID's costs of providing water service are supported by a number of funding sources other than water rates. These other funding sources substantially reduce the funding requirements from NID's water rates and allow NID to levy water rates that are significantly below the cost of service. These other revenue sources include:

- **Property Tax Revenues** – NID receives property tax revenues that are used to fund the District's capital improvement programs and fund reserves for repairs and replacements. Property taxes are conservatively projected to increase by 1% per year.
- **Hydroelectric Revenue** – The hydroelectric fund pays for certain source of supply operating costs and some source of supply capital projects. Hydroelectric revenues also may be pledged to support water debt issuance. A hydroelectric cash flow analysis was developed to evaluate the availability of revenues from the District's hydroelectric operations. This analysis considered projected revenues alongside anticipated financial obligations, including upcoming FERC relicensing requirements and associated capital improvements. Based on this review, the availability of additional funding from hydroelectric revenues is limited. Supporting hydroelectric cash flow tables are included in the appendix.
- **Other Non-Rate Revenues** – NID generates revenues from rents, interest earnings, connection fees, and other miscellaneous fees and revenues that are used to help offset the funding requirements from water rates.
- **Grant Funding** – Although grant funding is difficult to obtain, NID has previously been successful in obtaining grant funding and actively pursues grant funding whenever applicable to the District.

The water division also receives a substantial indirect benefit from the hydroelectric division, which funds the costs of operation and maintenance of NID's water supply reservoirs, costs that otherwise would need to be funded by the water division. The hydroelectric division also helps pay for NID's administrative functions, further reducing the water division's funding requirements.

The overall rate revenue increases are designed to fund the District's cost of providing service, maintain roughly balanced budgets, maintain healthy debt service coverage, and meet long-term fund reserve targets. The projections indicate the need for annual increases to water rates for the next five years. Due to proposed modifications to the rate structure and the updated cost-of-service analysis, actual impacts on customers' water bills during the first year of proposed rate increases will vary based on customer class and water use. The remaining four years of the recommended rate increases are applied on an across-the-board basis with the same percentage increase to all charges.

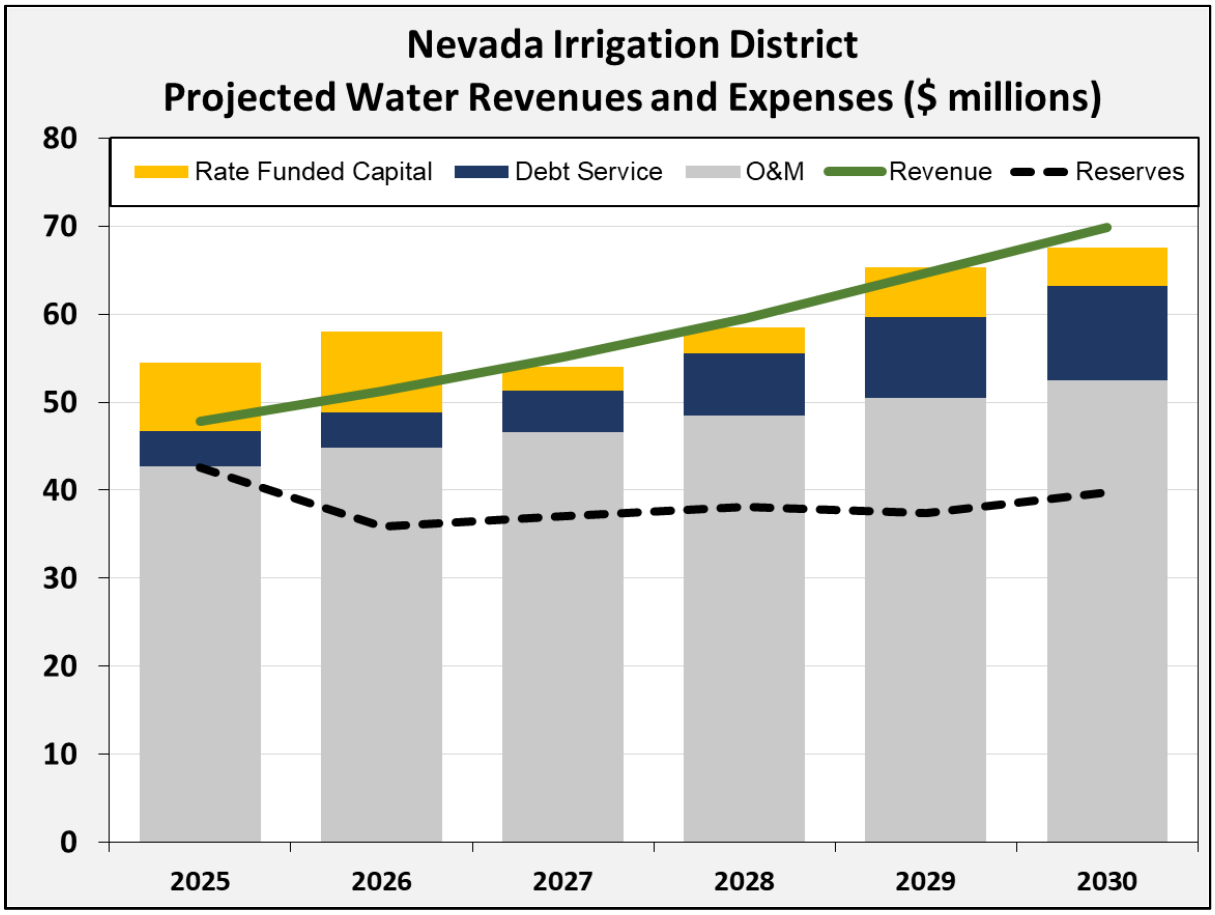
The following table details the long-term cash-flow projections for the District.

Table 7: Cash Flow Projections

Water Cashflow	2025	2026	2027	2028	2029	2030
	Adj. Budget	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
Rate Revenue Adjustment		***12.5%***	***12.5%***	***12.5%***	***12.5%***	***12.5%***
Interest Earnings Rate		*2.5%*	*2.5%*	*2.0%*	*2.0%*	*2.0%*
O&M Cost Escalation		*4.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*
Property Tax Escalation			*1.0%*	*1.0%*	*1.0%*	*1.0%*
Beginning Fund Balance	**49,354,000**	**42,600,000**	**35,855,000**	**37,018,000**	**38,077,000**	**37,388,000**
Revenues						
Rate Revenue						
Current Rate Revenue	27,555,986	27,556,000	31,001,000	34,876,000	39,236,000	44,141,000
Rate Increase Revenue	0	3,444,500	3,875,125	4,359,500	4,904,500	5,517,625
Total Rate Revenue	27,556,000	31,001,000	34,876,000	39,236,000	44,141,000	49,659,000
Non-Rate Revenue						
Charges and Fees	635,000	617,000	623,000	629,000	635,000	641,000
Miscellaneous	557,000	478,000	478,000	478,000	478,000	478,000
Property Tax	17,070,000	17,330,000	17,503,000	17,678,000	17,855,000	18,034,000
CFD and Rodeo Flat Debt Service	436,000	429,000	429,000	429,000	429,000	0
Interest	960,000	1,065,000	896,000	740,000	762,000	748,000
Transfer-In	219,000	219,000	219,000	219,000	219,000	219,000
Rents and Leases	347,000	118,000	118,000	118,000	118,000	118,000
Total Non-Rate Revenue	20,224,000	20,256,000	20,266,000	20,291,000	20,496,000	20,238,000
Total Revenues	**47,780,000**	**51,257,000**	**55,142,000**	**59,527,000**	**64,637,000**	**69,897,000**
Expenses						
Operating Expenses						
Internal Services	8,283,000	8,614,000	8,959,000	9,317,000	9,690,000	10,078,000
Engineering	2,761,000	2,871,000	2,986,000	3,105,000	3,229,000	3,358,000
Water Treatment	1,928,000	2,005,000	2,085,000	2,168,000	2,255,000	2,345,000
Water Distribution	1,195,000	1,243,000	1,293,000	1,345,000	1,399,000	1,455,000
Electrical Depart.	620,000	645,000	671,000	698,000	726,000	755,000
Water Resources	467,000	486,000	505,000	525,000	546,000	568,000
Water Purchase	1,650,000	1,716,000	1,785,000	1,856,000	1,930,000	2,007,000
Customer Service	609,000	633,000	658,000	684,000	711,000	739,000
Operations Staffing	11,131,000	11,576,000	12,039,000	12,521,000	13,022,000	13,543,000
Maintenance	12,625,000	13,130,000	13,655,000	14,201,000	14,769,000	15,360,000
Vegetation	1,423,000	1,480,000	1,539,000	1,601,000	1,665,000	1,732,000
Transfer to Fund 50 (WSupply)	0	441,000	458,000	477,000	496,000	516,000
Total Operating Expenses	42,692,000	44,840,000	46,633,000	48,498,000	50,438,000	52,456,000
Debt Service						
Cement Hill Loan	611,000	611,000	611,000	611,000	611,000	82,000
Bonds - 2016A	2,237,000	2,232,000	2,233,000	2,235,000	2,232,000	2,230,000
Bonds - 2020A	1,116,000	1,125,000	1,122,000	1,117,000	1,120,000	1,121,000
New Debt Service	0	0	670,000	3,116,000	5,215,000	7,313,000
Total Debt Expenses	3,964,000	3,968,000	4,636,000	7,079,000	9,178,000	10,746,000
Capital						
Cash Funded Capital	7,878,000	9,194,000	2,710,000	2,891,000	5,710,000	4,311,000
Total Capital Expenses	7,878,000	9,194,000	2,710,000	2,891,000	5,710,000	4,311,000
Total Expenses	**54,534,000**	**58,002,000**	**53,979,000**	**58,468,000**	**65,326,000**	**67,513,000**
Revenues Less Expenses	**(6,754,000)**	**(6,745,000)**	**1,163,000**	**1,059,000**	**(689,000)**	**2,384,000**
Ending Fund Balance	**42,600,000**	**35,855,000**	**37,018,000**	**38,077,000**	**37,388,000**	**39,772,000**

The following figure shows the cash flow projections incorporating the assumptions described above.

Figure 4: Cash Flow Projections



5. Cost of Service Methodology

Article XIII D, Section 6 of the California Constitution (which was adopted by the voters in 1996 as a part of Proposition 218) requires that the District adopt only rates that meet a number of substantive requirements.

Specifically:
(1) Revenues derived from the water rates cannot exceed the funds required to provide water service.
(2) Revenues derived from the water rates cannot be used for any purpose other than providing water service.
(3) The amount of the water rates imposed upon any parcel or person as an incident of property ownership cannot exceed the proportional cost of the service attributable to the parcel.
(4) Water rates may not be imposed unless the water service is used by, or immediately available to, the owner of the property in question.
(5) Water rates cannot be used to fund general governmental services, such as police or fire services.

In Nevada Irrigation District, each water customer is charged both a monthly fixed rate and a volumetric rate based on the quantity of water delivered by the District to the customer. This reflects that (i) some system costs are based entirely on the actual quantity of water consumed, (ii) other system costs are fixed from the point of view of the District, but are a result of design decisions that were made to accommodate all users, including high-demand users, and (iii) some costs, particularly the cost of administering the water system, would be largely the same regardless of the volume of water use.

Water utilities have employed a wide range of approaches or perspectives for allocating and recovering their costs for providing service, often through a combination of fixed and variable charges. The percentage of revenues derived from the fixed and variable charges should be proportional to each system's expenditures and must not exceed the cost of providing service.

Many of the District's costs are fixed costs that do not vary by the level of service provided, such as operational and staff costs, as well as costs for building and maintaining infrastructure. Some of these costs are related to the number of customers, but most of the fixed costs are related to the total capacity of the water system. Fixed costs related to system capacity can reasonably be apportioned by meter size or variable, usage-based rate recovery, in recognition that both units of measure reasonably reflect customer usage, driving the District to incur capacity-related costs. For example, a share of the fixed cost of salaries related to water production can reasonably be recovered from usage-based charges, as these costs are incurred to provide water supply to meet customer demand, or from a fixed charge based on a customer's meter size, which reflects the magnitude of water a customer can pull from the water

system. Likewise, debt service payments may be fixed annual costs, but it is reasonable to recover some of these costs from usage-based rates as the costs are incurred to fund infrastructure that will improve the water delivery system.

While there is no single correct approach, BWA believes that costs should be allocated within a reasonable range that reflects both a) underlying cost causation, to the extent such causation can reasonably be determined or estimated, and b) the policy preferences of the agency in cases where a range of reasonable approaches can be justified.

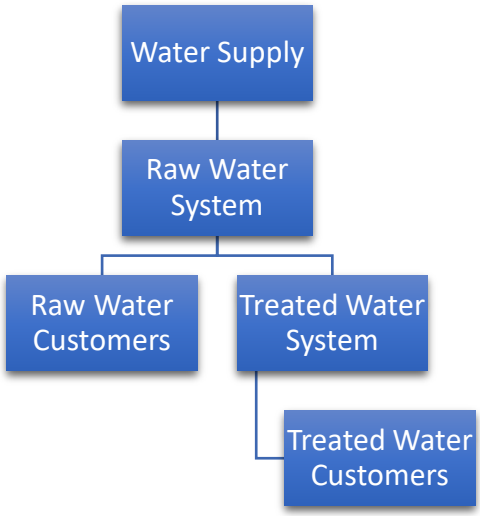
Cost of Service Analysis

This section describes the steps BWA took to determine the rate revenue requirement needed from each customer class that is proportional to their cost of service. The proposed rates are developed based on a detailed cost allocation that reflects the District's costs of providing service based on analysis of operations and input from District staff. Projected expenses are offset by non-rate revenues to identify the portion of rate revenue needed. To ensure the rates derived for the next five years are proportional to the cost of providing service, the expenses and non-rate revenues are based on the projected average amounts for the next five years.

Cost Allocation Between Treated and Raw Water Service

The District provides both treated and raw water service to customers. Water for both raw and treated customers flows into the raw water system, which then conveys a portion of the water to the treated water system. The raw water system and the treated water system are not separated into zones but are viewed as interconnected systems due to the shared infrastructure, resources, and water rights.

Figure 5: District Water Flow



Customers receiving raw water services do not benefit from the treated water system, but all treated water customers benefit from the raw water system. The first step taken to proportionately allocate costs was to identify and allocate costs to the treated water system that was specific to that system. District costs and non-rate revenues were allocated to the following categories:

- **Treated** – Items in this category are related only to the operations of the treated water system.
- **Raw** – Items in this category are related only to the operations of the raw water system.
- **As All Other** – Items in this category do not impact allocation because they are driven by the overall activity of the utility.

The basis for the allocations are as follows:

- Capital-related items included engineering, capital, and new debt, which were allocated based on the project portion of raw and treated costs in the District's capital plan.
- Customer service costs were allocated based on the number of customers.
- Purchased water is used to provide water to municipal water customers, and the cost was allocated based on the projected treated and raw municipal water demands.
- All other direct allocations were based on the results of analysis performed by the District.

The result of these allocations is that 69.2% of the District's costs only benefit the treated water system, while the remaining costs benefit the raw water system. The allocations are shown in Table 8. The next cost allocation step was to identify the portion of water in the raw water system that flows into the treated water system. This amount of raw water system cost was then allocated to treated water customers and is shown in Table 9.

Table 8: Cost Allocation to Treated and Raw Water Systems

Allocation Category		Total System			
Water Expenses	**5-Year Average**	**Treated**	**Raw**	**As All Other**	**Total**
Addition/Use of Reserves	(565,600)			100%	*100%*
Net Source of Supply Cost	477,600		100.0%		*100%*
Internal Services	9,331,600			100%	*100%*
Engineering	3,109,800	50.0%	50.0%		*100%*
Water Treatment	2,171,600	100.0%	0.0%		*100%*
Water Distribution	1,347,000	45.0%	55.0%		*100%*
Electrical Depart.	699,000	70.0%	30.0%		*100%*
Water Resources	526,000	0.0%	100.0%		*100%*
Water Purchase	1,858,800	84.2%	15.8%		*100%*
Customer Serv.	685,000	77.0%	23.0%		*100%*
Staffing	12,540,200			100%	*100%*
Maintenance	14,223,000	57.0%	43.0%		*100%*
Vegetation	1,603,400	7.0%	93.0%		*100%*
Capital	4,963,200	50.0%	50.0%		*100%*
Cement Hill Loan	505,200	100.0%	0.0%		*100%*
Bonds - 2016A	2,232,400	100.0%	0.0%		*100%*
Bonds - 2020A	1,121,000	50.0%	50.0%		*100%*
New Debt Service	3,262,800	50.0%	50.0%		*100%*
Total	$60,092,000	$22,544,958	$16,240,842	n/a	*$38,785,800*

Water Non-Rate Revenue	**5-Year Average**	**Treated**	**Raw**	**As All Other**	**Total**
Charges and Fees	629,000			100%	*100%*
Miscellaneous	478,000			100%	*100%*
Property Tax	17,680,000		30%	70%	*100%*
CFD and Rodeo Flat Debt Service	343,200	100%			*100%*
Interest	842,200			100%	*100%*
Capacity Charge Debt Transfer	219,000	100%			*100%*
Rents and Leases	118,000		100%	0%	*100%*
Total	$19,202,400	$562,200	$5,422,000	n/a	*$5,984,200*

Cost Allocation	**5-Year Average**	**Treated**	**Raw**	**As All Other**	**Total**
Expenses	60,092,000	$22,544,958	$16,240,842		
Non-Rate Revenue	19,202,400	$562,200	$5,422,000		
Cost Allocation Amount	$40,889,600	$21,982,758	$10,818,842	n/a	*$32,801,600*
Total Cost Allocation %		67.0%	33.0%		
% of Total Raw Cost		6.7%	93.3%		
Adjustment for Treated % of Raw Flow		$725,799	-$725,799		
Total Cost Allocation Amount		$22,708,556	$10,093,044		*$32,801,600*
Total Cost Allocation %		69.2%	30.8%		
2026 Rate Revenue (No Increase)		**19,077,019**	**8,478,981**		***$27,556,000***

Table 9: Cost Allocation of Raw Water System Costs to Treated Water Customers

Allocation Category	All Raw Water		
Water Expenses	**5-Year Average Expenses**	**Treated Portion of Raw**	**Treated Portion of Raw**
Addition/Use of Reserves	(186,535)	7.0%	(13,117)
Net Source of Supply Cost	477,600	4.1%	19,372
Internal Services	3,077,562	7.0%	216,406
Engineering	1,554,900	7.0%	109,337
Water Treatment	0	7.0%	0
Water Distribution	740,850	7.0%	52,095
Electrical Depart.	209,700	7.0%	14,746
Water Resources	526,000	7.0%	36,987
Water Purchase	293,690	0.0%	0
Customer Serv.	157,550	7.0%	11,079
Staffing	4,135,758	7.0%	290,816
Maintenance	6,115,890	7.0%	430,054
Vegetation	1,491,162	7.0%	104,855
Capital	2,481,600	7.0%	174,500
Cement Hill Loan			
Bonds - 2016A			
Bonds - 2020A	560,500	7.0%	39,413
New Debt Service	1,631,400	7.0%	114,716
Total	$23,267,627		$1,601,259
Water Non-Rate Revenue	**5-Year Average Non-Rate Revenue**	**Treated Portion of Raw**	**5-Year Average Non-Rate Raw Revenue**
Charges and Fees	207,444	7.0%	14,587
Miscellaneous	157,644	7.0%	11,085
Property Tax	9,385,605	7.1%	668,939
CFD and Rodeo Flat Debt Service	0	7.0%	0
Interest	277,758	7.0%	19,531
Capacity Charge Debt Transfer	0	7.0%	0
Rents and Leases	38,916	7.0%	2,737
Total	$9,702,279		$691,206
Cost Allocation	**5-Year Average Net**	**Treated Portion of Raw**	**Treated Portion of Raw**
Expenses	23,267,627	6.9%	1,601,259
Non-Rate Revenue	9,702,279	7.1%	691,206
Cost Allocation Amount	$13,565,348	6.7%	$910,052
Total Cost Allocation %			

Functional Allocation

There must be a cost-based nexus between the revenue requirement from the cash flow and the proposed rates. The nexus is created by allocating the expenses and offsetting non-rate revenues to functional components and then dividing each functional component's revenue requirements by the allocations units most reasonably related to each function. A functional component reflects a grouping of the utility's expenses whose magnitude is driven by the quantity of a specific unit-of-measure. For example, costs allocated to the customer functional component are driven by the number of customers served. Cost allocations were developed in coordination with District staff and informed by a review of budget data, operational responsibilities, and work activities. This process was used to reasonably assign costs to each functional area based on the level of service provided and resources utilized.

The raw water functional allocation is shown in Table 10. The functional components for raw water cost allocation are:

- **Customer -** Fixed costs providing and equivalent benefit to each customer were allocated to this functional component.
- **Monthly (Fixed) -** Fixed costs providing and equivalent benefit to each customer that remain consistent throughout the year were allocated to this functional component.
- **Volumetric -** Costs related to system capacity and the volume of water sold were allocated to this functional component.
- **Monthly (Volumetric) -** Costs related to system capacity and the volume of water sold that remain consistent throughout the year were allocated to this functional component.
- **Purchased Water –** The cost of purchased water was allocated to this functional component.
- **As All Other -** Items in this category do not impact the allocation because they are driven by the overall activity of the utility.

The treated water functional allocation is shown in Table 11. The functional components used for treated water cost allocation are:

- **Capacity-** Fixed related to system capacity were allocated to this category.
- **Volumetric -** Costs related to system capacity and the volume of water sold were allocated to this functional component.
- **As All Other -** Items in this category do not impact the allocation because they are driven by the overall activity of the utility.

The following table shows the functional cost allocation for the District's water utility for raw water system.

Table 10: Raw Water Functional Allocation

Allocation Category	Raw Water Customers						
Water Expenses	**5-Year Average Expenses**	**Customer**	**Monthly**	**Volumetric**	**Monthly**	**Purchased Water**	**As All Other**
		Fixed	*Fixed*	*Variable*	*Variable*	*Variable*	
Addition/Use of Reserves	**(173,418)**						100%
Net Source of Supply Cost	**458,228**			100%	0%		
Internal Services	**2,861,155**	100%		0%	0%		
Engineering	**1,445,563**	15%		85%	0%		
Water Treatment							
Water Distribution	**688,755**	0%	20%	80%	0%		
Electrical Depart.	**194,954**	10%		90%	0%		
Water Resources	**489,013**	30%		70%	0%		
Water Purchase	**293,690**	0%		0%	0%	100%	
Customer Serv.	**146,471**	95%	5%	0%	0%		
Staffing	**3,844,942**						100%
Maintenance	**5,685,836**	47%	3%	47%	3%		
Vegetation	**1,386,307**	33%	1%	65%	1%		
Capital	**2,307,100**	15%	0%	85%	0%		
Cement Hill Loan							
Bonds - 2016A							
Bonds - 2020A	**521,087**	0%		100%	0%		
New Debt Service	**1,516,684**	15%		85%	0%		
Total	**$21,666,368**	$7,086,729	$329,513	$10,100,475	$184,438	$293,690	n/a

Water Non-Rate Revenue	**5-Year Average Non-Rate Revenue**	**Customer**	**Monthly**	**Volumetric**	**Monthly**	**Purchased Water**	**As All Other**
Charges and Fees	**192,857**	100%					
Miscellaneous	**146,559**	100%					
Property Tax	**8,716,666**						100%
CFD and Rodeo Flat Debt Service	**0**						100%
Interest	**258,226**						100%
Capacity Charge Debt Transfer	**0**						100%
Rents and Leases	**36,180**						100%
Total	**$9,011,072**						n/a

Cost Allocation	**5-Year Average Net**	**Customer**	**Monthly**	**Volumetric**	**Monthly**	**Purchased Water**	**As All Other**
Expenses	**21,666,368**	$7,086,729	$329,513	$10,100,475	$184,438	$293,690	
Non-Rate Revenue	**9,011,072**	$0	$0	$0	$0	$0	
Cost Allocation Amount	**$12,655,296**	$7,086,729	$329,513	$10,100,475	$184,438	$293,690	n/a
Total Cost Allocation %							
% of Total Raw Cost Adjustment for Treated % of Raw Flow							
Total Cost Allocation Amount							
Total Cost Allocation %		39.39%	1.83%	56.13%	1.02%	1.63%	
2026 Rate Revenue (No Increase)		**$3,339,871**	**$155,165**	**$4,759,252**	**$86,486**	**$138,207**	

The following table shows the functional cost allocation for the District's water utility for treated water system.

Table 11: Treated Water Functional Allocation

Allocation Category	Treated Water Customers				
Water Expenses	**5-Year Average Expenses**	**Capacity**	**Volumetric**	**As All Other**	**Total**
		Fixed	*Variable*		
Addition/Use of Reserves	**(392,182)**			100%	*100%*
Net Source of Supply Cost	**19,372**		100%		*100%*
Internal Services	**6,470,445**	95%	5%		*100%*
Engineering	**1,664,237**	50%	50%		*100%*
Water Treatment	**2,171,600**	0%	100%		*100%*
Water Distribution	**658,245**	0%	100%		*100%*
Electrical Depart.	**504,046**	10%	90%		*100%*
Water Resources	**36,987**		100%		*100%*
Water Purchase	**1,565,110**		100%		*100%*
Customer Serv.	**538,529**	100%			*100%*
Staffing	**8,695,258**			100%	*100%*
Maintenance	**8,537,164**	25%	75%		*100%*
Vegetation	**217,093**	0%	100%		*100%*
Capital	**2,656,100**	50%	50%		*100%*
Cement Hill Loan	**505,200**	50%	50%		*100%*
Bonds - 2016A	**2,232,400**	50%	50%		*100%*
Bonds - 2020A	**599,913**	50%	50%		*100%*
New Debt Service	**1,746,116**	50%	50%		*100%*
Total	**$38,425,632**	$13,572,130	$16,550,426	n/a	*$30,122,555*
Water Non-Rate Revenue	**5-Year Average Non-Rate Revenue**	**Capacity**	**Volumetric**	**As All Other**	**Total**
Charges and Fees	436,143	100%			*100%*
Miscellaneous	331,441	100%			*100%*
Property Tax	8,963,334			100%	*100%*
CFD and Rodeo Flat Debt Service	343,200	100%			*100%*
Interest	583,974			100%	*100%*
Capacity Charge Debt Transfer	219,000	100%			*100%*
Rents and Leases	81,820			100%	*100%*
Total	$10,191,328	$562,200	$0	n/a	*$562,200*
Cost Allocation	**5-Year Average Net**	**Capacity**	**Volumetric**	**As All Other**	**Total**
Expenses		$13,572,130	$16,550,426		
Non-Rate Revenue		$562,200	$0		
Cost Allocation Amount	$28,234,304	$13,009,930	$16,550,426	n/a	*$29,560,355*
Total Cost Allocation %					
% of Total Raw Cost Adjustment for Treated % of Raw Flow					
Total Cost Allocation Amount					
Total Cost Allocation %		44.01%	55.99%		*100%*
2026 Rate Revenue (No Increase)		**$8,395,796**	**$10,681,223**		***$19,077,019***

6. Rate Derivation

Treated Water Rate Derivation

Revenue requirements were adjusted so that property tax applies only to inside District customers. Outside District source of supply costs are applied only to outside District customers, with no reduction for property tax. The full cost revenue requirements for each functional component are divided by the units related to each function. The Capacity functional component revenue requirement is divided by the total treated MEUs to calculate the unit cost for capacity. The Volumetric functional component revenue requirement is divided by the total treated HCF to calculate the volumetric unit cost.

Table 12: Treated Water Unit Cost Calculation

Allocation Units	Total Amount	Capacity	Volumetric
Allocation Unit of Measure		*MEU*	*HCF*
Allocation %	100.0%	44.0%	56.0%
Rate Revenue Requirement	19,077,019	8,395,796	10,681,223
Allocation %	100.0%	44.0%	56.0%
Property Tax	6,056,239	2,665,351	3,390,888
Allocation %	100.0%	0.0%	100.0%
Net Source of Supply Cost	13,089	-	13,089
Unit Revenue Requirement	25,146,347	11,061,147	14,085,200
Allocation Units		24,031	3,721,086
Unit Cost ($/Unit)		**$460.30**	**$3.79**

The adjusted unit costs are then multiplied by the corresponding units for inside District and outside District customers to identify the full revenue requirement for each customer type. The revenue requirements for inside District customers are reduced by the property tax offset and source of supply costs. The reduced revenue requirements are divided by the corresponding units to calculate the fixed and variable rates.

The rate derivation tables below present the recalculated cost of service rates designed to recover rate revenue at existing rate levels. The proposed rates will include an overall revenue adjustment of 12.5 percent, which is applied to the newly derived cost-of-service rates shown below to produce the proposed rates.

Table 13: Treated Water Rate Derivation

Rate Derivation	Inside	Outside		Inside	Outside
Allocation Unit of Measure	*MEU*	*MEU*		*HCF*	*HCF*
Units	23,899	132		3,653,183	67,903
Unit Cost ($/Unit)	$460.30	$460.30		$3.79	$3.79
Revenue Requirement w/o Property Tax	11,000,618	60,529		13,828,171	257,030
Property Tax	(2,665,351)			(3,390,888)	
Source of Supply Cost	-			(13,089)	
Revenue Requirement	8,335,267	60,529		10,424,193	257,030
Rate ($ per MEU)	**$348.77**	**$460.30**	**Rate ($ per HCF)**	**$2.85**	**$3.79**
Rate ($ per MEU per Month)	**$29.06**	**$38.36**	**Rate ($ per AF)**	**$1,241.46**	**$1,650.92**

The fixed rates per MEU for inside District and outside District are multiplied by the meter equivalent ratio for each meter size to calculate the rate for each meter size. A meter equivalent unit (MEU) is a ratio of any given meter size relative to the baseline 5/8-inch meter. The ratio is developed by comparing the potential flow capacity of each meter with the baseline.

Table 14: Monthly Fixed Treated Water Service Charge Derivation

Rate by Meter Size	MEU Ratio	Inside $ per Account Per Month	Outside $ per Account Per Month
5/8"	1.0	29.06	38.36
3/4"	1.5	43.60	57.54
1"	2.5	72.66	95.90
1.5"	5.0	145.32	191.79
2"	8.0	232.51	306.86
3"	16.0	465.03	613.73
4"	25.0	726.61	958.95
6"	50.0	1,453.21	1,917.90
8"	80.0	2,325.14	3,068.64

Proposed Treated Water Rates

The proposed rates shown below reflect the updated cost-of-service rate structure with the recommended 12.5 percent revenue increase applied to generate the rates proposed for implementation on January 1, 2027.

The cost-of-service analysis and rate development were based on an assumed implementation date of January 1, 2026. However, the Board elected to delay implementation of the proposed rates until January 1, 2027 to give customers more time to plan for rates increasing. This delay does not affect the

underlying cost-of-service analysis or the proportional relationship of the rates, but results in rates being implemented below the full cost of service. The following table shows the proposed treated water rates and their effective schedule.

Table 15: Projected Treated Water Rates

Treated Water Rates Effective:	Jan. 1, 2027	Jan. 1, 2028	Jan. 1, 2029	Jan. 1, 2030	Jan. 1, 2031
	Existing	*Proposed*	*Proposed*	*Proposed*	*Proposed*	*Proposed*
Inside District Monthly Fixed Service Charges ($ per Meter per Month)						
5/8"	$29.33	$32.69	$36.78	$41.38	$46.55	$52.37
3/4"	44.00	49.05	55.18	62.08	69.84	78.57
1"	73.34	81.74	91.96	103.46	116.39	130.94
1.5"	146.67	163.49	183.93	206.92	232.79	261.89
2"	234.68	261.57	294.27	331.05	372.43	418.98
3"	469.35	523.16	588.56	662.13	744.90	838.01
4"	733.36	817.44	919.62	1,034.57	1,163.89	1,309.38
6"	1,466.72	1,634.86	1,839.22	2,069.12	2,327.76	2,618.73
8"	2,346.75	2,615.78	2,942.75	3,310.59	3,724.41	4,189.96
Outside District Monthly Fixed Service Charges ($ per Meter per Month)						
5/8"	36.67	43.16	48.56	54.63	61.46	69.14
3/4"	55.00	64.73	72.82	81.92	92.16	103.68
1"	91.67	107.89	121.38	136.55	153.62	172.82
1.5"	183.34	215.76	242.73	273.07	307.20	345.60
2"	293.34	345.22	388.37	436.92	491.54	552.98
3"	586.69	690.45	776.76	873.86	983.09	1,105.98
4"	916.70	1,078.82	1,213.67	1,365.38	1,536.05	1,728.06
6"	1,833.40	2,157.64	2,427.35	2,730.77	3,072.12	3,456.14
8"	2,933.44	3,452.22	3,883.75	4,369.22	4,915.37	5,529.79
Additional Monthly Regulatory Fee ($ per Service per Month)						
All Treated Customers	1.90	0.00	0.00	0.00	0.00	0.00
Inside District Volumetric Rates ($ per HCF)						
Tier 1 (0-5 HCF)	2.42	3.21	3.61	4.06	4.57	5.14
Tier 2 (>5 HCF)	3.13	3.21	3.61	4.06	4.57	5.14
Outside District Volumetric Rates ($ per HCF)						
Tier 1 (0-5 HCF)	3.03	4.26	4.79	5.39	6.06	6.82
Tier 2 (>5 HCF)	3.91	4.26	4.79	5.39	6.06	6.82

The proposed rates shown above reflect the application of the recommended 12.5 percent revenue increase to the recalculated cost-of-service rates and are proposed for implementation beginning January 1, 2027.

Raw Water Rate Derivation

To allocate property tax to only inside District customers and allocate the outside District source of supply costs to outside District customers, the revenue requirements were adjusted to reflect the inclusion of source of supply costs and no reduction for property tax. The full cost revenue requirements for each functional component are divided by the units related to each function to calculate unit costs.

Table 16: Raw Water Unit Rate Calculations

Raw Water Allocation Unit Rates	Total Amount	Customer	Fixed Monthly	Volumetric	Monthly	Water
Allocation Unit of Measure		*Fixed per Customer*	*Fixed per Month*	*Acre Feet*	*per MI*	
Rate Revenue Requirement	$8,478,981	$3,339,871	$155,165	$4,759,252	$86,486	$138,207
Allocation %		39.4%	1.8%	56.1%	1.0%	1.6%
Net Source of Supply Cost (Outside Only)	-$307,010	$0	$0	-$307,010	$0	$0
Allocation %		0.0%	0.0%	100.0%	0.0%	0.0%
Property Tax Reduction (Inside Only)	$5,840,120	$2,338,542	$108,645	$3,332,377	$60,556	$0
Allocation %		40.0%	1.9%	57.1%	1.0%	0.0%
Revenue Requirement w/o Specific Allocations	**$14,012,091**	**$5,678,412**	**$263,810**	**$7,784,619**	**$147,042**	**$138,207**
Allocation Units		5,697	12	112,942	12	13
Raw Water Allocation Unit Rates ($/ Unit)		**$996.74**	**$21,984.21**	**$68.93**	**$12,253.49**	**$10,631.34**

Next, the following specific unit rates are calculated:

- Seasonal rates are calculated based on dividing the seasonal revenue requirements by the customers and volume in each season.
- A unit rate for the purchased water which is only paid by municipal customers is calculated.
- The inside District property tax and source of supply rates are calculated.

Table 17: Specific Unit Rate Calculations

Specific Allocation Unit Rates

Seasonal Unit Rates	Summer Fixed Monthly	Winter Fixed Monthly	Volumetric Monthly	Volumetric Monthly
Fixed Monthly Unit Rate ($/ Month)	$21,984.21	$21,984.21	$12,253.49	$12,253.49
Months	6	6	6	6
Summer Revenue Requirements	$131,905.23	$131,905.23	$73,520.95	$73,520.95
Allocation Units	Customers	Customers	Acre Feet	Acre Feet
Allocation Units	4,859	838	105,121	7,820
Seasonal Unit Rates ($/ Unit)	$27.15	$157.40	$0.70	$9.40

Municipal Unit Rates	Purchased Water
Net Source of Supply Cost	$138,207
Allocation %	100.0%
Allocation Units	Acre Feet
Allocation Units	2,582
Municipal Unit Rates ($/ Unit)	$53.52

Inside Unit Rates	Total Amount	Customer	Volumetric
Allocation %		41.9%	58.1%
Property Tax Reduction	-5,840,120	-2,447,187	-3,392,933
Allocation Units		Customers	Acre Feet
Allocation Units		5,604	109,254
Inside Unit Rates ($/ Unit)		-$436.69	-$31.06

Outside Unit Rates	Total Amount	Customer		Volumetric
Net Source of Supply Cost	$307,010	$0	$0	$307,010
Allocation %		0.0%	0.0%	100.0%
Allocation Units				Acre Feet
Allocation Units				3,687
Outside Unit Rates ($/ Unit)				$83.26

The raw water rates are derived by adding the unit rates and the specific unit rates that correspond with each rate type together. For example, the inside District, fixed, summer rate of $587.20 per customer is derived by adding the customer unit rate of $996.74, plus the summer customer unit rate of $27.15, plus inside District adjustment unit rate of -$436.69.

The rate derivation tables below present the recalculated cost of service rates designed to recover rate revenue at existing rate levels. The proposed rates include an overall revenue adjustment of 12.5 percent, which is applied to the newly derived cost-of-service rates shown below to produce the proposed rates.

Table 18: Inside District Raw Water Rate Derivation

Inside Raw Water Seasonal Rates	Customer Summer	Customer Winter	Volumetric Summer	Volumetric Winter
Raw Water Unit Rates	$996.74	$996.74	$68.93	$68.93
Seasonal Unit Rates	$27.15	$157.40	$0.70	$9.40
Inside Unit Rates	($436.69)	($436.69)	($31.06)	($31.06)
Net Inside Unit Rate	$587.20	$717.46	$38.57	$47.27
Allocation Units	Customers	Customers	Acre Feet	Acre Feet
Allocation Units	4,775	829	102,042	7,212
Inside Revenue Requirements	$2,803,871	$594,771	$3,935,785	$340,921
Inside Summer Rate Units	Customers	Customers	Miners Inches	Miners Inches
Inside Summer Rate Units	4,775	829	11,252	801
Inside Summer Rates ($ per Unit)	**$587.20**	**$717.46**	**$349.78**	**$425.58**

Inside Rates	Customer	Volumetric
Allocation Units	Customers	Miners Inches
Inside Sumer Rates	**$587.20**	**$349.78**
Inside Winter Rates	**$717.46**	**$425.58**
Inside Annual Rates ($ per Unit)	**$1,304.66**	**$775.36**

Inside Municipal Rates	Customer	Seasonal Volumetric	Purchased Water	Total Volumetric Rate
Inside Revenue Requirement		$4,276,706	$76,773	
Inside Municipal Rate Units	Customers	Acre Feet	Acre Feet	
Inside Units		109,254	1,434	
Inside Municipal Rates ($ per Unit)	**$1,304.66**	$39.14	$53.52	**$92.67**

Note: Municipal rates are not property-related charges and do not fall under Proposition 218. For this reason, they are not shown in the rate tables which are used for the Proposition 218 Notice.

Table 19: Outside District Raw Water Rate Derivation

Outside Raw Water Seasonal Rates	Customer Summer	Customer Winter	Volumetric Summer	Volumetric Winter	
Raw Water Unit Rates	$996.74	$996.74	$68.93	$68.93	
Seasonal Unit Rates	$27.15	$157.40	$0.70	$9.40	
Outside Unit Rates	$0.00	$0.00	$83.26	$0.00	
Net Outside Summer Unit Cost	$1,023.88	$1,154.14	$152.89	$161.59	
Allocation Units	Customers	Customers	Acre Feet	Acre Feet	
Allocation Units	84	9	3,079	608	
Outside Revenue Requirements	$86,006	$10,387	$470,717	$98,315	
Outside Summer Rate Units	Customers	Customers	Miners Inches	Miners Inches	
Outside Summer Rate Units	84	9	339	67	
Outside Summer Rates ($ per Unit)	**$1,023.88**	**$1,154.14**	**$1,386.69**	**$1,457.54**	

Outside Rates	Customer	Volumetric
Allocation Units	Customers	Miners Inches
Outside Sumer Rates	$1,023.88	$1,386.69
Outside Winter Rates	$1,154.14	$1,457.54
Outside Annual Rates ($ per Unit)	**$2,178.02**	**$2,844.23**

Outside Municipal Rates	Total Customer Rate	Seasonal Volumetric	Purchased Water	Total Volumetric Rate
Outside Revenue Requirement		$569,032	$61,434	
Outside Municipal Rate Units	Customers	Acre Feet	Acre Feet	
Outside Units		3,687	1,148	
Outside Municipal Rates ($ per Unit)	**$2,178.02**	$154.32	$53.52	**$207.84**

Note: Municipal rates are not property-related charges and do not fall under Proposition 218. For this reason, they are not shown in the rate tables which are used for the Proposition 218 Notice.

Pumping Charge Derivation

The table below represents the energy pumping cost for raw water served from Magnolia #3 Pump System and Edgewood Ditch Pump System.

Table 20: Pumping Charge Derivation

Pumping Charge Derivation	2023	2024	2025	Total	2026	2027	2028	2029	2030
Projected Inflation					*4.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*
Magnolia #3									
Electricity Cost	$165,015	$211,789	$113,122	$489,927					
Pumping Volume (AF)	3,180	3,365	3,685	10,229					
Weighted Average Cost per AF				$47.89	**$47.93**	**$47.97**	**$48.01**	**$48.05**	**$48.09**
Weighted Average Cost per MI				$434.40	**$434.76**	**$435.12**	**$435.49**	**$435.85**	**$436.21**
Edgewood Ditch									
Electricity Cost	$6,355	$7,604	$7,065	$21,024					
Pumping Volume (AF)	467	488	510	1,465					
Weighted Average Cost per AF				$14.35	**$14.39**	**$14.43**	**$14.47**	**$14.51**	**$14.55**
Weighted Average Cost per MI				$130.15	**$130.51**	**$130.87**	**$131.23**	**$131.60**	**$131.96**

Proposed Raw Water Rates

The rate derivation table below present the recalculated cost of service rates designed to recover revenue at existing rate levels. These calculations update the allocation of costs among customer classes based on the current cost of service analysis, but do not reflect the overall revenue increase recommended in this study. The proposed rates for Fiscal Year 2026 include an overall revenue adjustment of 12.5 percent, which is applied to the newly derived cost-of-service rates shown below to produce the proposed rates effective January 1, 2026.

The cost-of-service analysis and rate development were based on an assumed implementation date of January 1, 2026. However, the Board elected to delay implementation of the proposed rates until January 1, 2027 as a policy decision. This delay does not affect the underlying cost-of-service analysis or the proportional relationship of the rates, but results in rates being implemented below the full cost of service in the initial year. The following table shows the proposed treated water rates and their effective schedule. The following table shows the proposed raw water rates and their effective schedule.

Table 21: Projected Raw Water Rates

Raw Water Rates Effective:	Existing	Jan. 1, 2027 Projected	Jan. 1, 2028 Projected	Jan. 1, 2029 Projected	Jan. 1, 2030 Projected	Jan. 1, 2031 Projected
Fixed Service Charges ($ per Customer per Season)						
In-District						
Summer	570.99	660.60	743.18	836.08	940.59	1,058.16
Winter	713.73	807.14	908.03	1,021.53	1,149.22	1,292.87
Annual	1,284.72	1,467.74	1,651.21	1,857.61	2,089.81	2,351.04
Out-District						
Summer	713.73	1,151.87	1,295.85	1,457.83	1,640.06	1,845.07
Winter	890.74	1,298.41	1,460.71	1,643.30	1,848.71	2,079.80
Volumetric Rates ($ per Miners Inch)						
In-District						
Summer	336.48	393.50	442.69	498.03	560.28	630.32
Winter	420.61	478.78	538.63	605.96	681.71	766.92
Annual	757.09	872.28	981.32	1,103.99	1,241.99	1,397.24
Out-District						
Summer	420.61	1,560.03	1,755.03	1,974.41	2,221.21	2,498.86
Winter	524.91	1,639.73	1,844.70	2,075.29	2,334.70	2,626.54
Pumping Charges ($ per Acre Foot)						
Magnolia #3	62.94	47.93	47.97	48.01	48.05	48.09
Edgewood Ditch	15.58	14.39	14.43	14.47	14.51	14.55

The proposed rates shown above reflect the application of the recommended 12.5 percent revenue increase to the recalculated cost-of-service rates and are proposed for implementation beginning January 1, 2027.

Conclusion & Recommendations

This 2026 Cost of Service Study evaluates the Nevada Irrigation District's projected financial needs and allocates the cost of providing treated and raw water service in a manner that is fair, equitable, and consistent. Based on updated financial projections, capital improvement funding requirements, and a comprehensive cost-of-service analysis, the District requires annual water rate revenue adjustment in 2026 to maintain long-term financial stability and continue providing safe and reliable water service.

While the study recommends adoption of five years of rate adjustments to provide financial stability and predictability, the District retains the flexibility to implement increases at levels below the adopted maximums if financial conditions allow. Future financial performance, water demand trends, capital project timing, inflation, and external economic factors should be monitored annually, and the District may update projections and conduct additional analyses as needed.

Appendix A – 2026 Cost of Service Study Tables

Nevada Irrigation District

2026 Cost of Service Study Tables

March 25, 2026

BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

Table 1
Nevada Irrigation District Water Rate Study
Historical Rates

	2018	2019	2020	2021 - Current
Treated Water Rates				
Inside District Monthly Fixed Service Charges ($ pre Meter per Month)				
5/8"	$24.83	$26.25	$27.75	$29.33
3/4"	37.25	39.37	41.62	44.00
1"	62.07	65.61	69.37	73.34
1.5"	124.15	131.23	138.74	146.67
2"	198.64	209.97	221.98	234.68
3"	372.43	419.94	443.96	469.35
4"	620.73	656.15	693.68	733.36
6"	1,241.45	1,312.30	1,387.36	1,466.72
8"	1,986.32	2,099.68	2,219.78	2,346.75
Outside District Monthly Fixed Service Charges ($ per Meter per Month)				
5/8"	31.03	32.81	34.68	36.67
3/4"	46.56	49.21	52.03	55.00
1"	77.58	82.02	86.71	91.67
1.5"	155.18	164.04	173.42	183.34
2"	248.29	262.46	277.47	293.34
3"	465.54	524.92	554.95	586.69
4"	775.91	820.19	867.10	916.70
6"	1,551.81	1,640.37	1,734.20	1,833.40
8"	2,482.89	2,624.60	2,774.73	2,933.44
Additional Monthly Regulatory Fee ($ per Service per Month)				
All Treated Customers		1.90	1.90	1.90
Inside District Volumetric Rates ($ per HCF)				
Tier 1 (0-5 HCF)	2.05	2.17	2.29	2.42
Tier 2 (>5 HCF)	2.65	2.80	2.96	3.13
Outside District Volumetric Rates ($ per HCF)				
Tier 1 (0-5 HCF)	2.56	2.71	2.86	3.03
Tier 2 (>5 HCF)	3.31	3.50	3.70	3.91
Raw Water Rates				
Fixed Service Charges ($ per Customer per Season)				
Inside	510.87	540.09	570.99	570.99
Outside[1]	638.59	675.12	713.73	713.73
Volumetric Rates ($ per Miners Inch)				
Inside	301.06	318.28	336.48	336.48
Outside[1]	376.32	397.85	420.61	420.61

[1] Winter Seasonal Raw Rates = 125% of Summer Raw Rates, and outside winter users= 1.56% of Inside Summer Raw Rates (i.e., 1.25 x 1.25).

[2] Small Hydroelectric Rates= Fixed Charge plus 10% of volumetric charge

Table 2
Nevada Irrigation District Water Rate Study
NID Fund Balances

Fund Balances		Beginning Fund Balances 1/1/2025
Water Funds		
10	Water Fund	29,526,993
12	Capacity Fees Fund	8,230,302
15	Water Capital Improvement Fund	19,826,959
Water Fund Total		**57,584,254**
Assessment Funds		
21	Cement Hill Assessment District Fund	(44,381)
22	Rodeo Flat Assessment District Fund	116,811
Assessment Funds Total		**72,430**
Other District Funds		
30	Recreation Fund	1,717,526
35	Recreation Capital Improvement Fund	403,582
50	Hydroelectric Fund	21,033,760
55	Hydroelectric Capital Improvement Fund	52,129,125
70	Internal Services Fund	1,219,470
Other District Funds Total		**74,382,356**
Total NID Fund Balance		**132,039,040**

Table 3
Nevada Irrigation District Water Rate Study
Actual and Budgeted Revenue

Revenues	Category	2024	2025	2026
		Actual	*Adj. Budget*	*Adj. Budget*
Standby Charges	Charges and Fees	129,580	0	0
Miscellaneous	Miscellaneous	1,465,429	557,100	478,281
Property Tax	Property Tax	16,864,624	17,070,000	17,330,000
CFD and Rodeo Flat Debt Service	CFD and Rodeo Flat Debt Service	435,922	435,892	428,817
Interest	Interest	2,457,246	959,670	1,000,000
Transfer-In	Transfer-In	1,629,393	218,580	218,580
Rents and Leases	Rents and Leases	341,175	347,340	117,500
Energy Pumping	Charges and Fees	80,024	85,000	84,000
FS/DC/PRV Fees	Charges and Fees	507,915	550,000	533,311
State/County Mandated Fee	Charges and Fees	445,195	0	0
Total Revenues		**24,356,503**	**20,223,583**	**20,190,489**

Operating Expenses	2024	2025	2026
	Actual	*Adj. Budget*	*Proj. Budget*
Internal Services	9,365,920	8,283,440	8,614,778
Administration	2,644,481		
Customer Service	1,616,225	608,670	633,017
Engineering	3,564,493	2,761,147	2,871,593
Water Operations	11,625,341		
Water Treatment		1,928,323	2,005,456
Water Distribution		1,194,576	1,242,359
Electrical Depart.		619,733	644,522
Water Resources		466,950	485,628
Water Purchase		1,650,000	1,716,000
Operations Staffing		11,131,443	11,576,700
Maintenance	10,027,736	12,624,714	13,129,702
Vegetation	1,290,205	1,423,099	1,480,023
Total Operating Expenses	**40,134,401**	**42,692,094**	**44,399,778**

Table 4
Nevada Irrigation District Water Rate Study
Capital Improvement Costs (Future $)

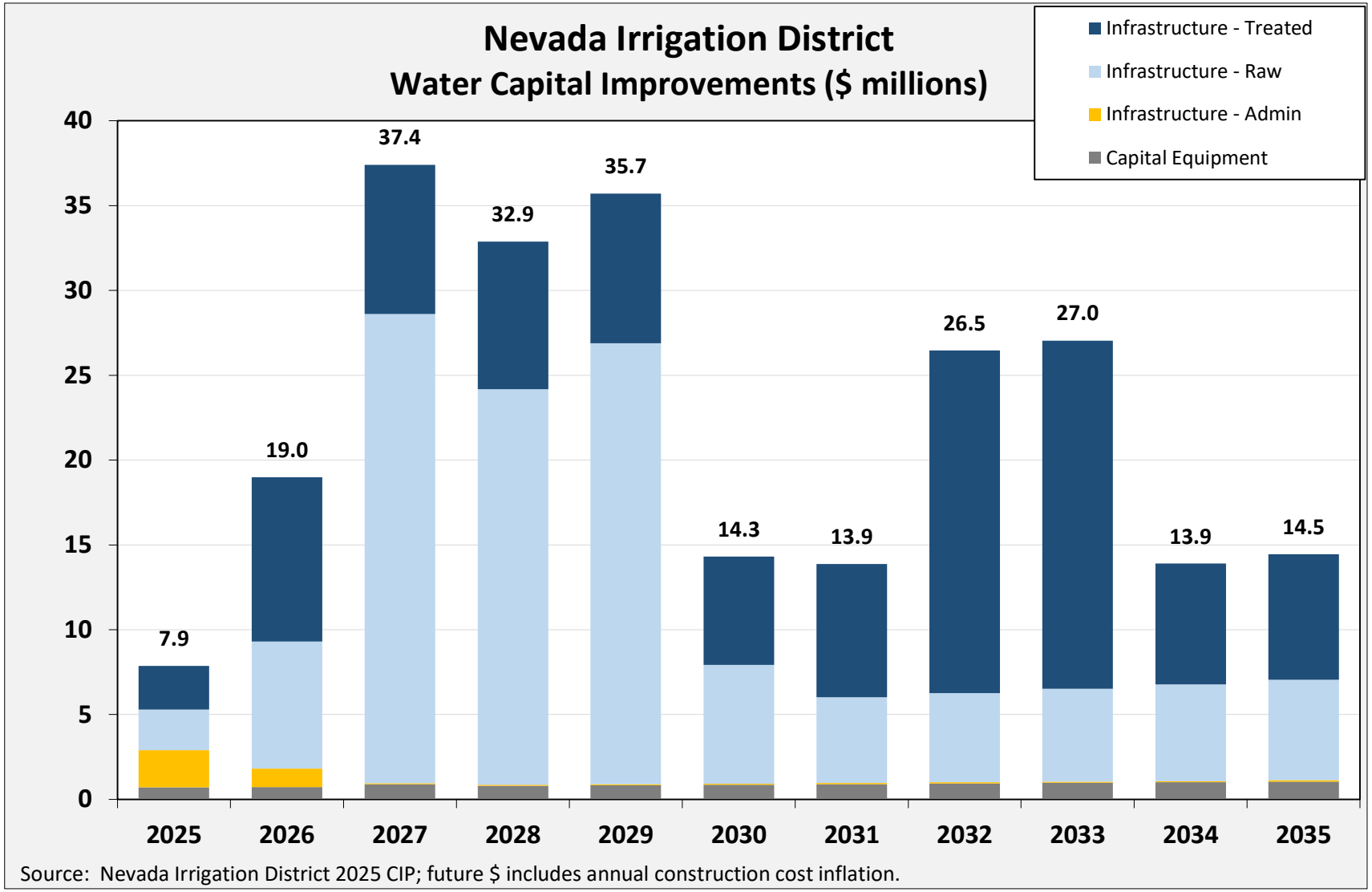
CIP (Inflated Dollars)		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
		Projected	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
Annual Inflation Rate		**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**
Captial Equipment											
Vehicle Replacement	Operations Vehicle Replacement	262,080	283,920	295,277	307,088	319,371	332,146	345,432	359,249	373,619	388,564
Vehicle Replacement	Engineering Vehicle Replacement	0	129,792	0	0	0	0	0	0	0	0
Vehicle Replacement	Maintenance Vehicle Replacement	467,220	486,720	506,189	526,436	547,494	569,394	592,169	615,856	640,490	666,110
Infrastructure - Administrative											
Grass Valley Headquarters	Charging Stations at GV Headquarters	260,000	0	0	0	0	0	0	0	0	0
Grass Valley Headquarters	ADA Transition Plan	52,000	54,080	56,243	58,493	60,833	63,266	65,797	68,428	71,166	74,012
Grass Valley Headquarters	Tyler EERP (finance software)	777,918	0	0	0	0	0	0	0	0	0
Grass Valley Headquarters	Business Center Roof	0	297,440	0	0	0	0	0	0	0	0
Grass Valley Headquarters	Spray Shed Enclosure	46,800	0	0	0	0	0	0	0	0	0
Grass Valley Headquarters	Diesel Tank and Pump	156,000	0	0	0	0	0	0	0	0	0
Infrastructure - Treated Water											
Lake Wildwood System	Lake Wildwood Treatment Plant Upgrades	260,000	270,400	281,216	292,465	304,163	1,518,383	13,619,894	13,685,691	0	0
E. George System	Summit Ridge Tank Replacement	338,000	0	0	0	0	0	0	0	0	0
E. George System	Sargent Jacobs Tank Replacement	0	0	337,459	0	0	0	0	0	0	0
E. George System	Ridge Road (Morgan Ranch to Woodcrest PRV)	1,019,200	0	0	0	0	0	0	0	0	0
Loma Rica System	Loma Rica Treatment Plant Modifications for C	280,800	0	0	0	0	0	0	0	0	0
Loma Rica System	Smith Rd PRV	416,000	0	0	0	0	0	0	0	0	0
Lake of the Pines System	Treatment Plant Chemical Tanks	145,600	0	0	0	0	0	0	0	0	0
E. George System	East Ridge PRV	416,000	0	0	0	0	0	0	0	0	0
E. George System	Sharon to Echo Ridge Pipeline	0	351,520	0	0	0	0	0	0	0	0
E. George System	Glenbrook Drive PRV	160,160	0	0	0	0	0	0	0	0	0
E. George System	Sunset PRV	160,160	0	0	0	0	0	0	0	0	0
North Auburn System	Live Oak Mainline Replacement	0	878,259	0	0	0	0	0	0	0	0
Loma Rica System	East Bennet Loop	0	1,341,833	0	0	0	0	0	0	0	0
E. George System	Starr Motel PRV	160,160	0	0	0	0	0	0	0	0	0
E. George System	Slate Creek PRV	0	270,400	0	0	0	0	0	0	0	0
Loma Rica System	Nancy Way PRV	0	171,109	0	0	0	0	0	0	0	0
E. George System	Summit Ridge Fire Pump	0	91,936	0	0	0	0	0	0	0	0
Loma Rica System	Brewer #1 PRV	0	171,109	0	0	0	0	0	0	0	0
E. George System	Rough & Ready Round-a-bout TW pipeline repl	126,672	0	0	0	0	0	0	0	0	0
E. George System	Butler to Packard Pipeline Replacement	0	0	716,538	0	0	0	0	0	0	0
E. George System	Charlene Lane, Glenwood and Woodland Pipel	0	0	238,471	0	0	0	0	0	0	0
E. George System	Forest Springs Relocated SVC	0	0	60,743	0	0	0	0	0	0	0
Loma Rica System	Kenwood Subdivision Pipeline Replacement	0	0	2,285,724	0	0	0	0	0	0	0
Loma Rica System	Willaura Acres Pipeline Replacement	0	0	0	2,488,289	0	0	0	0	0	0
E. George System	Dorsey Drive PRV	0	0	0	195,366	0	0	0	0	0	0
North Auburn System	Dry Creek @ Tractor Supply Pipeline Replacem	0	0	0	105,287	0	0	0	0	0	0
E. George System	Celio Road Pipeline Replacement	0	0	0	218,764	0	0	0	0	0	0
Loma Rica System	Rocky Lane Pipeline Replacement	0	0	0	327,560	0	0	0	0	0	0
0	SCADA Upgrade Treatment Plants	208,000	0	0	0	0	0	0	0	0	0
All Treated Water Systems	PIPELINE REPLACEMENT (R&R)	5,944,236	5,030,800	4,503,800	5,131,881	6,083,265	6,326,595	6,579,659	6,842,845	7,116,559	7,401,221
0	Fire Service Single Check Replacement	52,000	54,080	56,243	58,493	0	0	0	0	0	0
E. George System	Banner Taylor Pump Station Generator	0	162,240	0	0	0	0	0	0	0	0
E. George System	Pinewoods Pump Station Generator	0	0	224,973	0	0	0	0	0	0	0

Table 4
Nevada Irrigation District Water Rate Study
Capital Improvement Costs (Future $)

CIP (Inflated Dollars)		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
		Projected	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
Annual Inflation Rate		**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**
Infrastructure - Raw Water											
Combie Ophir 2 & 3 Canal	Replacement of Orr Creek, Dry Creek and Rock	0	0	0	2,047,252	2,129,143	0	0	0	0	0
Newtown Canal	Newtown Canal Diversion Dam in Deer Creek	208,000	1,622,400	0	0	0	0	0	0	0	0
China Union Canal	China Union Canal Diversion Dam	0	216,320	0	1,754,788	0	0	0	0	0	0
Newtown Canal	Personeni Pipe Drop	312,000	0	0	0	0	0	0	0	0	0
China Union Canal	China Union Pipe Drop	135,200	0	0	0	0	0	0	0	0	0
Tarr Canal	Tarr Canal Diversion Dam in Wolf Creek	208,000	0	0	0	0	0	0	0	0	0
China Union Reservoir	China Union Reservoir Dam	0	378,560	0	0	0	0	0	0	0	0
Orr Creek Reservoir	Orr Creek Reservoir Dam Rehabilitation	0	216,320	0	994,380	0	0	0	0	0	0
0	Smith Road Crossing	156,000	0	0	0	0	0	0	0	0	0
Hayt Canal	Hayt Siphon #6 Replacement	260,000	0	0	0	0	0	0	0	0	0
Dudley Canal	Fawn Hill Pipe Section (new pipe)	0	0	0	140,383	0	0	0	0	0	0
Tarr Canal	Tarr Canal @ Old Auburn Road	1,404,000	1,460,160	1,518,566	0	0	0	0	0	0	0
Lester Canal	Lester Siphon	0	0	224,973	0	0	0	0	0	0	0
Ruess Reservoir	Ruess Reservoir Dam	0	0	168,730	0	0	0	0	0	0	0
Vernon Canal	Mount Vernon Road Siphon crossing	0	0	0	140,383	0	0	0	0	0	0
Cascade Canal	Clipper Creek Techite Pipe Repalcement	0	0	0	140,383	0	0	0	0	0	0
Snow Mountain Canal	Snow Mountain Canal Diversion Below Dissipat	83,200	0	0	0	0	0	0	0	0	0
Tunnel Canal	Tunnel Extension Canal Diversion Measuring St	83,200	0	0	0	0	0	0	0	0	0
Goldhill Diversion	0	260,000	0	0	0	0	0	0	0	0	0
Pipeline/Flume Replacement	PIPE/FLUME REPLACEMENT (R&R)	2,378,397	4,517,548	2,631,617	4,872,829	4,866,612	5,061,276	5,263,727	5,474,276	5,693,247	5,920,977
Scotts Flat Reservoir	Spillway Repair and Upgrades	1,664,000	19,252,480	18,785,229	15,910,076	0	0	0	0	0	0
Tarr Canal	Gaging Station @Hog Chute	124,800	0	0	0	0	0	0	0	0	0
Loma Rica Dam	Lower Spill per DSOD	208,000	0	0	0	0	0	0	0	0	0
Captial Equipment		729,300	900,432	801,466	833,524	866,865	901,540	937,601	975,105	1,014,110	1,054,674
Capital Engineering		0	0	0	0	0	0	0	0	0	0
Infrastructure - Administrative		1,292,718	351,520	56,243	58,493	60,833	63,266	65,797	68,428	71,166	74,012
Infrastructure - Treated Water		9,686,988	8,793,686	8,705,167	8,818,105	6,387,428	7,844,978	20,199,553	20,528,536	7,116,559	7,401,221
Infrastructure - Raw Water		7,484,797	27,663,788	23,329,115	26,000,475	6,995,754	5,061,276	5,263,727	5,474,276	5,693,247	5,920,977
Total CIP (Inflated Dollars)		**$19,193,803**	**$37,709,426**	**$32,891,991**	**$35,710,597**	**$14,310,880**	**$13,871,060**	**$26,466,678**	**$27,046,346**	**$13,895,082**	**$14,450,885**

Table 5
Nevada Irrigation District Water Rate Study
Water Capital Improvement Program Summary

CIP (Inflated Dollars)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2026-2035 Total
	Budgeted	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	
Projected Annual Inflation		**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	
Capital Equipment	712,500	729,300	900,432	801,466	833,524	866,865	901,540	937,601	975,105	1,014,110	1,054,674	9,014,617
Capital Engineering	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Admin	2,195,642	1,292,718	351,520	56,243	58,493	60,833	63,266	65,797	68,428	71,166	74,012	2,162,475
Infrastructure - Treated W	2,579,309	9,686,988	8,793,686	8,705,167	8,818,105	6,387,428	7,844,978	20,199,553	20,528,536	7,116,559	7,401,221	105,482,221
Infrastructure - Raw W	2,390,382	7,484,797	27,663,788	23,329,115	26,000,475	6,995,754	5,061,276	5,263,727	5,474,276	5,693,247	5,920,977	118,887,432
Total CIP (Inflated Dollars)	**7,877,833**	**19,193,803**	**37,709,426**	**32,891,991**	**35,710,597**	**14,310,880**	**13,871,060**	**26,466,678**	**27,046,346**	**13,895,082**	**14,450,885**	**235,546,747**



Source: Nevada Irrigation District 2025 CIP; future $ includes annual construction cost inflation.

Table 6
Nevada Irrigation District Water Rate Study
Outstanding Water Debt Service

Year	2011 CDPH Loan	Series 2016A Bonds	Series 2020A Bonds	Total Payments
2021	611,180	1,502,600	1,845,423	3,959,203
2022	611,180	1,503,225	1,852,450	3,966,855
2023	611,180	2,233,350	1,123,450	3,967,980
2024	611,180	2,231,975	1,120,700	3,963,855
2025	611,180	2,236,600	1,116,450	3,964,230
2026	611,180	2,232,100	1,125,325	3,968,605
2027	611,180	2,233,350	1,122,200	3,966,730
2028	611,180	2,234,975	1,117,325	3,963,480
2029	611,180	2,231,850	1,120,450	3,963,480
2030	82,188	2,229,600	1,121,325	3,433,113
2031		2,233,800	1,119,800	3,353,600
2032			1,121,200	1,121,200
2033			1,116,400	1,116,400
2034			1,115,775	1,115,775
2035			1,119,200	1,119,200
2036			1,121,575	1,121,575
2037				0
2038				0
2039				0
2040				0
Total	**5,582,808**	**23,103,425**	**19,379,048**	**48,065,281**

Table 7
Nevada Irrigation District Water Rate Study
Water Capital Funding and New Debt Service

Water Capital Funding	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Water Capital Expenses											
Capital Equipment	713,000	729,000	900,000	801,000	834,000	867,000	902,000	938,000	975,000	1,014,000	1,055,000
Capital Engineering	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Administrative	2,196,000	1,293,000	352,000	56,000	58,000	61,000	63,000	66,000	68,000	71,000	74,000
Infrastructure - Treated Water	2,579,000	9,687,000	8,794,000	8,705,000	8,818,000	6,387,000	7,845,000	20,200,000	20,529,000	7,117,000	7,401,000
Infrastructure - Raw Water	2,390,000	7,485,000	27,664,000	23,329,000	26,000,000	6,996,000	5,061,000	5,264,000	5,474,000	5,693,000	5,921,000
Total Water Capital Expenses	**$7,878,000**	**$19,194,000**	**$37,710,000**	**$32,891,000**	**$35,710,000**	**$14,311,000**	**$13,871,000**	**$26,468,000**	**$27,046,000**	**$13,895,000**	**$14,451,000**
Water Capital Funding Sources											
Grants	0	0	0	0	0	0	0	0	0	0	0
Debt Proceeds	0	10,000,000	35,000,000	30,000,000	30,000,000	10,000,000	10,000,000	12,000,000	15,000,000	0	0
Fund 12 Transfer	0	0	0	0	0	0	0		0	0	0
Hydro 50 Transfer	0	0	0	0	0	0	0				
Water Cash Funding	**7,878,000**	**9,194,000**	**2,710,000**	**2,891,000**	**5,710,000**	**4,311,000**	**3,871,000**	**14,468,000**	**12,046,000**	**13,895,000**	**14,451,000**
Total Water Capital Funding	**$7,878,000**	**$19,194,000**	**$37,710,000**	**$32,891,000**	**$35,710,000**	**$14,311,000**	**$13,871,000**	**$26,468,000**	**$27,046,000**	**$13,895,000**	**$14,451,000**
Ending Water Fund Reserve	*42,600,000*	*35,855,000*	*37,018,000*	*38,077,000*	*37,388,000*	*39,772,000*	*43,578,000*	*40,112,000*	*40,057,000*	*39,188,000*	*40,038,000*
Ending Hydro Reserve	*76,839,885*	*76,769,750*	*76,537,250*	*74,806,089*	*72,569,002*	*68,080,752*	*63,475,132*	*58,241,966*	*55,151,114*	*52,739,468*	*50,174,957*
Ending Fund 12 Reserve	*9,011,722*	*9,318,435*	*9,632,816*	*9,906,892*	*10,186,450*	*10,471,599*	*10,762,451*	*11,059,120*	*11,361,722*	*11,670,377*	*11,985,204*

New Debt Service	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Principle	0	10,000,000	35,000,000	30,000,000	30,000,000	10,000,000	10,000,000	12,000,000	15,000,000	0	0
Financing Costs	0	300,000	550,000	500,000	500,000	300,000	300,000	320,000	350,000	0	0
Interest Rate	5.0%	5.0%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Term (Years)	0	30	30	30	30	30	30	30	30	0	0
Payment	0	670,030	2,446,032	2,098,564	2,098,564	708,696	708,696	847,682	1,056,163	0	0
Total New Debt Service	**0**	**0**	**670,030**	**3,116,061**	**5,214,626**	**7,313,190**	**8,021,886**	**8,730,581**	**9,578,264**	**10,634,426**	**10,634,426**

Fund 12 - Water Capacity Fees	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Beginning Cash Balance	**8,230,302**	**9,011,722**	**9,318,435**	**9,632,816**	**9,906,892**	**10,186,450**	**10,471,599**	**10,762,451**	**11,059,120**	**11,361,722**	**11,670,377**
Plus: Interest Earnings	300,000	225,293	232,961	192,656	198,138	203,729	209,432	215,249	221,182	227,234	233,408
Plus: Revenue from Capacity Charges	700,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Less: Transfer to Water for Debt Service	(218,580)	(218,580)	(218,580)	(218,580)	(218,580)	(218,580)	(218,580)	(218,580)	(218,580)	(218,580)	(218,580)
Less: Transfer to Water for Capital Projects	0	0	0	0	0	0	0	0	0	0	0
Ending Balance: Fund 12	**9,011,722**	**9,318,435**	**9,632,816**	**9,906,892**	**10,186,450**	**10,471,599**	**10,762,451**	**11,059,120**	**11,361,722**	**11,670,377**	**11,985,204**

Hydro Funds	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Beginning Cash Balance	**73,162,885**	**76,839,885**	**76,769,750**	**76,537,250**	**74,806,089**	**72,569,002**	**68,080,752**	**63,475,132**	**58,241,966**	**55,151,114**	**52,739,468**
Plus: Revenues	26,556,000	27,579,865	28,096,499	28,237,839	28,742,913	29,249,750	29,723,380	30,205,835	30,687,148	31,223,354	31,786,488
Less: Expenses	(22,879,000)	(27,650,000)	(28,329,000)	(29,969,000)	(30,980,000)	(33,738,000)	(34,329,000)	(35,439,000)	(33,778,000)	(33,635,000)	(34,351,000)
Less: Transfer to Water for Capital Projects	0	0	0	0	0	0	0	0	0	0	0
Ending Balance: Fund 12	**76,839,885**	**76,769,750**	**76,537,250**	**74,806,089**	**72,569,002**	**68,080,752**	**63,475,132**	**58,241,966**	**55,151,114**	**52,739,468**	**50,174,957**

Table 8
Nevada Irrigation District Water Rate Study
Water Cash Flow Projection w/ Full CIP

Water Cashflow	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Adj. Budget	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
Rate Revenue Adjustment		***12.5%***	***12.5%***	***12.5%***	***12.5%***	***12.5%***	***7.0%***	***7.0%***	***7.0%***	***7.0%***	***7.0%***
Interest Earnings Rate		*2.5%*	*2.5%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
O&M Cost Escalation		*4.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*
Property Tax Escalation			*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*
Beginning Fund Balance	**49,354,000**	**42,600,000**	**35,855,000**	**37,018,000**	**38,077,000**	**37,388,000**	**39,772,000**	**43,578,000**	**40,112,000**	**40,057,000**	**39,188,000**
Revenues											
Rate Revenue											
Current Rate Revenue	27,555,986	27,556,000	31,001,000	34,876,000	39,236,000	44,141,000	49,659,000	53,135,000	56,854,000	60,834,000	65,092,000
Rate Increase Revenue	0	3,444,500	3,875,125	4,359,500	4,904,500	5,517,625	3,476,130	3,719,450	3,979,780	4,258,380	4,556,440
Total Rate Revenue	27,556,000	31,001,000	34,876,000	39,236,000	44,141,000	49,659,000	53,135,000	56,854,000	60,834,000	65,092,000	69,648,000
Non-Rate Revenue											
Charges and Fees	635,000	617,000	623,000	629,000	635,000	641,000	647,000	653,000	660,000	667,000	674,000
Miscellaneous	557,000	478,000	478,000	478,000	478,000	478,000	478,000	478,000	478,000	478,000	478,000
Property Tax	17,070,000	17,330,000	17,503,000	17,678,000	17,855,000	18,034,000	18,214,000	18,396,000	18,580,000	18,766,000	18,954,000
CFD and Rodeo Flat Debt Service	436,000	429,000	429,000	429,000	429,000	0	0	0	0	0	0
Interest	960,000	1,065,000	896,000	740,000	762,000	748,000	795,000	872,000	802,000	801,000	784,000
Transfer-In	219,000	219,000	219,000	219,000	219,000	219,000	219,000	219,000	219,000	219,000	219,000
Rents and Leases	347,000	118,000	118,000	118,000	118,000	118,000	118,000	118,000	118,000	118,000	118,000
Total Non-Rate Revenue	20,224,000	20,256,000	20,266,000	20,291,000	20,496,000	20,238,000	20,471,000	20,736,000	20,857,000	21,049,000	21,227,000
Total Revenues	**47,780,000**	**51,257,000**	**55,142,000**	**59,527,000**	**64,637,000**	**69,897,000**	**73,606,000**	**77,590,000**	**81,691,000**	**86,141,000**	**90,875,000**
Expenses											
Operating Expenses											
Internal Services	8,283,000	8,614,000	8,959,000	9,317,000	9,690,000	10,078,000	10,481,000	10,900,000	11,336,000	11,789,000	12,261,000
Engineering	2,761,000	2,871,000	2,986,000	3,105,000	3,229,000	3,358,000	3,492,000	3,632,000	3,777,000	3,928,000	4,085,000
Water Treatment	1,928,000	2,005,000	2,085,000	2,168,000	2,255,000	2,345,000	2,439,000	2,537,000	2,638,000	2,744,000	2,854,000
Water Distribution	1,195,000	1,243,000	1,293,000	1,345,000	1,399,000	1,455,000	1,513,000	1,574,000	1,637,000	1,702,000	1,770,000
Electrical Depart.	620,000	645,000	671,000	698,000	726,000	755,000	785,000	816,000	849,000	883,000	918,000
Water Resources	467,000	486,000	505,000	525,000	546,000	568,000	591,000	615,000	640,000	666,000	693,000
Water Purchase	1,650,000	1,716,000	1,785,000	1,856,000	1,930,000	2,007,000	2,087,000	2,170,000	2,257,000	2,347,000	2,441,000
Customer Service	609,000	633,000	658,000	684,000	711,000	739,000	769,000	800,000	832,000	865,000	900,000
Operations Staffing	11,131,000	11,576,000	12,039,000	12,521,000	13,022,000	13,543,000	14,085,000	14,648,000	15,234,000	15,843,000	16,477,000
Maintenance	12,625,000	13,130,000	13,655,000	14,201,000	14,769,000	15,360,000	15,974,000	16,613,000	17,278,000	17,969,000	18,688,000
Vegetation	1,423,000	1,480,000	1,539,000	1,601,000	1,665,000	1,732,000	1,801,000	1,873,000	1,948,000	2,026,000	2,107,000
Transfer to Fund 50 (WSupply)	0	441,000	458,000	477,000	496,000	516,000	536,000	558,000	580,000	603,000	627,000
Total Operating Expenses	42,692,000	44,840,000	46,633,000	48,498,000	50,438,000	52,456,000	54,553,000	56,736,000	59,006,000	61,365,000	63,821,000
Debt Service											
Cement Hill Loan	611,000	611,000	611,000	611,000	611,000	82,000	0	0	0	0	0
Bonds - 2016A	2,237,000	2,232,000	2,233,000	2,235,000	2,232,000	2,230,000	2,234,000	0	0	0	0
Bonds - 2020A	1,116,000	1,125,000	1,122,000	1,117,000	1,120,000	1,121,000	1,120,000	1,121,000	1,116,000	1,116,000	1,119,000
New Debt Service	0	0	670,000	3,116,000	5,215,000	7,313,000	8,022,000	8,731,000	9,578,000	10,634,000	10,634,000
Total Debt Expenses	3,964,000	3,968,000	4,636,000	7,079,000	9,178,000	10,746,000	11,376,000	9,852,000	10,694,000	11,750,000	11,753,000
Capital											
Cash Funded Capital	7,878,000	9,194,000	2,710,000	2,891,000	5,710,000	4,311,000	3,871,000	14,468,000	12,046,000	13,895,000	14,451,000
Total Capital Expenses	7,878,000	9,194,000	2,710,000	2,891,000	5,710,000	4,311,000	3,871,000	14,468,000	12,046,000	13,895,000	14,451,000
Total Expenses	**54,534,000**	**58,002,000**	**53,979,000**	**58,468,000**	**65,326,000**	**67,513,000**	**69,800,000**	**81,056,000**	**81,746,000**	**87,010,000**	**90,025,000**
Revenues Less Expenses	**(6,754,000)**	**(6,745,000)**	**1,163,000**	**1,059,000**	**(689,000)**	**2,384,000**	**3,806,000**	**(3,466,000)**	**(55,000)**	**(869,000)**	**850,000**
Ending Fund Balance	**42,600,000**	**35,855,000**	**37,018,000**	**38,077,000**	**37,388,000**	**39,772,000**	**43,578,000**	**40,112,000**	**40,057,000**	**39,188,000**	**40,038,000**

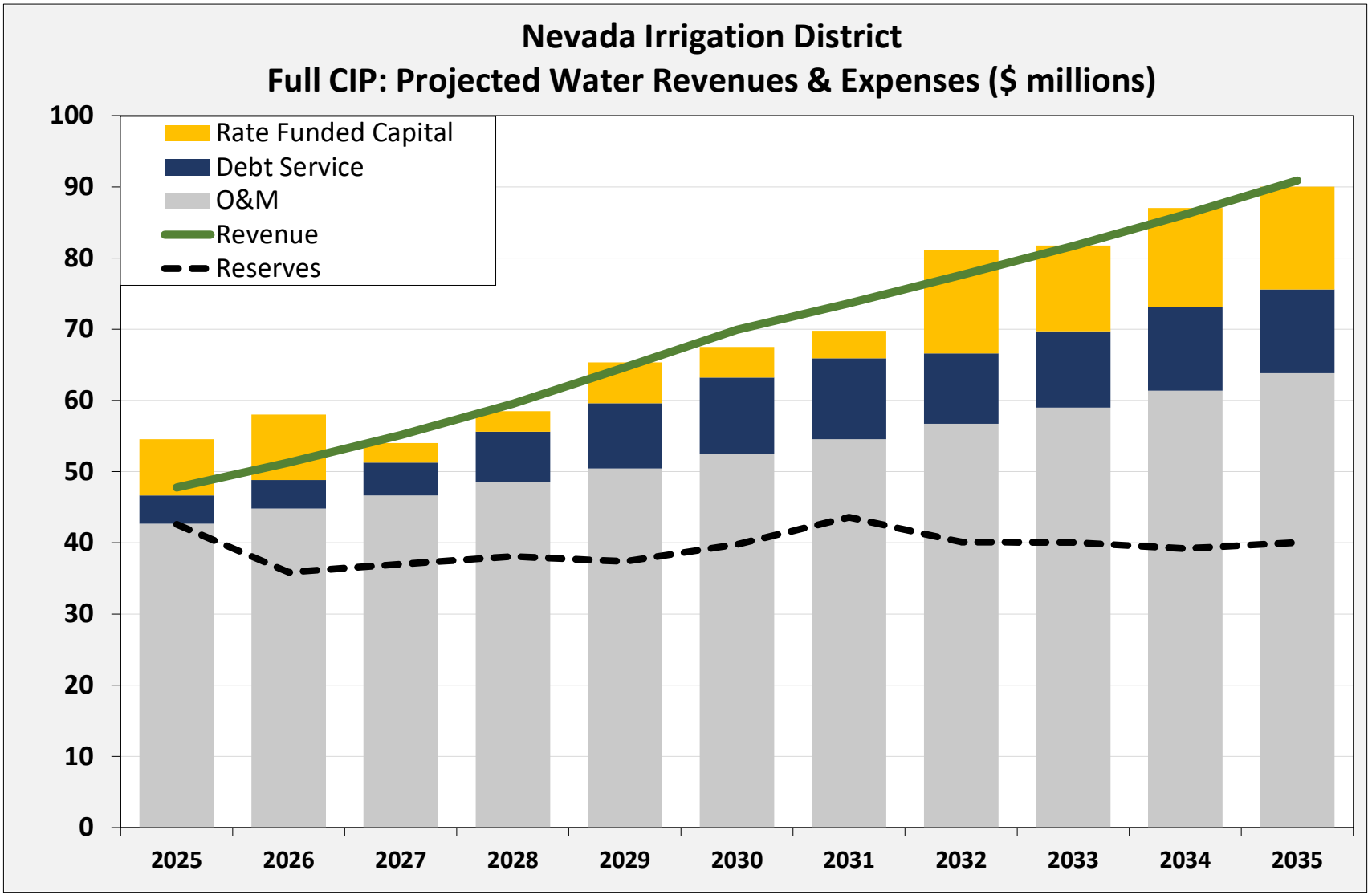

Nevada Irrigation District
Full CIP: Projected Water Revenues & Expenses ($ millions)
Rate Funded Capital
Debt Service
O&M
Revenue
Reserves
100
90
80
70
60
50
40
30
20
10
0
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035

Table 9
Nevada Irrigation District Water Rate Study
Hydro Capital Improvement Costs (Future $)

CIP (Inflated Dollars)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Actual	*Budgeted*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
Annual Inflation Rate			**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**
Captial Equipment												
Vehicle Replacement	265,000	300,000	410,800	324,480	337,459	350,958	364,996	379,596	394,780	410,571	426,994	444,073
Equipment Replacement	250,000	200,000	0	216,320	224,973	233,972	243,331	253,064	263,186	273,714	284,662	296,049
Powerhouse Equipment	150,000	175,000	0	189,280	196,851	204,725	212,914	221,431	230,288	239,500	249,080	259,043
Infrastructure - Administrative												
Hydroelectric Headquarters	780,308	500,000	2,080,000	2,163,200	0	0	0	0	0	0	0	0
Varies	150,000	0	0	108,160	0	292,465	0	0	0	0	0	0
Bowman House	0	0	0	54,080	0	0	0	0	0	0	0	0
Varies	0	0	0	221,728	230,597	239,821	249,414	259,390	269,766	280,557	291,779	303,450
Varies	0	0	0	540,800	0	0	0	0	0	0	0	0
Infrastructure - Hydro												
French Lake	4,283	0	260,000	0	0	0	0	0	0	0	0	0
French Lake	0	0	0	0	224,973	0	0	0	0	0	0	0
Sawmill Lake	0	0	0	64,896	236,221	0	0	0	0	0	0	0
Bowman Lake	100,000	50,000	52,000	108,160	112,486	0	0	0	0	0	0	0
Bowman Lake	0	0	104,000	0	449,946	0	0	0	0	0	0	0
Bowman Interties and Breaker	0	0	0	162,240	0	0	0	0	0	0	0	0
Dutch Flat #2 Powerhouse	76,862	23,135	0	0	0	0	0	0	0	0	0	0
Dutch Flat #2 Powerhouse	0	130,000	52,000	0	0	0	0	0	0	0	0	0
Dutch Flat #2 Powerhouse	0	0	0	0	0	116,986	1,216,653	0	2,631,864	0	0	0
Rucker Creek Diversion	0	350,000	31,200	0	0	0	0	0	0	0	0	0
Chicago Park Powerhouse	200,000	5,700	0	0	0	0	0	0	0	0	0	0
Chicago Park Powerhouse	350,000	0	2,080,000	0	0	3,509,576	3,649,959	5,061,276	2,368,677	0	0	0
Chicago Park Powerhouse	0	75,000	0	0	2,249,728	0	0	0	0	0	0	0
Chicago Park Flume	0	0	0	0	0	0	0	0	0	0	0	0
Rollins Powerhouse	200,000	275,000	62,400	0	0	0	0	0	0	0	0	0
Rollins Powerhouse	0	0	104,000	0	0	0	0	0	0	0	0	0
Rollins Powerhouse	0	0	104,000	0	0	0	0	0	0	0	0	0
Rollins Powerhouse	50,000	0	0	0	0	0	0	0	0	0	0	0
Rollins Reservoir	0	0	0	54,080	0	0	0	0	0	0	0	0
Deer Creek Powerhouse	0	245,000	0	0	0	0	729,992	0	0	2,052,854	0	0
Deer Creek Powerhouse	0	0	0	54,080	224,973	0	0	0	0	0	0	0
Deer Creek Powerhouse	0	0	156,000	0	0	0	0	0	0	0	0	0
Deer Creek Powerhouse	0	0	0	0	0	0	0	0	0	68,428	711,656	111,018
Deer Creek Powerhouse	150,000	150,000	0	0	0	0	0	0	0	0	0	0
South Yuba Canal	0	150,000	0	0	0	0	0	0	0	0	0	0
Upper Division	0	0	130,000	0	0	0	0	0	0	0	0	0
General Dam Safety Improvements	0	0	520,000	540,800	562,432	0	0	0	0	0	0	0
Scotts Flat Powerhouse	0	100,000	312,000	432,640	562,432	701,915	729,992	759,191	789,559	821,141	853,987	888,147
Scotts Flat Powerhouse	0	50,000	0	811,200	843,648	877,394	912,490	948,989	986,949	1,026,427	1,067,484	1,110,183
Scotts Flat Reservoir	1,000,000	0	0	540,800	899,891	935,887	973,322	1,012,255	1,052,745	1,094,855	1,138,649	1,184,195

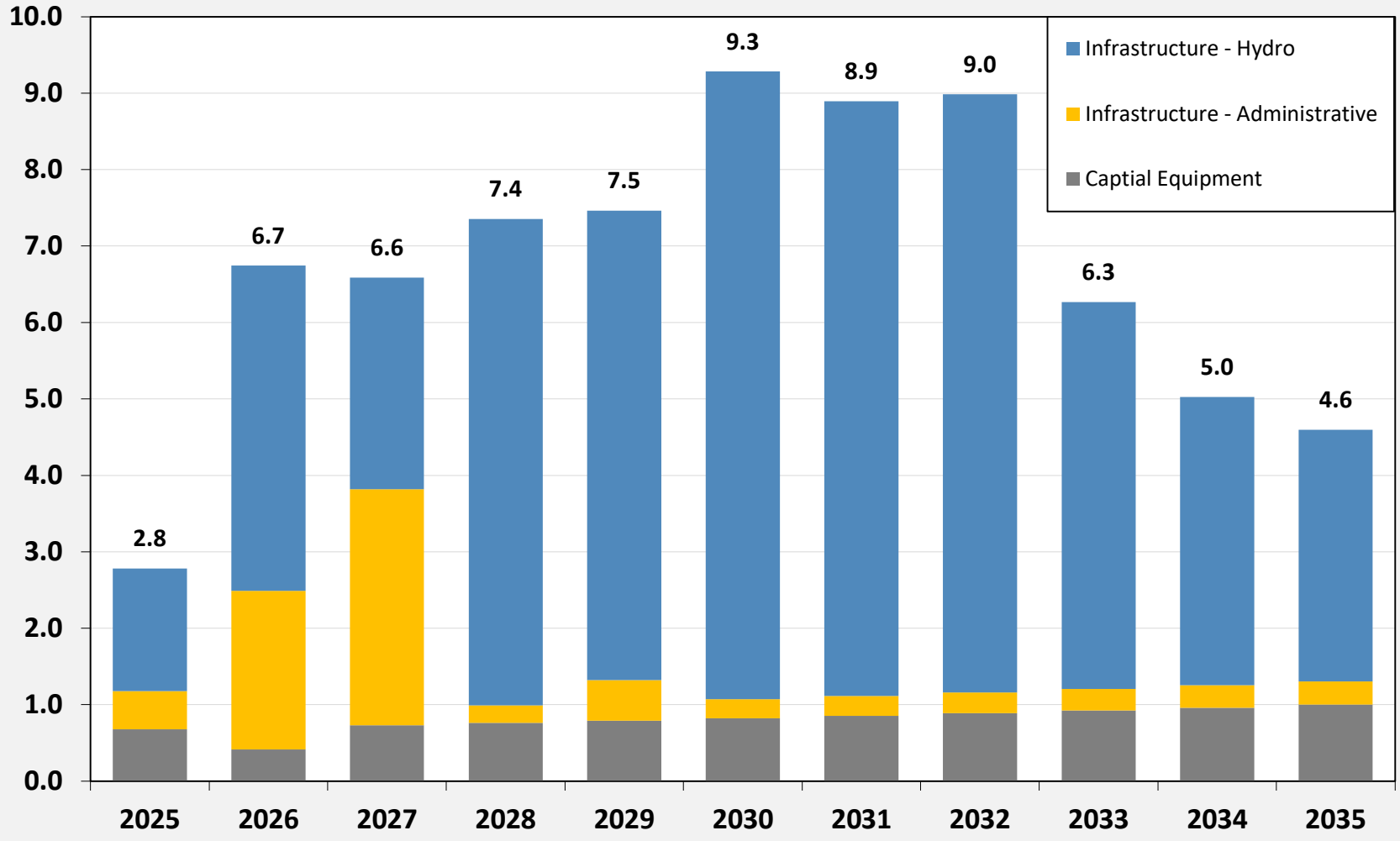
Table 9
Nevada Irrigation District Water Rate Study
Hydro Capital Improvement Costs (Future $)

CIP (Inflated Dollars)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Actual	*Budgeted*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
Annual Inflation Rate			**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**
Captial Equipment	665,000	675,000	410,800	730,080	759,283	789,655	821,241	854,090	888,254	923,784	960,735	999,165
Capital Engineering	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Administrative	930,308	500,000	2,080,000	3,087,968	230,597	532,286	249,414	259,390	269,766	280,557	291,779	303,450
Infrastructure - Hydro	2,131,145	1,603,835	4,253,600	2,768,896	6,366,730	6,141,757	8,212,407	7,781,712	7,829,794	5,063,705	3,771,776	3,293,544
	0	0	0	0	0	0	0	0	0	0	0	0
Total CIP (Inflated Dollars)	**$3,726,453**	**$2,778,835**	**$6,744,400**	**$6,586,944**	**$7,356,611**	**$7,463,698**	**$9,283,062**	**$8,895,193**	**$8,987,814**	**$6,268,046**	**$5,024,291**	**$4,596,159**

Table 10
Nevada Irrigation District Water Rate Study
Hydro Capital Improvement Program Summary

CIP (Inflated Dollars)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2026-2035 Total
	Budgeted	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	
Projected Annual Inflation		**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	
Captial Equipment	675,000	410,800	730,080	759,283	789,655	821,241	854,090	888,254	923,784	960,735	999,165	8,137,087
Capital Engineering	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Administrative	500,000	2,080,000	3,087,968	230,597	532,286	249,414	259,390	269,766	280,557	291,779	303,450	7,585,207
Infrastructure - Hydro	1,603,835	4,253,600	2,768,896	6,366,730	6,141,757	8,212,407	7,781,712	7,829,794	5,063,705	3,771,776	3,293,544	55,483,922
	0	0	0	0	0	0	0	0	0	0	0	0
Total CIP (Inflated Dollars)	**2,778,835**	**6,744,400**	**6,586,944**	**7,356,611**	**7,463,698**	**9,283,062**	**8,895,193**	**8,987,814**	**6,268,046**	**5,024,291**	**4,596,159**	**71,206,216**

Nevada Irrigation District
Hydro Capital Improvements ($ millions)



Source: Nevada Irrigation District 2025 CIP; future $ includes annual construction cost inflation.

Table 11
Nevada Irrigation District Water Rate Study
Hydro Cash Flow Projection w/ Full CIP

Water Cashflow	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Adj. Budget	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
Power Generation		*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
Interest Earnings Rate	*2.5%*	*2.5%*	*2.5%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
O&M Cost Escalation		*4.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*
Beginning Fund Balance	**73,162,885**	**76,839,885**	**76,769,750**	**76,537,250**	**74,806,089**	**72,569,002**	**68,080,752**	**63,475,132**	**58,241,966**	**55,151,114**	**52,739,468**
Revenues											
Power Generation	24,552,000	25,043,000	25,544,000	26,055,000	26,576,000	27,108,000	27,650,000	28,203,000	28,767,000	29,342,000	29,929,000
Miscellaneous	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Interest	1,829,000	1,921,000	1,919,000	1,531,000	1,496,000	1,451,000	1,362,000	1,270,000	1,165,000	1,103,000	1,055,000
Transfer from Fund 10 (Source)		440,865	458,499	476,839	495,913	515,750	536,380	557,835	580,148	603,354	627,488
Total Revenues	**26,556,000**	**27,579,865**	**28,096,499**	**28,237,839**	**28,742,913**	**29,249,750**	**29,723,380**	**30,205,835**	**30,687,148**	**31,223,354**	**31,786,488**
Expenses											
Operating Expenses											
Hydro Admin	5,565,000	5,788,000	6,020,000	6,261,000	6,511,000	6,771,000	7,042,000	7,324,000	7,617,000	7,922,000	8,239,000
Administration	6,289,000	6,541,000	6,803,000	7,075,000	7,358,000	7,652,000	7,958,000	8,276,000	8,607,000	8,951,000	9,309,000
Hydro Operations	2,774,000	2,885,000	3,000,000	3,120,000	3,245,000	3,375,000	3,510,000	3,650,000	3,796,000	3,948,000	4,106,000
Hydro Maintenance	5,472,000	5,691,000	5,919,000	6,156,000	6,402,000	6,658,000	6,924,000	7,201,000	7,489,000	7,789,000	8,101,000
Transfer	0	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses	20,100,000	20,905,000	21,742,000	22,612,000	23,516,000	24,456,000	25,434,000	26,451,000	27,509,000	28,610,000	29,755,000
Debt Service											
New Debt Service	0	0	0	0	0	0	0	0	0	0	0
Total Debt Expenses	0	0	0	0	0	0	0	0	0	0	0
Capital											
Captial Equipment	675,000	411,000	730,000	759,000	790,000	821,000	854,000	888,000	924,000	961,000	999,000
Infrastructure - Administrative	500,000	2,080,000	3,088,000	231,000	532,000	249,000	259,000	270,000	281,000	292,000	303,000
Infrastructure - Hydro	1,604,000	4,254,000	2,769,000	6,367,000	6,142,000	8,212,000	7,782,000	7,830,000	5,064,000	3,772,000	3,294,000
Total Capital Expenses	2,779,000	6,745,000	6,587,000	7,357,000	7,464,000	9,282,000	8,895,000	8,988,000	6,269,000	5,025,000	4,596,000
Total Expenses	**22,879,000**	**27,650,000**	**28,329,000**	**29,969,000**	**30,980,000**	**33,738,000**	**34,329,000**	**35,439,000**	**33,778,000**	**33,635,000**	**34,351,000**
Revenues Less Expenses	**3,677,000**	**(70,135)**	**(232,501)**	**(1,731,161)**	**(2,237,087)**	**(4,488,250)**	**(4,605,620)**	**(5,233,165)**	**(3,090,852)**	**(2,411,646)**	**(2,564,512)**
Ending Fund Balance	**76,839,885**	**76,769,750**	**76,537,250**	**74,806,089**	**72,569,002**	**68,080,752**	**63,475,132**	**58,241,966**	**55,151,114**	**52,739,468**	**50,174,957**

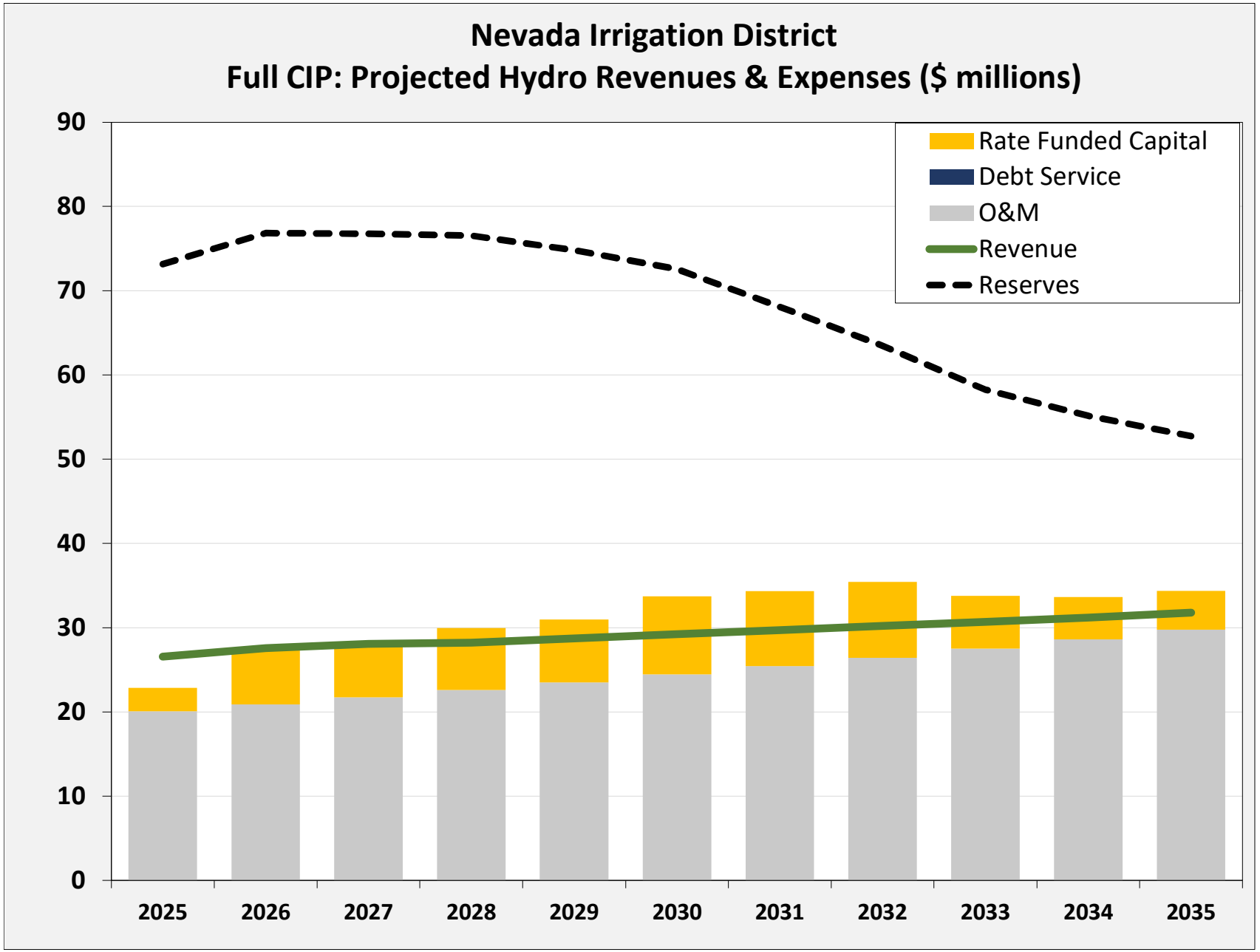

Nevada Irrigation District
Full CIP: Projected Hydro Revenues & Expenses ($ millions)
90
80
70
60
50
40
30
20
10
0
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
Rate Funded Capital
Debt Service
O&M
Revenue
Reserves

Table 12
Nevada Irrigation District Water Rate Study
Customer Characteristics

Water Accounts	Unit Type	2024	2025	Fixed Charges	2024 Total Revenue
		Actual	*Projected*		
In-District Raw Water					
Summer	Accounts	4,536	4,536	$570.99	$2,590,011
Winter	Accounts	590	590	$713.73	$421,101
Annual	Accounts	237	237	$1,284.72	$304,479
Municipal	Accounts	2	2	$1,284.72	$2,569
Out-District Raw Water					
Summer	Accounts	82	82	$713.73	$58,526
Winter	Accounts	7	7	$890.74	$6,235
Municipal	Accounts	2	2	$1,604.47	$3,209
In-District Treated Water					
5/8”	Accounts	14,898	14,898	$29.33	$5,243,500
3/4"	Accounts	4,171	4,171	$44.00	$2,202,288
1”	Accounts	209	209	$73.34	$183,937
1 ½”	Accounts	122	122	$146.67	$214,725
2”	Accounts	50	50	$234.68	$140,808
3”	Accounts	27	27	$469.35	$152,069
4” (Includes Lake Vera)	Accounts	10	10	$733.36	$88,003
6”	Accounts	9	9	$1,466.72	$158,406
8”	Accounts	1	1	$2,346.75	$28,161
Out-District Treated Water					
5/8”	Accounts	99	99	$36.67	$43,564
3/4"	Accounts	13	13	$55.00	$8,580
1”	Accounts	0	0		$0
1 ½”	Accounts	1	1	$183.34	$2,200
2”	Accounts	1	1	$293.34	$3,520
6” (Grass Valley)	Accounts	2	2	$1,833.40	$44,002

Usage		2024	2025	Charge Units	Charge	Total Revenue
		Actual	*Projected*			
In-District Raw						
Summer	Miners Inches	10,987.0	10,987.0	$ per MI	$336.48	$3,696,906
Winter	Miners Inches	536.0	536.0	$ per MI	$420.61	$225,447
Annual	Miners Inches	184.3	184.3	$ per MI	$757.09	$139,494
Municipal	Acre Feet	1,462.1	1,462.1	$ per AF	$296.79	$433,940
Out-District Raw						
Summer	Miners Inches	276.0	276.0	$ per MI	$420.61	$116,088
Winter	Miners Inches	4.0	4.0	$ per MI	$524.91	$2,100
Municipal	Acre Feet	1,147.9	1,147.9	$ per AF	$370.99	$425,845
In-District Treated						
Step 1	HCF	1,482,729.0	1,482,729.0	$ per HCF	$2.42	$3,588,204
Step 2	HCF	2,160,150.0	2,160,150.0	$ per HCF	$3.13	$6,761,270
Municipal	HCF	10,304.0	10,304.0	$ per HCF	$2.82	$29,057
Out-District Treated						
Step 1	HCF	8,729.0	8,729.0	$ per HCF	$3.03	$26,449
Step 2	HCF	7,697.0	7,697.0	$ per HCF	$3.91	$30,095
Municipal	HCF	51,477.2	51,477.2	$ per HCF	$3.52	$181,200

Total			Total Revenue
In-District Raw	13,169.4	13,169.4	$7,813,946
Out-District Raw	1,427.9	1,427.9	$612,003
In-District Treated	3,653,183.0	3,653,183.0	$18,790,428
Out-District Treated	67,903.2	67,903.2	$339,609
Total			**$27,555,986**

Table 13
Nevada Irrigation District Water Rate Study
Units For Allocation and Rates

Accounts and Meter Equivalent Units

In-District Raw Water	Accounts	Seasonal Accounts
Summer	4,536	4,536
Winter	590	590
Annual	237	474
Municipal	2	4

Out-District Raw Water	Accounts	Seasonal Accounts
Summer	82	82
Winter	7	7
Municipal	2	4

In-District Treated Water	Accounts	Meter Equivalents	Meter Equivalent Units (MEUS)
5/8”	14,898	1.0	14,898
3/4"	4,171	1.5	6,257
1”	209	2.5	523
1 ½”	122	5.0	610
2”	50	8.0	400
3”	27	16.0	432
4”	10	25.0	250
6”	9	50.0	450
8”	1	80.0	80

Out-District Treated Water	Accounts	Meter Equivalents	Meter Equivalent Units (MEUS)
5/8”	99	1.0	99
3/4"	13	1.5	20
1”	0	2.5	0
1 ½”	1	5.0	5
2”	1	8.0	8

Fixed Summary	Accounts	Seasonal Accounts	Accounts	Seasonal Accounts	Total MEUs
In-District Raw	5,365	5,604	21.4%	98.4%	0
Out-District Raw	91	93	0.4%	1.6%	0
In-District Treated	19,497	0	77.8%	0.0%	23,899
Out-District Treated	114	0	0.5%	0.0%	132
Total	**25,067**	**5,697**			**24,031**
Treated	**19,611**	**19,611**	78.2%	77.5%	
Raw	**5,456**	**5,697**	21.8%	22.5%	
Total	**25,067**	**25,308**			

Table 13
Nevada Irrigation District Water Rate Study
Units For Allocation and Rates

Water Volumes	Usage	Usage	Billed Volume
In-District Raw	**Miners Inches**	**AF**	**AF**
Summer	10,987.00	99,652.09	99,652.09
Winter	536.00	4,834.72	4,834.72
Annual	184.25	3,333.08	3,333.08
Municipal	161.65	1,434.46	1,462.11
Out-District Raw	**Miners Inches**	**AF**	**AF**
Summer	276.00	2,503.32	2,503.32
Winter	4.00	36.08	36.08
Municipal	126.91	1,147.86	1,147.86
In-District Treated	**HCF**	**AF**	**AF**
Step 1	1,482,729	3,403.89	3,403.89
Step 2	2,160,150	4,959.03	4,959.03
Municipal	10,304	23.65	23.65
Out-District Treated	**HCF**	**AF**	**AF**
Step 1	8,729	20.04	20.04
Step 2	7,697	17.67	17.67
Municipal	51,477	118.18	118.18

Water Volume Summary	HCF	AF	AF	Usage	Billed Volume
In-District Raw		109,254.35	109,282.00	89.9%	89.9%
Out-District Raw		3,687.26	3,687.26	3.0%	3.0%
In-District Treated	3,653,183	8,386.57	8,386.57	6.9%	6.9%
Out-District Treated	67,903	155.88	155.88	0.1%	0.1%
Total Water Volume	**3,721,086**	**121,484.07**	**121,511.72**		
Out-District Raw		**3,687.26**	**3,687.26**	95.9%	95.9%
Out-District Treated		**155.88**	**155.88**	4.1%	4.1%
Total Out-District		**3,843.14**	**3,843.14**		
In-District Raw		**109,254.35**	**109,282.00**	92.9%	92.9%
In-District Treated		**8,386.57**	**8,386.57**	7.1%	7.1%
Total In-District		**117,640.93**	**117,668.58**		
Total In-District		**117,640.93**	**117,668.58**	96.8%	96.8%
Total Out-District		**3,843.14**	**3,843.14**	3.2%	3.2%
Total Water Volume		**121,484.07**	**121,511.72**		
Total Raw		**112,941.61**	**112,969.26**	93.0%	93.0%
Total Treated		**8,542.46**	**8,542.46**	7.0%	7.0%
Total Water Volume		**121,484.07**	**121,511.72**		

Table 14

Nevada Irrigation District Water Rate Study
Functional Allocation

Allocation Category — Total System

Water Expenses	5-Year Average	Treated	Raw	As All Other	Total
Addition/Use of Reserves	(565,600)			100%	*100%*
Net Source of Supply Cost	477,600		100.0%		*100%*
Internal Services	9,331,600			100%	*100%*
Engineering	3,109,800	50.0%	50.0%		*100%*
Water Treatment	2,171,600	100.0%	0.0%		*100%*
Water Distribution	1,347,000	45.0%	55.0%		*100%*
Electrical Depart.	699,000	70.0%	30.0%		*100%*
Water Resources	526,000	0.0%	100.0%		*100%*
Water Purchase	1,858,800	84.2%	15.8%		*100%*
Customer Serv.	685,000	77.0%	23.0%		*100%*
Staffing	12,540,200			100%	*100%*
Maintenance	14,223,000	57.0%	43.0%		*100%*
Vegetation	1,603,400	7.0%	93.0%		*100%*
Capital	4,963,200	50.0%	50.0%		*100%*
Cement Hill Loan	505,200	100.0%	0.0%		*100%*
Bonds - 2016A	2,232,400	100.0%	0.0%		*100%*
Bonds - 2020A	1,121,000	50.0%	50.0%		*100%*
New Debt Service	3,262,800	50.0%	50.0%		*100%*
Total	$60,092,000	$22,544,958	$16,240,842	n/a	*$38,785,800*

Water Non-Rate Revenue	5-Year Average	Treated	Raw	As All Other	Total
Charges and Fees	629,000			100%	*100%*
Miscellaneous	478,000			100%	*100%*
Property Tax	17,680,000		30%	70%	*100%*
CFD and Rodeo Flat Debt Service	343,200	100%			*100%*
Interest	842,200			100%	*100%*
Capacity Charge Debt Transfer	219,000	100%			*100%*
Rents and Leases	118,000		100%	0%	*100%*
Total	$19,202,400	$562,200	$5,422,000	n/a	*$5,984,200*

Cost Allocation	5-Year Average	Treated	Raw	As All Other	Total
Expenses	60,092,000	$22,544,958	$16,240,842		
Non-Rate Revenue	19,202,400	$562,200	$5,422,000		
Cost Allocation Amount	$40,889,600	$21,982,758	$10,818,842	n/a	*$32,801,600*
Total Cost Allocation %		67.0%	33.0%		
% of Total Raw Cost		6.7%	93.3%		
Adjustment for Treated % of Raw Flow		$725,799	-$725,799		
Total Cost Allocation Amount		$22,708,556	$10,093,044		*$32,801,600*
Total Cost Allocation %		69.2%	30.8%		
2026 Rate Revenue (No Increase)		**19,077,019**	**8,478,981**		***$27,556,000***

Table 14

Nevada Irrigation District Water Rate Study
Functional Allocation

Allocation Category	All Raw Water		
Water Expenses	**5-Year Average Expenses**	**Treated Portion of Raw**	**Treated Portion of Raw**
Addition/Use of Reserves	(186,535)	7.0%	(13,117)
Net Source of Supply Cost	477,600	4.1%	19,372
Internal Services	3,077,562	7.0%	216,406
Engineering	1,554,900	7.0%	109,337
Water Treatment	0	7.0%	0
Water Distribution	740,850	7.0%	52,095
Electrical Depart.	209,700	7.0%	14,746
Water Resources	526,000	7.0%	36,987
Water Purchase	293,690	0.0%	0
Customer Serv.	157,550	7.0%	11,079
Staffing	4,135,758	7.0%	290,816
Maintenance	6,115,890	7.0%	430,054
Vegetation	1,491,162	7.0%	104,855
Capital	2,481,600	7.0%	174,500
Cement Hill Loan			
Bonds - 2016A			
Bonds - 2020A	560,500	7.0%	39,413
New Debt Service	1,631,400	7.0%	114,716
Total	$23,267,627		$1,601,259

Water Non-Rate Revenue	**5-Year Average Non-Rate Revenue**	**Treated Portion of Raw**	**5-Year Average Non-Rate Raw Revenue**
Charges and Fees	207,444	7.0%	14,587
Miscellaneous	157,644	7.0%	11,085
Property Tax	9,385,605	7.1%	668,939
CFD and Rodeo Flat Debt Service	0	7.0%	0
Interest	277,758	7.0%	19,531
Capacity Charge Debt Transfer	0	7.0%	0
Rents and Leases	38,916	7.0%	2,737
Total	$9,702,279		$691,206

Cost Allocation	**5-Year Average Net**	**Treated Portion of Raw**	**Treated Portion of Raw**
Expenses	23,267,627	6.9%	1,601,259
Non-Rate Revenue	9,702,279	7.1%	691,206
Cost Allocation Amount	$13,565,348	6.7%	$910,052
Total Cost Allocation %			
% of Total Raw Cost Adjustment for Treated % of Raw Flow			
Total Cost Allocation Amount			
Total Cost Allocation %			
2026 Rate Revenue (No Increase)			

Table 14
Nevada Irrigation District Water Rate Study
Functional Allocation

Allocation Category	Raw Water System							
Water Expenses	**5-Year Average Expenses**	**Customer**	**Monthly**	**Volumetric**	**Monthly**	**Purchased Water**	**As All Other**	**Total**
		Fixed	*Fixed*	*Variable*	*Variable*	*Variable*		
Addition/Use of Reserves	**(173,418)**						100%	*100%*
Net Source of Supply Cost	**458,228**			100%	0%			*100%*
Internal Services	**2,861,155**	100%		0%	0%			*100%*
Engineering	**1,445,563**	15%		85%	0%			*100%*
Water Treatment								
Water Distribution	**688,755**	0%	20%	80%	0%			*100%*
Electrical Depart.	**194,954**	10%		90%	0%			*100%*
Water Resources	**489,013**	30%		70%	0%			*100%*
Water Purchase	**293,690**	0%		0%	0%	100%		*100%*
Customer Serv.	**146,471**	95%	5%	0%	0%			*100%*
Staffing	**3,844,942**						100%	*100%*
Maintenance	**5,685,836**	47%	3%	47%	3%			*100%*
Vegetation	**1,386,307**	33%	1%	65%	1%			*100%*
Capital	**2,307,100**	15%	0%	85%	0%			*100%*
Cement Hill Loan								
Bonds - 2016A								
Bonds - 2020A	**521,087**	0%		100%	0%			*100%*
New Debt Service	**1,516,684**	15%		85%	0%			*100%*
Total	**$21,666,368**	$7,086,729	$329,513	$10,100,475	$184,438	$293,690	n/a	*$17,994,845*

Water Non-Rate Revenue	**5-Year Average Non-Rate Revenue**	**Customer**	**Monthly**	**Volumetric**	**Monthly**	**Purchased Water**	**As All Other**	**Total**
Charges and Fees	**192,857**	100%						*100%*
Miscellaneous	**146,559**	100%						*100%*
Property Tax	**8,716,666**						100%	*100%*
CFD and Rodeo Flat Debt Service	**0**						100%	*100%*
Interest	**258,226**						100%	*100%*
Capacity Charge Debt Transfer	**0**						100%	*100%*
Rents and Leases	**36,180**						100%	*100%*
Total	**$9,011,072**						n/a	*$0*

Cost Allocation	**5-Year Average Net**	**Customer**	**Monthly**	**Volumetric**	**Monthly**	**Purchased Water**	**As All Other**	**Total**
Expenses	**21,666,368**	$7,086,729	$329,513	$10,100,475	$184,438	$293,690		
Non-Rate Revenue	**9,011,072**	$0	$0	$0	$0	$0		
Cost Allocation Amount	**$12,655,296**	$7,086,729	$329,513	$10,100,475	$184,438	$293,690	n/a	*$17,994,845*
Total Cost Allocation %								
% of Total Raw Cost								
Adjustment for Treated % of Raw Flow								
Total Cost Allocation Amount								
Total Cost Allocation %		39.39%	1.83%	56.13%	1.02%	1.63%		*100%*
2026 Rate Revenue (No Increase)		**$3,339,871**	**$155,165**	**$4,759,252**	**$86,486**	**$138,207**		***$8,478,981***

Table 14
Nevada Irrigation District Water Rate Study
Functional Allocation

Allocation Category	Treated Water System						
Water Expenses	**5-Year Average Expenses**		**Capacity**	**Volumetric**	**Fire Line**	**As All Other**	**Total**
			Fixed	*Variable*	*Fixed*		
Addition/Use of Reserves	**(392,182)**					100%	*100%*
Net Source of Supply Cost	**19,372**			100%			*100%*
Internal Services	**6,470,445**		95%	5%			*100%*
Engineering	**1,664,237**		50%	50%			*100%*
Water Treatment	**2,171,600**		0%	100%			*100%*
Water Distribution	**658,245**		0%	100%			*100%*
Electrical Depart.	**504,046**		10%	90%			*100%*
Water Resources	**36,987**			100%			*100%*
Water Purchase	**1,565,110**			100%			*100%*
Customer Serv.	**538,529**		100%				*100%*
Staffing	**8,695,258**					100%	*100%*
Maintenance	**8,537,164**		25%	75%			*100%*
Vegetation	**217,093**		0%	100%			*100%*
Capital	**2,656,100**		50%	50%			*100%*
Cement Hill Loan	**505,200**		50%	50%			*100%*
Bonds - 2016A	**2,232,400**		50%	50%			*100%*
Bonds - 2020A	**599,913**		50%	50%			*100%*
New Debt Service	**1,746,116**		50%	50%			*100%*
Total	**$38,425,632**	$0	$13,572,130	$16,550,426	$0	n/a	*$30,122,555*

Water Non-Rate Revenue	5-Year Average Non-Rate Revenue		Capacity	Volumetric	Fire Line	As All Other	Total
Charges and Fees	436,143		100%				*100%*
Miscellaneous	331,441		100%				*100%*
Property Tax	8,963,334					100%	*100%*
CFD and Rodeo Flat Debt Service	343,200		100%				*100%*
Interest	583,974					100%	*100%*
Capacity Charge Debt Transfer	219,000		100%				*100%*
Rents and Leases	81,820					100%	*100%*
Total	$10,191,328	$0	$562,200	$0	$0	n/a	*$562,200*

Cost Allocation	5-Year Average Net	Customer	Capacity	Volumetric	Fire Line	As All Other	Total
Expenses		$0	$13,572,130	$16,550,426	$0		
Non-Rate Revenue		$0	$562,200	$0	$0		
Cost Allocation Amount	$28,234,304	$0	$13,009,930	$16,550,426	$0	n/a	*$29,560,355*
Total Cost Allocation %							
% of Total Raw Cost Adjustment for Treated % of Raw Flow							
Total Cost Allocation Amount							
Total Cost Allocation %		0.0%	44.01%	55.99%	0.0%		*100%*
2026 Rate Revenue (No Increase)		**$0**	**$8,395,796**	**$10,681,223**	**$0**		***$19,077,019***

Table 15
Nevada Irrigation District Water Rate Study
Treated Water Unit Cost and Rate Derivation

Unit Cost	Total Amount	Capacity	Volumetric
Allocation Unit of Measure		*MEU*	*HCF*
Allocation %	100.0%	44.0%	56.0%
Rate Revenue Requirement	19,077,019	8,395,796	10,681,223
Allocation %	100.0%	44.0%	56.0%
Property Tax	6,056,239	2,665,351	3,390,888
Allocation %	100.0%	0.0%	100.0%
Net Source of Supply Cost	13,089	-	13,089
Unit Revenue Requirement	25,146,347	11,061,147	14,085,200
Allocation Units		24,031	3,721,086
Unit Cost ($/Unit)		**$460.30**	**$3.79**

Rate Derivation	Inside	Outside		Inside	Outside
Allocation Unit of Measure	*MEU*	*MEU*		*HCF*	*HCF*
Units	23,899	132		3,653,183	67,903
Unit Cost ($/Unit)	$460.30	$460.30		$3.79	$3.79
Revenue Requirement w/o Property Tax	11,000,618	60,529		13,828,171	257,030
Property Tax	(2,665,351)			(3,390,888)	
Source of Supply Cost	-			(13,089)	
Revenue Requirement	8,335,267	60,529		10,424,193	257,030
Rate ($ per MEU)	**$348.77**	**$460.30**	**Rate ($ per HCF)**	**$2.85**	**$3.79**
Rate ($ per MEU per Month)	**$29.06**	**$38.36**	**Rate ($ per AF)**	**$1,241.46**	**$1,650.92**

Rate by Meter Size	MEU Ratio	Inside $ per Account Per Month	Outside $ per Account Per Month
5/8"	1.0	29.06	38.36
3/4"	1.5	43.60	57.54
1"	2.5	72.66	95.90
1.5"	5.0	145.32	191.79
2"	8.0	232.51	306.86
3"	16.0	465.03	613.73
4"	25.0	726.61	958.95
6"	50.0	1,453.21	1,917.90
8"	80.0	2,325.14	3,068.64

Table 16
Nevada Irrigation District Water Rate Study
Raw Water Rate Units

Raw Water Allocation Unit Rates	Total Amount	Customer	Fixed Monthly	Volumetric	Volumetric Monthly	Purchased Water
Allocation Unit of Measure		*Fixed per Customer*	*Fixed per Month*	*Acre Feet*	*per MI*	
Rate Revenue Requirement	$8,478,981	$3,339,871	$155,165	$4,759,252	$86,486	$138,207
Allocation %		39.4%	1.8%	56.1%	1.0%	1.6%
Net Source of Supply Cost (Outside Only)	-$307,010	$0	$0	-$307,010	$0	$0
Allocation %		0.0%	0.0%	100.0%	0.0%	0.0%
Property Tax Reduction (Inside Only)	$5,840,120	$2,338,542	$108,645	$3,332,377	$60,556	$0
Allocation %		40.0%	1.9%	57.1%	1.0%	0.0%
Revenue Requirement w/o Specific Allocations	**$14,012,091**	**$5,678,412**	**$263,810**	**$7,784,619**	**$147,042**	**$138,207**
Allocation Units		5,697	12	112,942	12	13
Raw Water Allocation Unit Rates ($/ Unit)		**$996.74**	**$21,984.21**	**$68.93**	**$12,253.49**	**$10,631.34**

Specific Allocation Unit Rates

Seasonal Unit Rates	Summer Fixed Monthly	Winter Fixed Monthly	Volumetric Monthly	Volumetric Monthly
Fixed Monthly Unit Rate ($/ Month)	$21,984.21	$21,984.21	$12,253.49	$12,253.49
Months	6	6	6	6
Summer Revenue Requirements	$131,905.23	$131,905.23	$73,520.95	$73,520.95
Allocation Units	Customers	Customers	Acre Feet	Acre Feet
Allocation Units	4,859	838	105,121	7,820
Seasonal Unit Rates ($/ Unit)	$27.15	$157.40	$0.70	$9.40

Municipal Unit Rates	Purchased Water
Net Source of Supply Cost	$138,207
Allocation %	100.0%
Allocation Units	Acre Feet
Allocation Units	2,582
Municipal Unit Rates ($/ Unit)	$53.52

Inside Unit Rates	Total Amount	Customer	Volumetric
Allocation %		41.9%	58.1%
Property Tax Reduction	-5,840,120	-2,447,187	-3,392,933
Allocation Units		Customers	Acre Feet
Allocation Units		5,604	109,254
Inside Unit Rates ($/ Unit)		-$436.69	-$31.06

Outside Unit Rates	Total Amount	Customer		Volumetric
Net Source of Supply Cost	$307,010	$0	$0	$307,010
Allocation %		0.0%	0.0%	100.0%
Allocation Units				Acre Feet
Allocation Units				3,687
Outside Unit Rates ($/ Unit)				$83.26

Table 17
Nevada Irrigation District Water Rate Study
Raw Water Rate Derivation

Rate Derivation

Seasonal Unit Rates	Customer Summer	Customer Winter	Volumetric Summer	Volumetric Winter	
Raw Water Unit Rates	$996.74	$996.74	$68.93	$68.93	
Seasonal Unit Rates	$27.15	$157.40	$0.70	$9.40	
Inside Unit Rates	($436.69)	($436.69)	($31.06)	($31.06)	
Net Inside Unit Rate	$587.20	$717.46	$38.57	$47.27	
Allocation Units	Customers	Customers	Acre Feet	Acre Feet	
Allocation Units	4,775	829	102,042	7,212	
Inside Revenue Requirements	$2,803,871	$594,771	$3,935,785	$340,921	
Inside Summer Rate Units	Customers	Customers	Miners Inches	Miners Inches	
Inside Summer Rate Units	4,775	829	11,252	801	
Inside Summer Rates ($ per Unit)	**$587.20**	**$717.46**	**$349.78**	**$425.58**	

Inside Rates		Customer		Volumetric	
Allocation Units		Customers		Miners Inches	
Inside Sumer Rates		**$587.20**		**$349.78**	
Inside Winter Rates		**$717.46**		**$425.58**	
Inside Annual Rates ($ per Unit)		**$1,304.66**		**$775.36**	

Inside Municipal Rates		Customer	Seasonal Volumetric	Purchased Water	Total Volumetric Rate
Inside Revenue Requirement			$4,276,706	$76,773	
Inside Municipal Rate Units		Customers	Acre Feet	Acre Feet	
Inside Units			109,254	1,434	
Inside Municipal Rates ($ per Unit)		**$1,304.66**	$39.14	$53.52	**$92.67**

Outside Raw Water Seasonal Rates	Customer Summer	Customer Winter	Volumetric Summer	Volumetric Winter	
Raw Water Unit Rates	$996.74	$996.74	$68.93	$68.93	
Seasonal Unit Rates	$27.15	$157.40	$0.70	$9.40	
Outside Unit Rates	$0.00	$0.00	$83.26	$0.00	
Net Outside Summer Unit Cost	$1,023.88	$1,154.14	$152.89	$161.59	
Allocation Units	Customers	Customers	Acre Feet	Acre Feet	
Allocation Units	84	9	3,079	608	
Outside Revenue Requirements	$86,006	$10,387	$470,717	$98,315	
Outside Summer Rate Units	Customers	Customers	Miners Inches	Miners Inches	
Outside Summer Rate Units	84	9	339	67	
Outside Summer Rates ($ per Unit)	**$1,023.88**	**$1,154.14**	**$1,386.69**	**$1,457.54**	

Outside Rates		Customer		Volumetric	
Allocation Units		Customers		Miners Inches	
Outside Sumer Rates		$1,023.88		$1,386.69	
Outside Winter Rates		$1,154.14		$1,457.54	
Outside Annual Rates ($ per Unit)		**$2,178.02**		**$2,844.23**	

Outside Municipal Rates		Total Customer Rate	Seasonal Volumetric	Purchased Water	Total Volumetric Rate
Outside Revenue Requirement			$569,032	$61,434	
Outside Municipal Rate Units		Customers	Acre Feet	Acre Feet	
Outside Units			3,687	1,148	
Outside Municipal Rates ($ per Unit)		**$2,178.02**	$154.32	$53.52	**$207.84**

Table 18
Nevada Irrigation District Water Rate Study
Pumping Charge Derivation

Pumping Charge Derivation	2023	2024	2025	Total	2026	2027	2028	2029	2030
Projected Inflation					*4.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*
Magnolia #3									
Electricity Cost	$165,015	$211,789	$113,122	$489,927					
Pumping Volume (AF)	3,180	3,365	3,685	10,229					
Weighted Average Cost per AF				$47.89	**$49.81**	**$51.80**	**$53.87**	**$56.03**	**$58.27**
Weighted Average Cost per MI				$434.40	**$451.77**	**$469.85**	**$488.64**	**$508.18**	**$528.51**
Edgewood Ditch									
Electricity Cost	$6,355	$7,604	$7,065	$21,024					
Pumping Volume (AF)	467	488	510	1,465					
Weighted Average Cost per AF				$14.35	**$14.92**	**$15.52**	**$16.14**	**$16.79**	**$17.46**
Weighted Average Cost per MI				$130.15	**$135.35**	**$140.77**	**$146.40**	**$152.25**	**$158.34**

Table 19
Nevada Irrigation District Water Rate Study
Projected Rates

	2025	Jan. 1, 2027	Jan. 1, 2028	Jan. 1, 2029	Jan. 1, 2030	Jan.1, 2031
Treated Water Rates	*Existing*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
Inside District Monthly Fixed Service Charges ($ per Meter per Month)						
5/8"	$29.33	$32.69	$36.78	$41.38	$46.55	$52.37
3/4"	44.00	49.05	55.18	62.08	69.84	78.57
1"	73.34	81.74	91.96	103.46	116.39	130.94
1.5"	146.67	163.49	183.93	206.92	232.79	261.89
2"	234.68	261.57	294.27	331.05	372.43	418.98
3"	469.35	523.16	588.56	662.13	744.90	838.01
4"	733.36	817.44	919.62	1,034.57	1,163.89	1,309.38
6"	1,466.72	1,634.86	1,839.22	2,069.12	2,327.76	2,618.73
8"	2,346.75	2,615.78	2,942.75	3,310.59	3,724.41	4,189.96
Outside District Monthly Fixed Service Charges ($ per Meter per Month)						
5/8"	36.67	43.16	48.56	54.63	61.46	69.14
3/4"	55.00	64.73	72.82	81.92	92.16	103.68
1"	91.67	107.89	121.38	136.55	153.62	172.82
1.5 "	183.34	215.76	242.73	273.07	307.20	345.60
2"	293.34	345.22	388.37	436.92	491.54	552.98
3"	586.69	690.45	776.76	873.86	983.09	1,105.98
4"	916.70	1,078.82	1,213.67	1,365.38	1,536.05	1,728.06
6"	1,833.40	2,157.64	2,427.35	2,730.77	3,072.12	3,456.14
8"	2,933.44	3,452.22	3,883.75	4,369.22	4,915.37	5,529.79
Additional Monthly Regulatory Fee ($ per Service per Month)						
All Treated Customers	1.90	0.00	0.00	0.00	0.00	0.00
Inside District Volumetric Rates ($ per HCF)						
Tier 1 (0-5 HCF)	2.42	3.21	3.61	4.06	4.57	5.14
Tier 2 (>5 HCF)	3.13	3.21	3.61	4.06	4.57	5.14
Outside District Volumetric Rates ($ per HCF)						
Tier 1 (0-5 HCF)	3.03	4.26	4.79	5.39	6.06	6.82
Tier 2 (>5 HCF)	3.91	4.26	4.79	5.39	6.06	6.82

	2025	Jan. 1, 2027	Jan. 1, 2028	Jan. 1, 2029	Jan. 1, 2030	Jan. 1, 2031
Raw Water Rates	*Existing*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
Fixed Service Charges ($ per Customer per Season)						
In-District						
Summer	$570.99	$660.60	$743.18	$836.08	$940.59	$1,058.16
Winter	713.73	807.14	908.03	1,021.53	1,149.22	1,292.87
Annual	1,284.72	1,467.74	1,651.21	1,857.61	2,089.81	2,351.04
Out-District Raw Water						
Summer	713.73	1,151.87	1,295.85	1,457.83	1,640.06	1,845.07
Winter	890.74	1,298.41	1,460.71	1,643.30	1,848.71	2,079.80
Volumetric Rates ($ per Miners Inch)						
In-District						
Summer	336.48	393.50	442.69	498.03	560.28	630.32
Winter	420.61	478.78	538.63	605.96	681.71	766.92
Annual	757.09	872.28	981.32	1,103.99	1,241.99	1,397.24
Out-District Raw Water						
Summer	420.61	1,560.03	1,755.03	1,974.41	2,221.21	2,498.86
Winter	524.91	1,639.73	1,844.70	2,075.29	2,334.70	2,626.54

	2025	Jan. 1, 2027	Jan. 1, 2028	Jan. 1, 2029	Jan. 1, 2030	Jan. 1, 2031
Pumping Charges ($ per Acre Foot)	*Existing*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
Magnolia #3	$62.94	$49.81	$51.80	$53.87	$56.03	$58.27
Edgewood Ditch	15.58	14.92	15.52	16.14	16.79	17.46