



RESOLUTION NO. 2026-25
OF THE BOARD OF DIRECTORS OF THE NEVADA IRRIGATION DISTRICT

RESPONDING TO TIMELY FILED AND PROPERLY SUBMITTED WRITTEN
OBJECTIONS TO THE PROPOSED INCREASES IN WATER RATES PURSUANT TO
THE REQUIREMENTS OF STATE ASSEMBLY BILL 2257

WHEREAS, the Nevada Irrigation District (District) provides high-quality drinking water, reliable untreated irrigation water, generates hydroelectric power, provides recreation services, and protects water resources and the local environment; and

WHEREAS, District relies on rate revenue to fund the operation, repair, maintenance and improvement of its water system and to continue to reliably provide water and other services; and

WHEREAS, District retained an independent rate consultant, Bartle Wells Associates, to assess potential increases in treated and untreated/raw water and complete a 2026 Cost of Service Study dated March 25, 2026, to comply with the requirements of applicable law, including Proposition 218 (California Constitution, Article XIII D, section 6); and

WHEREAS, on September 25, 2024, Governor Newsom approved State Assembly Bill 2257, codified as California Government Code sections 53759.1 and 53759.2 and made effective January 1, 2025 (AB 2257); and

WHEREAS, AB 2257 creates an exhaustion of administrative remedies requirement that, if implemented by a local public agency, requires ratepayers to timely submit a written objection regarding a proposed water rate change prior to the deadline established by the local public agency in order to have exhausted administrative remedies to thereafter potentially challenge a rate change under Proposition 218 and applicable law; and

WHEREAS, the District's Board of Directors supported the utilization of AB 2257 in its public workshops on rates at its February 11, 2026, and February 24, 2026 meetings; and

WHEREAS, on March 11, 2026, the District's Board of Directors authorized the issuance of the Notices of Proposed Water Rate Increases to the District's customers and property owners; and

Responding to Timely Filed and Properly Submitted Written Objections to the Proposed
Increases in Water Rates Pursuant to the Requirements of State Assembly Bill 2257
Page 2

WHEREAS, on March 25, 2026, the District, pursuant to Proposition 218, provided Notices of Proposed Water Rate Increases (“Notice”) to 28,306 of the District customers and property owners within the District’s service area; and

WHEREAS, the Notice provided a period of not less than 45-days prior to the deadline for a ratepayer to submit a written objection pursuant to AB 2257; and

WHEREAS, District posted on its internet website, nidwater.com/nid-water-rate-adjustments, the written basis for the rates, including the 2026 Cost of Service Study; and

WHEREAS, the Notice offered to mail the written basis to a property owner or customer upon request; and

WHEREAS, the Notice provided at least 45-days, ending at close of business May 11, 2026, to review the proposed rates and to timely submit to the District a written objection that specifies the grounds for alleging noncompliance with Proposition 218 or applicable law; and

WHEREAS, the Notice included a prominently displayed statement that provided (1) all written objections must be submitted by close of business on May 11, 2026, and that failure to timely object bars any right to challenge the rates through a legal proceeding; and (2) all substantive and procedural requirements, including the requirement to fully complete a written objection form, for timely and properly submitting a written objection; and

WHEREAS, as of the close of business on May 11, 2026, District received 43 written objections to the proposed water rate increases as set forth in the Notice and as attached to this Resolution in redacted form as Appendix A (“Objections”); and

WHEREAS, this Resolution, as required by AB 2257, responds in writing to the Objections prior to the close of the public hearing or ballot tabulation under section 6 of Article XIII D of the California Constitution, including specifying the grounds for which a challenge is not resulting in amendments to the proposed rate change; and

WHEREAS, this Resolution, as required by AB 2257, sets forth in Appendix B the District’s written response and substantive basis for retaining or altering the proposed rates in response to the Objections.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Nevada Irrigation District:

1. The Recitals set forth in this Resolution, including Appendices A and B and the 2026 Cost of Service Study, are true and correct statements and are incorporated as an operative part of this Resolution and made findings and

determinations of the Board of Directors.

2. The Board of Directors finds it has completed all requirements of AB 2257, including completing the procedures described in paragraphs (1) to (6) of subdivision (c) of Government Code section 53759.1. Consequently, any person or entity that has not timely submitted a written objection, or any person or entity that timely submitted an objection but did not properly complete a written objection form as described in Appendix B, is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for the proposed new rates.
3. In exercising its legislative discretion, the Board of Directors of Nevada Irrigation District that (1) certain Objections warrant clarifications to the proposed rate change, as set forth in Appendix B; and (2) to proceed to the protest hearing as required under Proposition 218.

* * * * *

PASSED AND ADOPTED by the Board of Directors of the Nevada Irrigation District at a regular meeting held on the 27th day of May, 2026, by the following vote:

AYES:	Directors: Heck, Stephens, Johansen, Fowler, Bierwagen
NOES:	Directors: None
ABSENT:	Directors: None
ABSTAINS:	Directors: None



President of the Board of Directors

Attest: 

Secretary to the Board of Directors

EXHIBIT "A"

NEVADA IRRIGATION DISTRICT
PROPOSITION 218 WRITTEN OBJECTIONS

Nevada Irrigation District
Proposition 218 WRITTEN OBJECTION FORM

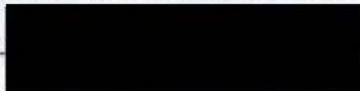
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APR 13 2026
NEVADA IRRIGATION DISTRICT

REQUIREMENTS:

- (1) Each part of this Objection Form must be filled out completely. The Objection Form includes two (2) pages to fill out (not including the optional additional pages attached).
- (2) To Exhaust Administrative Remedies pursuant to Government Code section 53759.1, all Objections must be timely received by 5:00 PM on May 11, 2026.
FAILURE TO TIMELY SUBMIT A WRITTEN OBJECTION USING THIS FORM WILL PROHIBIT YOU FROM BRINGING A JUDICIAL ACTION OR PROCEEDING ALLEGING NONCOMPLIANCE WITH ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION FOR THESE PROPOSED WATER RATE CHANGES.
- (3) Generalized objections are insufficient. To satisfy the Exhaustion of Administrative Remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding.
- (4) Late-filed, noncompliant, or incomplete written Objections will not be considered as satisfying the Exhaustion of Administrative Remedies requirement.

PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print):



Everson

Assessor's Parcel Number:

Or

Property Address:



1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)

I object based on the following laws: California Constitution Article XIII D, sections 3 and 6 - which requires that water rates do not exceed the cost of providing the service. Are proportional to the cost of service attributable to each parcel. California Government Code § 53756 which requires the agency to demo. that the proposed rates comply w/ Proposition 218. These laws

Prohibit public agencies, including the NID from imposing water rates that are not supported by a doc. cost-of-service analysis.

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

I own approx 6 acres and only use canal water to water landscaping. The rates are not shown to be proportional to the actual cost of delivering canal irrigation water to my property. No detailed cost-of-service analysis has been provided demonstrating how the proposed rates were calculated or how costs are allocated to properties like mine. Canal irrigation water generally involves lower cost than treated water systems, yet the proposed rates do not appear to reflect those differences.

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

*Provide a detailed and transparent cost-of-service study showing how the proposed rates are calculated.
*Clearly demonstrate how costs are allocated specifically to canal irrigation customers.
*Ensure that rates are proportional to the actual cost of delivering water to each parcel.
*Revise the proposed rates to eliminate any charges not directly tied to the cost of service.

SIGNATURE _____

PRINT NAME _____

DATE

4/3/2026

PLEASE MAIL THIS COMPLETED OBJECTION FORM TO THE DISTRICT AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945. TO BE CONSIDERED TIMELY, MAILED OBJECTIONS MUST BE RECEIVED (NOT POSTMARKED) BY 5 PM ON MAY 11, 2026. COMPLETED OBJECTION FORMS MAY ALSO BE HAND DELIVERED DURING BUSINESS HOURS AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945 BY 5:00 PM, MAY 11, 2026.

ADDITIONAL PAGES (OPTIONAL)
(Please number your responses)

(2.) As a result, the proposed rates may exceed the cost of service attributable to my parcel and impose disproportionate charges. Providing proposed rate figures alone does not ~~satisfy~~ satisfy legal requirement to justify rates under proposition 218.

(3.) * Consider implementing a usage based or tiered rate structure ~~that~~ that better reflects actual water use.

until these corrections are made, the proposed rates remain inconsistent with proposition 218 requirements



Nevada Irrigation District
Proposition 218 WRITTEN OBJECTION FORM

REQUIREMENTS:

- (1) Each part of this Objection Form must be filled out completely. The Objection Form includes two (2) pages to fill out (not including the optional additional pages attached).
- (2) To Exhaust Administrative Remedies pursuant to Government Code section 53759.1, all Objections must be timely received by 5:00 PM on May 11, 2026.
FAILURE TO TIMELY SUBMIT A WRITTEN OBJECTION USING THIS FORM WILL PROHIBIT YOU FROM BRINGING A JUDICIAL ACTION OR PROCEEDING ALLEGING NONCOMPLIANCE WITH ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION FOR THESE PROPOSED WATER RATE CHANGES.
- (3) Generalized objections are insufficient. To satisfy the Exhaustion of Administrative Remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding.
- (4) Late-filed, noncompliant, or incomplete written Objections will not be considered as satisfying the Exhaustion of Administrative Remedies requirement.

PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print): [REDACTED] Noel

Assessor's Parcel Number: _____

Or

Property Address: [REDACTED]

- 1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)**

According to Proposition 218 (Constitutional Amendment), "local governments are restricted from imposing taxes, assessments and property-related fees without voter or property owner approval. The proposed rate increases rely on written protests and/or objections instead."

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

The voters have not approved these proposed rate increases. The fact that Nevada Irrigation District (NID) has not had a recent rate increase does not give them approval for these excessive increases, over five years. These far exceed the norm for your typical Cost of Living increases. Furthermore, it is not the rate payer's responsibility to manage P.G.&E. issues relating to power plants and/or maintenance costs associated with the Scotts Flat Spillway Project. Maintenance costs are typically accounted for with normal operating costs.

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

1st, NID should prepare a Ballot for rate payers to vote on with options for the proposed increase.

2nd, The Scotts Flat Spillway Project should be a separate issue all together. These types of projects are typically budgeted and managed through multi-year Capital Improvement Program. The district may even want to consider a Bond measure for this major improvement, due to the size and scope of the Project

SIGNATURE

[Redacted Signature]

PRINT NAME

[Redacted] Noel [Redacted]

DATE 4-11-26

PLEASE MAIL THIS COMPLETED OBJECTION FORM TO THE DISTRICT AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945. TO BE CONSIDERED TIMELY, MAILED OBJECTIONS MUST BE RECEIVED (NOT POSTMARKED) BY 5 PM ON MAY 11, 2026. COMPLETED OBJECTION FORMS MAY ALSO BE HAND DELIVERED DURING BUSINESS HOURS AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945 BY 5:00 PM, MAY 11, 2026.

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MAY 04 2026

Nevada Irrigation District
Proposition 218 WRITTEN OBJECTION FORM

NEVADA IRRIGATION DISTRICT

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PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print):  Brooks

Assessor's Parcel Number: 

Or

Property Address: 

- 1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)**

The proposed rate increase violates California Constitution, Article XIII D, Section 6 (Proposition 218). Specifically, it fails to meet the Proportionality Requirement under Section 6(b)(3), which mandates that fees imposed on a parcel shall not exceed the proportional cost of the service attributable to that parcel. Furthermore, the rates appear to violate Section 6(b)(1), as the total revenue may exceed the funds required to provide the property-related service.

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

As a resident on Woodman Lane, my property is subject to significant fixed-rate increases that do not correlate with my actual water usage or the specific cost to maintain service to my parcel.

The 2026 Cost of Service Study fails to demonstrate that the increased burden on residential customers is proportional to the service provided to those specific parcels.

It is not fair for residential users to be asked to subsidize infrastructure that primarily benefits new development or other customer classes.

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

The District should revise the 2026 Cost of Service Study to clearly separate 'replacement and maintenance' costs of existing infrastructure from 'capacity enhancement' or 'expansion' costs intended to serve new customers.

NID should ensure that current residential rates do not include capital improvement costs for expanding the ditch and canal system to accommodate new developments. These should be funded by 'Capacity Fees' or 'Connection Fees' paid by developers, not monthly service rates.

NID should recalculate rates to reflect the actual cost of maintaining the legacy open-canal system serving my area, rather than charging a uniform rate that includes the high-cost infrastructure (see below)

SIGNATURE



PRINT NAME  Brooks

DATE 4/30/2026

PLEASE MAIL THIS COMPLETED OBJECTION FORM TO THE DISTRICT AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945. TO BE CONSIDERED TIMELY, MAILED OBJECTIONS MUST BE RECEIVED (NOT POSTMARKED) BY 5 PM ON MAY 11, 2026. COMPLETED OBJECTION FORMS MAY ALSO BE HAND DELIVERED DURING BUSINESS HOURS AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945 BY 5:00 PM, MAY 11, 2026.

ADDITIONAL PAGES (OPTIONAL)

(Please number your responses)

Section 3; required for newer, high-density service areas.

This image shows a full page of blank, lined paper. It features approximately 20 horizontal black lines spaced evenly across the page, typical of notebook paper. The lines are thin and extend from the left edge to the right edge. There is no handwriting or other markings on the page.

Nevada Irrigation District Proposition 218 Written Objection Form

Nevada Irrigation District

RECEIVED

MAY 04 2026

Proposition 218 written objection form

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- (3) Generalized objections are insufficient. To satisfy the Exhaustion of Administrative Remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding.
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Please print legibly, or your objection may not be considered

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Instructional field detected in the supplied PDF.

Property Owner or Customer Name (Print):

Assessor's Parcel Number:

Or

Property Address:

Property Address (additional line):

Hamilton

1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach

additional pages as necessary.)

necessary [1] We will pin any law suit to prevent
necessary [2] the true cost of service
[1] Terms of contract + no justification
[2] Historical water agreements
[3] State of California arbitrary rate increases
[4] Profit using utility to build dams in
California + IC PUC.

1 of 2

Page 2

Additional content from previous item (1):

[1]

[2]

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[1]

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[2]

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[6]

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

Rate increases that are solely based on
agreements. not building dams + not the true
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Nevada Irrigation District Proposition 218 Written Objection Form

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Nevada Irrigation District

MAY 04 2026

Proposition 218 written objection form

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1 of 2

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Rate increases that are solely based on
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Nevada Irrigation District Proposition 218 Written Objection Form

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MAY 04 2026

Nevada Irrigation District

Proposition 218 written objection form

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Assessor's Parcel Number:

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Property Address:

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1 of 2

Additional content from previous item (1):

[1]

[1]
[2]

[2]

2. Describe, with reference to your property

2. Describe, with reference to your proposed business, the ways in which you intend to comply with the provisions of the Act.

proposed rates violate the provisions of law.

pages as necessary.)

rates violate the provisions of law you cited above.

[11]

[1]

rates violate the provisions of law you cited and

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Nevada Irrigation District Proposition 218 Written Objection Form

Nevada Irrigation District

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Rate increases that are solely based on
agreements. not building dams + not the true
cost of service



[REDACTED] Appell
[REDACTED]
[REDACTED]

4/18/2026

Board of Directors
Nevada Irrigation District
1036 W Main Street
Grass Valley, CA 95945

Subject: Formal Objection to Proposed Water Rate Increase

Dear Members of the Board,

I am writing to formally object to the proposed increase in water rates by the Nevada Irrigation District (NID).

While I understand that infrastructure maintenance and long-term water reliability require funding, the proposed rate increase raises several serious concerns regarding fairness, transparency, and proportionality.

First, the magnitude of the proposed increase appears excessive relative to the level of service provided. Ratepayers should not be required to absorb large increases without clear, detailed justification demonstrating that all cost-saving measures and operational efficiencies have been fully explored.

Second, I am concerned about the lack of clear, accessible disclosure explaining how the additional revenue will be allocated. Ratepayers deserve a transparent accounting of:

- Specific projects to be funded
- Timelines for those projects
- Cost-benefit analysis demonstrating necessity and efficiency

Third, the proposed increase may violate the principles outlined in California's Proposition 218, which requires that:

- Rates must not exceed the cost of providing the service
- Fees must be proportional to the parcel's use of the service and my property is not profitable as other ranches may be so I cannot afford this increase.
- Revenues cannot be used for unrelated purposes

Without clear evidence that these legal standards are being met, the proposed increase should not be approved.

Additionally, the economic burden on property owners—particularly those managing agricultural land, rental housing, or fixed-income households—must be carefully considered. Significant rate hikes can have cascading effects on housing affordability and local economic stability.

For these reasons, I respectfully request that the Board:

1. Postpone approval of the rate increase
2. Provide a detailed, itemized financial justification
3. Conduct an independent audit or third-party review of NID's financial needs
4. Explore alternative funding mechanisms or phased adjustments

If these concerns are not adequately addressed, I request that this letter be included in the official record as a formal protest under Proposition 218.

Thank you for your attention to this matter. I look forward to your response and to a more transparent and equitable process moving forward.

Sincerely,

A large black rectangular redaction box covering the signature of the sender.A small black rectangular redaction box covering the first part of the name.

Appell

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APR 06 2028
By: *[Signature]*

(4) Late-filed, noncompliant, or incomplete written Objections will not be considered as satisfying the Exhaustion of Administrative Remedies requirement.

Proposition 218, including: *Capistrano Taxpayers Association v. City of San Juan Capistrano* (2015) and *Howard Jarvis Taxpayers Association v. City of Fresno* (2005).

The proposed rate increases appear to violate these provisions by failing to demonstrate that the rates are proportional to the cost of service and properly allocated among ratepayers.

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

I am a property owner and ratepayer within the Nevada Irrigation District service area and use water services for residential property purposes. The proposed rate increases appear to disproportionately impact my property without sufficient evidence that the increased charges reflect the actual cost of providing service to my parcel, as required under Article XIII D, Section 6(b)(3). Specifically: The District has not clearly demonstrated how the costs identified in the 2026 Cost of Service Study are allocated to individual parcels or customer classes. It is unclear whether higher rates are subsidizing other users, infrastructure expansion, or capital improvements that do not directly benefit my property. The proposed rates may include costs unrelated to the provision of water service to my parcel, in violation of Section 6(b)(2). As a result, I am unable to verify that the proposed charges are proportional, justified, or legally compliant, and therefore object to their adoption.

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

Nevada Irrigation District may correct the identified violations by taking the following actions: Provide a detailed and transparent cost-of-service analysis demonstrating how each component of the proposed rates directly corresponds to the actual cost of providing water service, in compliance with Article XIII D. Ensure proportional allocation of costs by clearly showing how rates are calculated for each parcel and customer class, and confirming that no ratepayer subsidizes another. Revise the proposed rates to exclude any costs not directly related to providing water service, including but not limited to unrelated capital projects, expansion costs, or administrative overhead not properly allocable to service delivery. Demonstrate compliance with applicable case law, including Capistrano Taxpayers Association v. City of San Juan Capistrano, by ensuring that any tiered or increased rates are supported by actual cost differentials. (see below)

SIGNATURE _____

PRINT NAME  Barrett

DATE 4/2/26

PLEASE MAIL THIS COMPLETED OBJECTION FORM TO THE DISTRICT AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945. TO BE CONSIDERED TIMELY, MAILED OBJECTIONS MUST BE RECEIVED (NOT POSTMARKED) BY 5 PM ON MAY 11, 2026. COMPLETED OBJECTION FORMS MAY ALSO BE HAND DELIVERED DURING BUSINESS HOURS AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945 BY 5:00 PM, MAY 11, 2026.

ADDITIONAL PAGES (OPTIONAL)
(Please number your responses)

Question 3 Continued: Allow for independent review and public verification of the 2026 Cost of Service Study, including access to underlying assumptions and data used to justify the rate increases.

Until these steps are taken, the proposed rate increases should not be adopted.

RECEIVED

APR 21 2026

Nevada Irrigation District
Proposition 218 WRITTEN OBJECTION FORM

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FAILURE TO TIMELY SUBMIT A WRITTEN OBJECTION USING THIS FORM WILL PROHIBIT YOU FROM BRINGING A JUDICIAL ACTION OR PROCEEDING ALLEGING NONCOMPLIANCE WITH ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION FOR THESE PROPOSED WATER RATE CHANGES.
- (3) Generalized objections are insufficient. To satisfy the Exhaustion of Administrative Remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding.
- (4) Late-filed, noncompliant, or incomplete written Objections will not be considered as satisfying the Exhaustion of Administrative Remedies requirement.

PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print):

Beckett

Assessor's Parcel Number:

Or

Property Address:

1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)

Cost of Service (Art. XIII D), (b)(1)

proportionality (Art. XIII D), (b)(3)

Revenue Limitation (Art. XIII D) (b)(2)

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

Cost of Service

proportionality

Revenue limitations

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

Do Not Raise Rates

SIGNATURE

PRINT NAME

DATE

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RECEIVED
APR 09 2026
NEVADA IRRIGATION DISTRICT

Nevada Irrigation District
Proposition 218 WRITTEN OBJECTION FORM

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PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print): [REDACTED] Cosso

Assessor's Parcel Number: _____

Or

Property Address: [REDACTED]

1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)

I am a property owner and/or water customer within the Nevada Irrigation District.

I am writing this letter to formally state my opposition and protest to the proposed increases and changes to the treated and/or raw water service rates.

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

The proposed 12.5% annual increase is a blanket hike that does not reflect the specific, lower cost of serving my property. NID has failed to provide data showing that the costs of my specific service whether treated or raw have actually increased by this specific percentage.

A district cannot raise rates to generate "unrelated revenue" or to build excessive reserves beyond what is necessary for immediate operations and maintenance.

Eliminating tiers violates the cost-of-service principle because it charges low-volume users the same volumetric rate as high-volume

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

Apply for Grants: NID is currently seeking state and federal funding, such as Proposition 4 funds, and federal community grants, to offset the \$55 million spillway cost.

SIGNATURE

PRINT NAME

DATE

PLEASE MAIL THIS COMPLETED OBJECTION FORM TO THE DISTRICT AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945. TO BE CONSIDERED TIMELY, MAILED OBJECTIONS MUST BE RECEIVED (NOT POSTMARKED) BY 5 PM ON MAY 11, 2026. COMPLETED OBJECTION FORMS MAY ALSO BE HAND DELIVERED DURING BUSINESS HOURS AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945 BY 5:00 PM, MAY 11, 2026.

RECEIVED

APR 14 2026

Nevada Irrigation District
Proposition 218 WRITTEN OBJECTION FORM

NEVADA IRRIGATION DISTRICT

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PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print): [REDACTED] Dayen

Assessor's Parcel Number: [REDACTED]

Or

Property Address [REDACTED]

1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)

I am writing to formally object to the proposed water rate increases outlined in the Nevada Irrigation District (NID) notice. While I understand the need to maintain infrastructure and ensure reliable water service, the proposed rate adjustments raise serious concerns regarding fairness, transparency, and the financial burden placed on customers. The shift to a single volumetric rate, combined with increasing fixed monthly service charges, may disproportionately impact households regardless of actual water usage, limiting customers' ability to control their bills through conservation.

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

The proposed rates appear to violate Proposition 218 requirements that fees be proportional to the cost of service. The shift to a single volumetric rate and higher fixed charges reduces the link between actual water use and cost, causing some customers to pay more than their fair share. The proposal also lacks sufficient transparency showing that revenues will not exceed the cost of providing service or how costs are properly allocated among customers.

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

The District should revise the rate structure to ensure charges are proportional to actual usage, such as maintaining tiered rates. Fixed charges should be limited to true fixed costs. The District should also provide clearer justification in the Cost of Service Study and consider reudcing or phasing increases to lessen the financial burden on customers.

SIGNATURE

PRINT NAME Dayen

DATE 04/08/2026

PLEASE MAIL THIS COMPLETED OBJECTION FORM TO THE DISTRICT AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945. TO BE CONSIDERED TIMELY, MAILED OBJECTIONS MUST BE RECEIVED (NOT POSTMARKED) BY 5 PM ON MAY 11, 2026. COMPLETED OBJECTION FORMS MAY ALSO BE HAND DELIVERED DURING BUSINESS HOURS AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945 BY 5:00 PM, MAY 11, 2026.

ADDITIONAL PAGES (OPTIONAL)
(Please number your responses)

1. CONTINUED - Additionally, the justification provided—rising operational costs and infrastructure investments—does not sufficiently demonstrate that all cost-saving measures, alternative funding options, or efficiency improvements have been fully explored prior to proposing multi-year rate increases.

Customers deserve greater transparency regarding how these costs were evaluated and why this approach is the most equitable solution. The proposed multi-year increases, extending from 2027 through 2031, create long-term financial uncertainty for families, especially during a time when many households are already facing rising costs of living. The scale and duration of these increases appear excessive without clearer justification and accountability measures. For these reasons, I respectfully object to the adoption of the proposed rates. I urge the District to reconsider this proposal, provide more detailed financial transparency, explore alternative funding strategies, and implement a more equitable rate structure that protects customers while still meeting infrastructure needs.

RECEIVED

APR 09 2026

NEVADA IRRIGATION DISTRICT

FOXLEY *

To the Board of Directors,
Nevada Irrigation District

I am a property owner/customer within the Nevada Irrigation District and hereby submit this **formal written objection** to the proposed water rate increases pursuant to **Article XIII D of the California Constitution (Proposition 218)** and **California Government Code §§ 53750–53759, including § 53753 and § 53759.1.**

This objection is made to preserve all legal rights and remedies.

1. Failure to Demonstrate Cost-of-Service Compliance

Article XIII D, Section 6(b)(1) requires that revenues derived from property-related fees **shall not exceed the funds required to provide the property-related service.**

The District has not sufficiently demonstrated, with transparent and verifiable evidence, that the proposed rates are strictly limited to the actual cost of providing water service. Any inclusion of:

- capital expansion unrelated to existing service,
- reserves beyond reasonable necessity,
- or cross-subsidization between customer classes,

would violate this constitutional requirement.

2. Lack of Proportionality

Article XIII D, Section 6(b)(3) requires that fees **shall not exceed the proportional cost of service attributable to the parcel.**

The proposed rate structure appears to impose disproportionate burdens among ratepayers without clear, parcel-specific justification. The District must demonstrate a defensible cost allocation methodology showing that each customer class pays only its proportional share.

3. Improper Use of Revenues

Article XIII D, Section 6(b)(2) prohibits use of fee revenues for purposes other than those for which the fee is imposed.

To the extent the proposed rates fund:

- future system expansion benefiting new development,
- unrelated infrastructure projects,
- or general governmental purposes,

they are unconstitutional.

4. Insufficient Transparency and Data Disclosure

The District has not provided sufficient underlying data supporting the Cost of Service Study, including:

- detailed cost allocations,
- demand assumptions,
- infrastructure funding breakdowns,
- and reserve calculations.

Without full disclosure, ratepayers cannot meaningfully evaluate compliance with constitutional requirements, rendering the process legally defective.

5. Procedural Concerns (Gov. Code § 53753)

The District must strictly comply with all procedural requirements, including:

- accurate and complete notice,
- valid protest tabulation,
- and a lawful public hearing.

Any defect in notice or procedure invalidates the rate adoption.

6. Reservation of Rights

This objection is submitted pursuant to **Government Code § 53759.1** to preserve the right to judicial review.

Failure of the District to comply with Proposition 218 will result in legal challenge.

Conclusion

For the reasons stated above, I formally object to the proposed rate increases and request that the Board:

- reject the proposed rates, or
- revise them to fully comply with Article XIII D.

Dated: 04 April 2026

Name: [REDACTED] Foxley

Address: [REDACTED]

Signature [REDACTED]

RECEIVED

APR 09 2026

NEVADA IRRIGATION DISTRICT

Nevada Irrigation District

Proposition 218 WRITTEN OBJECTION FORM

REQUIREMENTS:

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PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print): [REDACTED] Gardner

Assessor's Parcel Number: _____

Or

Property Address: [REDACTED]

1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)

My objection is based on Article XIII D of the California Constitution (Proposition 218), Section 6(b), which requires that water rates not exceed the proportional cost of service to a parcel and that revenues be used only for that service. The proposed rate increase, which would nearly double my costs for service at 12888 Rattlesnake Road (Scotts Flat), appears excessive and not clearly tied to the actual cost of providing water to my property. Without sufficient cost-of-service justification demonstrating proportionality, this increase may violate the constitutional requirements governing property-related fees.

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

The proposed rates would nearly double the cost of water service for my property at 12888 Rattlesnake Road in the Scotts Flat area, despite no corresponding change in my actual water usage or service level.

My usage is consistent and residential in nature, and there has been no demonstrated increase in demand or service burden that would justify such a significant increase. As a result, the proposed rates appear disproportionate to the cost of providing water to my parcel, which raises concerns under Article XIII D, Section 6(b) of the California Constitution requiring that charges reflect the actual cost of service attributable to the property.

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

Nevada Irrigation District may correct these violations by revising the proposed rates to ensure they are directly proportional to the actual cost of providing water service to each parcel, including my property at 12888 Rattlesnake Road. This would require a clearer, parcel-level cost-of-service analysis within the 2026 Cost of Service Study that demonstrates how rates for Scotts Flat customers are calculated and justified. Any costs not directly tied to providing service to this area should be removed or allocated appropriately, and rate increases should be phased in more gradually to reflect actual service costs rather than imposing a near doubling of charges without sufficient justification.

SIGNATURE _____

PRINT NAME [REDACTED] Gardner

DATE 4/6/2026

PLEASE MAIL THIS COMPLETED OBJECTION FORM TO THE DISTRICT AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945. TO BE CONSIDERED TIMELY, MAILED OBJECTIONS MUST BE RECEIVED (NOT POSTMARKED) BY 5 PM ON MAY 11, 2026. COMPLETED OBJECTION FORMS MAY ALSO BE HAND DELIVERED DURING BUSINESS HOURS AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945 BY 5:00 PM, MAY 11, 2026.

RECEIVED

APR 21 2026

**Nevada Irrigation District
Proposition 218 WRITTEN OBJECTION FORM**

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PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print): [REDACTED] Hinshaw

Assessor's Parcel Number: [REDACTED]

Or

Property Address [REDACTED]

1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)

I am the owner of [REDACTED] and I am writing to formally protest the proposed Water rate increase.

The proposed increase is excessive, disproportionate to the cost of service, and violates Proposition 218.

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

Proposed rate increase of @ 80% over a 5 year period is excessive.

Proposed rate increases will affect every household and business. Individual household budgets will be affected, individual business budgets will be affected and property values across the board will be affected yet not every property owner has the right to petition this proposition. Property owners and business within communities serviced by Homeowner Owner Associations or separate entity that manages water storage, distribution and payment for them will not have the right to Petition Proposition 218 and are not fairly represented.

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

Postpone the vote on May 27 2026 to allow time to redistribute rate hike plans and more clearly and broadly articulate them across the entire user base. Allow each property owner within an HOA, mobile home park or other community one entity manages and pays for water usage the right to clearly understand Proposition 218 and individually Petition it or Support it. Spread the proposed rate hikes over a longer period of time to allow households and businesses to plan, adjust and stay solvent. Look further into efficiencies, opportunities and longer term budget planning.

SIGNATURE

PRINT NAME  Hinshaw

DATE April 16, 2026

PLEASE MAIL THIS COMPLETED OBJECTION FORM TO THE DISTRICT AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945. TO BE CONSIDERED TIMELY, MAILED OBJECTIONS MUST BE RECEIVED (NOT POSTMARKED) BY 5 PM ON MAY 11, 2026. COMPLETED OBJECTION FORMS MAY ALSO BE HAND DELIVERED DURING BUSINESS HOURS AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945 BY 5:00 PM, MAY 11, 2026.

[REDACTED] Lovejoy

April 7, 2026

Nevada Irrigation District
1036 W. Main Street
Grass Valley, CA 95945-5424

Re: Account # [REDACTED]

APN: [REDACTED]

To Whom It May Concern:

I am opposed to water rate increases. See my form attached

Sincerely,

[REDACTED]
[REDACTED]
[REDACTED] Lovejoy

RECEIVED

APR 09 2026

NEVADA IRRIGATION DISTRICT

Nevada Irrigation District

Proposition 218 WRITTEN OBJECTION FORM

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PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print): [REDACTED] Lovejoy

Assessor's Parcel Number: [REDACTED]

Or

Property Address: [REDACTED]

- 1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)**

Rate increases exceed the cost of living that most senior citizens receive on a fixed income. The fees are too expensive for average persons. NID should adjust expenses instead of increasing revenue! I have been a customer for nearly 30 years and have paid my dues. Please do more with less. Give the consumer a break. Tighten your belt.

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

SIGNATURE

PRINT NAME

Lovejoy

DATE 4/7/2026

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Nevada Irrigation District
Proposition 218 WRITTEN OBJECTION FORM

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APR 23 2026

REQUIREMENTS:

NEVADA IRRIGATION DISTRICT

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PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print): [REDACTED] Owens

Assessor's Parcel Number: [REDACTED] Owens

Or

Property Address: [REDACTED]

1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)

- 1) Violates Article XIII D of the California Constitution, commonly known as Proposition 218 which mandates that property-related fees like water rates must not exceed the proportional cost of service attributable to each parcel. (Patz v. City of San Diego July 2025) confirmed tiered water rates must strictly comply with cos of service analysis.
- 2) Violation of Proposition 218 - Use of Revenue which stipulates that revenues from water fees must be used strictly for the purpose for which they were imposed (water service).

Cal. Cons. Art. XIII D 6(a). If a majority of 50% + 1 affected property owners submit written protests the agency cannot impose the rate increase.

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

- 1) Proposition 218 - Cost of Service Requirements - Proposed rate increases do not accurately reflect the cost of serving individual parcels.
- 2) NID is attempting to charge for projects that may not be proportional to the current service usage or that should be funded by other means. (ie., Scotts Flat Spillway Replacement).
- 3) The proposed rate increase places an undue financial burden on my family and violates the requirements of Proposition 218. The proposed rate structure increase and increase to my bill is not supported by any demonstrated increase in the cost of service specific to my parcel or usage patterns. The proposed increase instead appears to instead allocate system-wide capital costs not proportionate to the cost of service to my property.

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

- 1) NID must justify all revenue increases by demonstrating a direct proportional link to the cost of water delivery rather than general infrastructure improvements.
- 2) The board should exclude projects from the rate base that do not directly improve water delivery capacity or safety.
- 3) Recompute the allocation between raw and treated water customers to ensure compliance with Proposition 218's proportionality requirement.

SIGNATURE

[REDACTED]

PRINT NAME

[REDACTED] Owens

DATE April 17, 2026

PLEASE MAIL THIS COMPLETED OBJECTION FORM TO THE DISTRICT AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945. TO BE CONSIDERED TIMELY, MAILED OBJECTIONS MUST BE RECEIVED (NOT POSTMARKED) BY 5 PM ON MAY 11, 2026. COMPLETED OBJECTION FORMS MAY ALSO BE HAND DELIVERED DURING BUSINESS HOURS AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945 BY 5:00 PM, MAY 11, 2026.

Nevada Irrigation District Proposition 218 Written Objection Form

Nevada Irrigation District

Proposition 218 written objection form



Requirements:

- (1) Each part of this Objection Form must be filled out completely. The Objection Form includes two (2) pages to fill out (not including the optional additional pages attached).
- (2) To Exhaust Administrative Remedies pursuant to Government Code section 53759.1, all Objections must be timely received by 5:00 PM on May 11, 2026. **Failure to timely submit a written objection using this form will prohibit you from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for these proposed water rate changes.**
- (3) Generalized objections are insufficient. To satisfy the Exhaustion of Administrative Remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding.
- (4) Late-filed, noncompliant, or incomplete written Objections will not be considered as satisfying the Exhaustion of Administrative Remedies requirement.

Please print legibly, or your objection may not be considered

Please print legibly, or your objection may not be considered

Instructional field detected in the supplied PDF.

Property Owner or Customer Name (Print):

Assessor's Parcel Number:

Or

Property Address:

Property Address (additional line):

1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)

necessary [1] *UNFAIR RATE STRUCTURE*

necessary [2] *LACK OF COST OF SERVICE JUSTIFICATION*

[1] *UNFAIR RATE INCREASE*

[2] *DISPROPORTIONATE SHARE OF COST BETWEEN RESIDENTIAL AND AGRICULTURAL CUSTOMERS.*

Date

Please mail this completed objection form to the district at: 1036 W. Main Street, Grass Valley, CA, 95945. To be considered timely, mailed objections must be received (not postmarked) by 5 PM on May 11, 2026. Completed objection forms may also be hand delivered during business hours at: 1036 W. Main Street, Grass Valley, CA, 95945 by 5:00 PM, May 11, 2026.

2 of 2

Page 3

Additional Pages (Optional)

(Please number your responses)

Use the fields below to continue your responses. Each line corresponds to a numbered response label shown at left.

Please number your responses [1]	Higher Rates Mean less N.I.D
Please number your responses [2]	CUSTOMERS WANT ALLOWING MORE
[1]	WATER TO Sell TO Los Angeles
[2]	
[3]	
[4]	
[5]	
[6]	
[1]	
[2]	
[1]	
[2]	
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[7]	
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[2]	
[3]	
[4]	
[5]	
[6]	

[3]
[4]

1 of 2

Page 2

Additional content from previous item (1):

[1]
[2]

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

rates violate the provisions of law you cited above. (Attach additional pages as necessary [1]

rates violate the provisions of law you cited above. (Attach additional pages as necessary [2]

[1] YOU WANT US TO BE LAWYERS, WE ARE JUST
[2] COMMON PEOPLE TRYING TO RAISE CROPS AND LIVESTOCK.
[3]
[4]
[5]
[6]

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

Cost of Service Study) for the rates. (Attach additional pages as necessary [1]

Cost of Service Study) for the rates. (Attach additional pages as necessary [2]

[1] RAISING RATES WILL MAKE OUR VALUE IN
[2] COUNTRY LIVING UNATTAINABLE
[3]
[4]
[5]
[6]

Signature

Print name

Nevada Irrigation District
Proposition 218 WRITTEN OBJECTION FORM

RECEIVED
APR 27 2026
NEVADA IRRIGATION DISTRICT

REQUIREMENTS:

- (1) Each part of this Objection Form must be filled out completely. The Objection Form includes two (2) pages to fill out (not including the optional additional pages attached).
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FAILURE TO TIMELY SUBMIT A WRITTEN OBJECTION USING THIS FORM WILL PROHIBIT YOU FROM BRINGING A JUDICIAL ACTION OR PROCEEDING ALLEGING NONCOMPLIANCE WITH ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION FOR THESE PROPOSED WATER RATE CHANGES.
- (3) Generalized objections are insufficient. To satisfy the Exhaustion of Administrative Remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding.
- (4) Late-filed, noncompliant, or incomplete written Objections will not be considered as satisfying the Exhaustion of Administrative Remedies requirement.

PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print): [REDACTED] Van Wagner

Assessor's Parcel Number: _____

Or
Property Address: [REDACTED]

- 1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)**

This objection is based on Article XIII D of the California Constitution (Proposition 218) and Government Code §§ 53750–53760.

These provisions require that property-related water fees not exceed the reasonable cost of service, must be supported by a valid cost-of-service study, and must be allocated proportionately among user classes without cross-subsidization unless justified.

If adopted as proposed, the rate increases may violate Article XIII D, Section 6 by failing to demonstrate proportionality, cost reasonableness, and lawful allocation of costs to

to parcels receiving service. Accordingly, I object on the basis that the proposed rates may not comply with applicable constitutional and statutory requirements governing property-related fees.

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

My property uses water in a typical residential manner, without unusual demand or service requirements, yet the proposed rates significantly increase my costs without a clear showing that they are proportional to the actual cost of providing service to my parcel.

Under Article XIII D of the California Constitution (Proposition 218) and Government Code §§ 53750–53760, water rates must be based on a reasonable cost-of-service analysis and allocated proportionately. The proposed increases do not clearly demonstrate this required nexus or cost justification as applied to my property, and appear to shift costs in a way that may not reflect actual service provided.

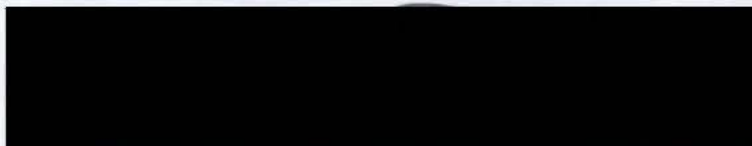
Accordingly, I object on the basis that the proposed rates may not comply with Proposition 218's requirements for proportionality and cost-based allocation.

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

Nevada Irrigation District can correct the violations by revising the 2026 Cost of Service Study to clearly show how costs are calculated and allocated to each customer class based on actual service use.

The proposed rates should then be adjusted to ensure charges are proportional to the cost of service for residential users and do not rely on unsupported cross-subsidization.

SIGNATURE



PRINT NAME

 Van Wagner

DATE 4/22/2026

PLEASE MAIL THIS COMPLETED OBJECTION FORM TO THE DISTRICT AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945. TO BE CONSIDERED TIMELY, MAILED OBJECTIONS MUST BE RECEIVED (NOT POSTMARKED) BY 5 PM ON MAY 11, 2026. COMPLETED OBJECTION FORMS MAY ALSO BE HAND DELIVERED DURING BUSINESS HOURS AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945 BY 5:00 PM, MAY 11, 2026.

Objection to Rate Increase

Nevada Irrigation District

RECEIVED

APR 13 2026

NEVADA IRRIGATION DISTRICT

I am the record owner (or tenant responsible for water service) of the parcel located at:

I hereby formally protest the proposed water rate increases and the elimination of the early payment discount.

This protest is based on concerns that the proposed rates may violate Proposition 218, including but not limited to:

- Revenues exceeding the funds required to provide the property-related service
- Improper or unsupported cost-of-service allocation among customer classes
- Inclusion of costs not tied to service delivery or parcel-specific benefit
- Insufficient transparency in the rate study and methodology
- Elimination of discounts without cost-based justification

I request that this protest be counted toward the Proposition 218 majority protest requirement.

I reserve all rights to pursue further administrative or legal remedies if adopted.

Name:

JOHNSON

Signature:

Date:

4-8-26

FORMAL WRITTEN PROTEST – PROPOSITION 218

Proposed Water and Irrigation Rate Increases

Date: March 30, 2026

RECEIVED
APR 14 2026
NEVADA IRRIGATION DISTRICT

Board of Directors

Nevada Irrigation District

1036 West Main Street

Grass Valley, CA 95945

Re: Formal Written Protest to Proposed Water Rate Increases – Proposition 218

To the Board of Directors:

I am the property owner and/or customer for the property identified below within the Nevada Irrigation District service area. This letter constitutes my formal written protest to the proposed increases in treated water and/or irrigation water rates described in the District's Notice of Proposed Water Rate Increases and scheduled for public hearing on May 27, 2026.

This protest is submitted pursuant to Article XIII D of the California Constitution, adopted by voters as California Proposition 218, which strictly limits the imposition and increase of property-related fees such as water service charges.

Based on the information provided in the notice, I have significant concerns regarding whether the proposed rate increases comply with the constitutional requirements of Proposition 218.

First, Proposition 218 requires that fees imposed on a parcel not exceed the proportional cost of providing service to that parcel. The proposal includes substantial increases to fixed monthly

service charges tied to meter size, combined with changes to volumetric billing and elimination of certain tier structures. The notice does not provide sufficient information demonstrating how these increases are proportionally allocated to customers or how the District determined that the proposed charges reflect the actual cost of service attributable to each parcel.

Second, the notice references a rate study and financial analysis prepared for the District. However, the notice itself does not provide adequate detail demonstrating that the study supports increases of the magnitude proposed over the five-year period from 2027 through 2031. Ratepayers cannot meaningfully evaluate whether the proposed rates comply with Proposition 218 without clear disclosure of:

- the underlying cost-of-service methodology
- allocation of capital project costs to rate classes
- assumptions used in revenue projections
- how fixed charges versus volumetric charges were determined
- whether revenues could exceed the cost of providing service

Third, the proposal appears to shift a larger portion of revenue recovery to fixed monthly charges. This structure may reduce the connection between actual water usage and charges paid, raising additional proportionality concerns under Proposition 218 and potentially diminishing conservation incentives.

Fourth, the notice references major capital expenditures, including infrastructure repairs and upgrades and projects such as spillway improvements. While infrastructure reliability is important, Proposition 218 requires that rates be strictly tied to the cost of providing the specific service charged and not exceed those costs. The notice does not provide sufficient transparency for ratepayers to verify that these requirements are met.

Given these concerns, I respectfully request that the District provide a fully transparent and publicly accessible cost-of-service analysis demonstrating compliance with Proposition 218 prior to adopting any rate increases.

Unless and until such justification is clearly demonstrated, I object to the proposed rate increases.

This letter is intended to serve as a formal protest under Proposition 218 and I request that it be counted toward any majority protest determination.

In addition, nothing in this letter shall be interpreted as a waiver of any rights available to me under the California Constitution, statutes, or applicable law. I expressly reserve the right to challenge the proposed rates, including any adopted rates, through all available legal and administrative remedies if necessary.

Please include this written protest in the official record for the public hearing.

Property Owner / Customer Name: [REDACTED] Cash

Service Address: [REDACTED]

Assessor's Parcel Number (APN): [REDACTED]

Signature: [REDACTED]

Date: March 30, 2026

Cash

Objection to Rate Increase

Nevada Irrigation District

RECEIVED

APR 14 2026

NEVADA IRRIGATION DISTRICT

I am the record owner (or tenant responsible for water service) of the parcel located at:

[REDACTED]

I hereby formally protest the proposed water rate increases and the elimination of the early payment discount.

This protest is based on concerns that the proposed rates may violate Proposition 218, including but not limited to:

- Revenues exceeding the funds required to provide the property-related service
- Improper or unsupported cost-of-service allocation among customer classes
- Inclusion of costs not tied to service delivery or parcel-specific benefit
- Insufficient transparency in the rate study and methodology
- Elimination of discounts without cost-based justification

I request that this protest be counted toward the Proposition 218 majority protest requirement.
I reserve all rights to pursue further administrative or legal remedies if adopted.

Name:

[REDACTED] Leveskis

Signature:

[REDACTED]

Date:

4/1/26

RECEIVED

APR 20 2026

4/14/26

PROTEST / NID RATE INC.

I write to object to the proposed Rate increase proposed by NID. I Do NOT feel obligated to fund NID's Aging infrastructure that has not been properly managed and maintained over decades. Additionally, we pay a significantly higher rate compared to other comparable districts.

Please consider this my statement of opposition to NID proposed Rate increases.

Beach

Nevada Irrigation District
Proposition 218 WRITTEN OBJECTION FORM

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FAILURE TO TIMELY SUBMIT A WRITTEN OBJECTION USING THIS FORM WILL PROHIBIT YOU FROM BRINGING A JUDICIAL ACTION OR PROCEEDING ALLEGING NONCOMPLIANCE WITH ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION FOR THESE PROPOSED WATER RATE CHANGES.
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Property Owner or Customer Name (Print) [REDACTED] Bright

Property Address: _____

- The proposed rate increases violate several provisions of California law governing property-related fees and charges, including but not limited to Article XIII D of the California Constitution (Proposition 213), applicable provisions of the California Water Code, and relevant case law.

1. Violation of Article XIII D, Section 6(b) of the California Constitution (Proposition 218), where property-related fees such as water rates must comply with requirements:

- Revenues derived from the fee shall not exceed the funds required to provide the property-related service (Section 6(b)(1)).
- Fees shall not be used for any purpose other than that for which the fee is imposed (Section 6(b)(2)).
- The amount of the fee shall not exceed the proportional cost of the service attributable to the parcel (Section 6(b)(3)).

-No fee may be imposed unless the service is actually used by, or immediately available to, the property owner (Section 6(b)(4)).

-The agency bears the burden of demonstrating compliance (Section 6(b)(5))

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

Section 6(b)(1): The proposed rates appear to generate revenue beyond the actual cost of providing water service, constituting an unlawful tax.

Section 6(b)(2): To the extent that revenues are used for unrelated projects, reserves not reasonably tied to service, or other district obligations, the rates violate this provision.

Section 6(b)(3): The proposed rate structure fails to demonstrate proportionality between charges and the cost of service to individual customers or classes of customers.

Section 6(b)(4): Charges imposed regardless of actual use or availability raise compliance concerns.

Section 6(b)(5): NID has not adequately demonstrated, through transparent cost-of-service analysis, that the proposed rates comply with these constitutional requirements.

Failure to Provide Adequate Cost Justification and Transparency California courts have emphasized that agencies must provide substantial evidence supporting rate structures.

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

Actually be transparent about what you need all this money for- does it actually have to do with the recent debacle?

Or perhaps you need to find a way to cool new AI data centers?

Either way, the cost of water flowing downhill does not double 5 times in 5 years.

SIGNATURE

PRINT NAME

Bright

DATE 5/5/26

PLEASE MAIL THIS COMPLETED OBJECTION FORM TO THE DISTRICT AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945. TO BE CONSIDERED TIMELY, MAILED OBJECTIONS MUST BE RECEIVED (NOT POSTMARKED) BY 5 PM ON MAY 11, 2026. COMPLETED OBJECTION FORMS MAY ALSO BE HAND DELIVERED DURING BUSINESS HOURS AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945 BY 5:00 PM, MAY 11, 2026.

Also, In *Capistrano Taxpayers Association v. City of San Juan Capistrano* (2015) 235 Cal.App.4th 1493, the court held that tiered water rates must be based on the actual cost of service and not used to impose penalties or generate surplus revenue

And Potential Violation of Equal Protection PrinciplesIf similarly situated ratepayers are charged materially different amounts without a cost-based justification,

the rate structure may violate equal protection principles under both the California and United States Constitutions.

Objection to Rate Increase

Nevada Irrigation District



I am the record owner (or tenant responsible for water service) of the parcel located at:

[Redacted address]

I hereby formally protest the proposed water rate increases and the elimination of the early payment discount.

This protest is based on concerns that the proposed rates may violate Proposition 218, including but not limited to:

- Revenues exceeding the funds required to provide the property-related service
- Improper or unsupported cost-of-service allocation among customer classes
- Inclusion of costs not tied to service delivery or parcel-specific benefit
- Insufficient transparency in the rate study and methodology
- Elimination of discounts without cost-based justification

I request that this protest be counted toward the Proposition 218 majority protest requirement. I reserve all rights to pursue further administrative or legal remedies if adopted.

Name:

[Redacted] Clow

Signature:

[Redacted signature]

Date:

4-7-2020

April 22, 2026

To: Nevada Irrigation District Board of Directors

Subject: Objection to Water Rate Increase



Dear Board Members:

As a senior citizen, I strongly object to your proposed rate increase. I live on a fixed income, and with each passing year, and each hand that reaches out asking for more, I am finding it increasingly difficult to maintain an acceptable standard of living. I'm not talking about buying a second house, upgrading cars annually, jetting off to exotic vacations, and all of the luxuries some can afford. I am talking about being able to maintain my home, turn on the heat in the winter, buy healthy food, and take care of a pet.

Each year property taxes increase. PG&E increases make in necessary for me to actually live a little less comfortably in the high energy seasons. Property insurance is now a very expensive luxury. Enough already!

I have spoken with people who have experience in civil engineering, and your proposal seems overblown and unnecessary. In addition, you risk impacting the environment, without just cause.

I object to your proposed changes and increases.

[REDACTED] Hensel
[REDACTED]
[REDACTED]

RECEIVED
MAY 08 2026

**Nevada Irrigation District
Proposition 218 WRITTEN OBJECTION FORM**

REQUIREMENTS:

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- (4) Late-filed, noncompliant, or incomplete written Objections will not be considered as satisfying the Exhaustion of Administrative Remedies requirement.

PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print): [REDACTED] Bromm

Assessor's Parcel Number: [REDACTED]

Or

Property Address: _____

1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)

Human right to water act (AB 6850). Water Rights Law – usufructuary right – “Use it or Lose it.” California Water Rights Law – ground water depletion. Neglect of infrastructure redesign. Lack of innovation in finding alternative funding. Antitrust violations – monopoly abuse by price hiking. X-inefficiency. Negligence and Nuisance. Prop 218 violation. Violations of regulatory standards and consumer protection laws.

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

Rates making water unaffordable and creating financial shock "rate shock" with lack of alternatives offered for projected costs of infrastructure repair other than passing on those costs to consumers. Currently pay District (NID) water rates for fear of forfeiting the right to water access – the "use it or lose it" clause. Have paid for water not received and now asked to pay more for that water. Higher rates make groundwater pumping more economical, which could lead to groundwater depletion. Lack of trust in the District's proposed rate increases for infrastructure projects when my property is the victim of a District's realignment project. Premeditated District negligence in failing to design and install the proper realignment piping resulted in the decrease of my property value with the loss of an irrigation pond and fish which prior to the realignment worked for over forty years. District employees' repeatedly quoted Board policy that conveniently protected the realignment shortcut and failure of design without using common sense to realize that Board policy may not apply in this case. It is Board policy that the property owner is responsible for their water line connecting to the District's water supply, that is a good policy, but what if the District realigns the line or the line needs repair, but other Board policies don't allow property owners to access vaults or dig into canal berms to make repairs or to try to unclog lines. My pursuit up the District's supervisor's ladder ended without a return call. The District is complacent in considering my properties operational needs (and others) and I feel that they deem me as an acceptable loss of revenue. The District's cover letter states that for more than a century they have provided dependable water service to customers; I find this debatable and question the District's rate increase and their capability for repairing the proposed infrastructure. Setting water rates and passing the cost of a 55-million-dollar spillway repair to the consumers seems to far exceed the cost of providing water and normal increased maintenance expenses. This violates regulatory standards and consumer protection laws and may also be a Prop 218 violation – overcharging. I believe that it is also a Prop 218 violation to intentionally design complex complaint forms that are designed to stifle opposition. The average water consumer is not fluent in understanding California water rights and law and the laws that govern water monopolies.

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

The District could work to receive backing from the California Public Utilities Commission (CPUC) to verify that these rate increases are just and reasonable. The District could look for alternative forms of revenue to fund expensive realignment and infrastructure repair projects. For instance, the Army Corps of engineers can assist with dam repair through technical assistance, planning studies, and low-cost loans. The Corps Water Infrastructure Financing Program (CWIFP) may fund up to 80% of project costs for repairing or upgrading dams. The District should be accountable for mistakes and stop pushing Board policy without understanding the overall problem. There should be a public relations mediator, not an employee of NID, to review complaints, and monitor operations and perhaps build relations and trust between NID and water customers. I thought that was the job of the elected Board members, but I don't believe they are aware of the District's dealings and tactics once a project is approved. NID should promote irrigation/dipping ponds instead of

Bromm

5/6/2026

ADDITIONAL PAGES (OPTIONAL)
(Please number your responses)

This image shows a single page of blank, lined notebook paper. The paper is white and features approximately 20 horizontal blue lines spaced evenly apart. There are no margins, text, or other markings on the page.

Nevada Irrigation District
Proposition 218 WRITTEN OBJECTION FORM

RECEIVED
MAY 08 2026

REQUIREMENTS:

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PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print): [REDACTED] Bromm _____

Assessor's Parcel Number: [REDACTED] _____

Or

Property Address: _____

1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)

Prop 218 violation. Violations of regulatory standards and consumer protection laws. Human right to water act (AB 6850). Lack of innovation in finding alternative funding. Monopoly abuse antitrust violations –price hiking.

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

Water rates are unaffordable creating financial shock and there is a lack of alternatives offered for infrastructure repair and those costs are passed on to consumers. Setting water rates based upon a 55-million-dollar spillway repair far exceeds the cost of providing water and normal increased maintenance expenses. Regulatory standards violated due to this overcharging and consumer protection laws may apply. Also a Prop 218 violation. Prop 218 violation to intentionally design a complaint form designed to suppress opposition. Most water consumers are not knowledgeable in California water rights and law.

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

Contact the California Public Utilities Commission (CPUC) to verify that these rate increases are just and reasonable. Research alternative forms of revenue to fund the costly realignment and infrastructure projects. The District should redesign the complaint form - the Attorney General antitrust complaint form is easier to complete.

SIGNATURE

PRINT NAME

Bromm

DATE 5/7/2026

PLEASE MAIL THIS COMPLETED OBJECTION FORM TO THE DISTRICT AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945. TO BE CONSIDERED TIMELY, MAILED OBJECTIONS MUST BE RECEIVED (NOT POSTMARKED) BY 5 PM ON MAY 11, 2026. COMPLETED OBJECTION FORMS MAY ALSO BE HAND DELIVERED DURING BUSINESS HOURS AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945 BY 5:00 PM, MAY 11, 2026.

Nevada Irrigation District
Proposition 218 WRITTEN OBJECTION FORM

RECEIVED

MAY 08 2026

REQUIREMENTS:

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PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print): [REDACTED] Caulder

Assessor's Parcel Number: [REDACTED]

Or

Property Address: [REDACTED]

- 1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)**

The proposed rates violate Proposition 218 (California Constitution, Article XIII D, § 6) and Government Code § 53759.1 (AB 2257). Proposition 218 requires that any property-related fee or charge be supported by a cost-of-service study and that the notice to the property owners contain the written basis for the proposed rates. Once the 45-day notice period has begun, the District cannot materially alter the revenue requirement or the projects used to justify the rates without issuing a new study and providing fresh notice.

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

The March 25, 2026 Cost of Service Study (the written basis for the Prop 218 notices) included only a \$250,000 per year placeholder for Lake Wildwood Treatment Plant Upgrades and explicitly deferred the full project to 2031 "to limit impacts on the current rate study." In the April 2026 General Manager's Newsletter and recent public statements, the full Lake Wildwood upgrades (estimated \$21 million+) are now listed as one of the "three critical projects" driving the rate increase. This post-notice material change increases the revenue requirement imposed on my property. Additionally, the same study shows a zero-dollar explicit transfer from hydroelectric fund to the water fund, eliminating the historic direct subsidy to raw-water rates that was promised to the voters in 1962. These changes mean the rates being considered at the May 27th hearing are no longer supported by the cost-of-service analysis that was provided to me as a property owner.

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

Please see attached

SIGNATURE

PRINT NAME [REDACTED] Caulder

DATE 05 - 04 - 2026

PLEASE MAIL THIS COMPLETED OBJECTION FORM TO THE DISTRICT AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945. TO BE CONSIDERED TIMELY, MAILED OBJECTIONS MUST BE RECEIVED (NOT POSTMARKED) BY 5 PM ON MAY 11, 2026. COMPLETED OBJECTION FORMS MAY ALSO BE HAND DELIVERED DURING BUSINESS HOURS AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945 BY 5:00 PM, MAY 11, 2026.

Section 3 – How Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates.

Nevada Irrigation District can correct these violations by taking the following actions:

1. **Amend the proposed rates** to reflect only the projects and costs that were actually included in the March 25, 2026 Cost of Service Study (the written basis that was noticed to customers). This means removing the full Lake Wildwood treatment plant upgrades (estimated \$21 million+) from the revenue requirement, since that project was deliberately deferred to 2031 and only a \$250,000 per year placeholder was included in the study.
2. **Revise the 2026 Cost of Service Study** to restore a reasonable explicit transfer from the hydroelectric fund to the water fund, consistent with the District's historical practice and the public commitments made to voters in 1962 that hydro profits would directly offset raw water and irrigation rates.

Alternatively, the District should withdraw the current proposal entirely, prepare and notice a new Cost of Service Study that accurately reflects all projects now being cited as justification for the rate increase, and restart the entire Prop 218 noticing and protest process.

These amendments would bring the proposed rates into compliance with Proposition 218 by ensuring they are supported by the written basis that was actually provided to property owners.

RECEIVED
MAY 08 2026

**Nevada Irrigation District
Proposition 218 WRITTEN OBJECTION FORM**

REQUIREMENTS:

- (1) Each part of this Objection Form must be filled out completely. The Objection Form includes two (2) pages to fill out (not including the optional additional pages attached).
- (2) To Exhaust Administrative Remedies pursuant to Government Code section 53759.1, all Objections must be timely received by 5:00 PM on May 11, 2026.
FAILURE TO TIMELY SUBMIT A WRITTEN OBJECTION USING THIS FORM WILL PROHIBIT YOU FROM BRINGING A JUDICIAL ACTION OR PROCEEDING ALLEGING NONCOMPLIANCE WITH ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION FOR THESE PROPOSED WATER RATE CHANGES.
- (3) Generalized objections are insufficient. To satisfy the Exhaustion of Administrative Remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding.
- (4) Late-filed, noncompliant, or incomplete written Objections will not be considered as satisfying the Exhaustion of Administrative Remedies requirement.

PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print): [REDACTED] Caulder

Assessor's Parcel Number: [REDACTED]

Or
Property Address: [REDACTED]

1. **Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)**

The proposed rates violate Proposition 218 (California Constitution, Article XIII D, § 6) and Government Code § 53759.1 (AB 2257). Proposition 218 requires that any property-related fee or charge be supported by a cost-of-service study and that the notice to property owners contain the written basis for the proposed rates. Once the 45-day notice period has begun, the District cannot materially alter the revenue requirement or the projects used to justify the rates without issuing a new study and providing fresh notice. The District also has an obligation to provide accurate and timely information to the public during the protest period.

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

1. **Lake Wildwood Improvements Added After Rate Study** The March 25, 2026 Cost of Service Study (the written basis for the Prop 218 notices mailed to me) included only a \$250,000 per year placeholder for “Lake Wildwood Treatment Plant Upgrades” and explicitly deferred the full project to 2031 “to limit impacts on the current rate study.” However, the April 2026 General Manager’s Newsletter and recent public statements now identify the full Lake Wildwood upgrades (estimated \$21 million+) as one of the “three critical projects” driving the rate increase. This post-notice material change increases the revenue requirement imposed on my property.

2. **Incorrect Protest Form Date Posted on NID Website** The District posted the official Protest Form on its website on or about March 27, 2026 with the wrong hearing date (May 27, **2025** instead of 2026). I personally notified General Manager Jennifer Hanson of this error by text on April 2, 2026 at 3:17 p.m. — nearly seven days after the form had been posted publicly. GM Hanson acknowledged knowing about the error, but incorrectly stated that it had already be fixed. Later that day, the District corrected the form. This error occurred during the critical 45-day protest period and undermines the integrity of the notice process for all ratepayers, including me.

3. **Elimination of Historic Hydroelectric Subsidy** The same Cost of Service Study shows a **zero-dollar explicit transfer** from the hydroelectric fund to the water fund. This departs from the District’s long-standing practice and the explicit public commitments made to voters in 1962 (97% support) that hydroelectric profits would directly offset raw water rates. Historically, direct transfers have been as large as \$18 million with approximately \$8 million more recently. The current model eliminates the visible direct offset, increasing the revenue requirement imposed on my property.

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

Nevada Irrigation District can correct these violations by taking the following actions:

- **Amend the proposed rates** to remove the full Lake Wildwood treatment plant upgrades (estimated \$21 million+) from the revenue requirement, since that project was deliberately excluded from the March 25, 2026 Cost of Service Study.
- **Correct the written basis** by restoring a reasonable explicit transfer from the hydroelectric fund to the water fund, consistent with the District's historical practice and the 1962 public commitments to voters.
- **Issue a corrected notice** acknowledging the error with the Protest Form date and re-opening or extending the protest period if necessary to ensure all ratepayers had accurate information.

Alternatively, the District should withdraw the current proposal entirely, prepare and notice an updated Cost of Service Study that accurately reflects all projects now being cited, and restart the Prop 218 noticing and protest process.

These amendments would bring the proposed rates into compliance with Proposition 218 by ensuring they are supported by the written basis that was actually provided to property owners.

SIGNATURE



PRINT NAME

Caulder

DATE

05 - 07 - 2026

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RECEIVED
MAY 08 2026

**Nevada Irrigation District
Proposition 218 WRITTEN OBJECTION FORM**

REQUIREMENTS:

- (1) Each part of this Objection Form must be filled out completely. The Objection Form includes two (2) pages to fill out (not including the optional additional pages attached).
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FAILURE TO TIMELY SUBMIT A WRITTEN OBJECTION USING THIS FORM WILL PROHIBIT YOU FROM BRINGING A JUDICIAL ACTION OR PROCEEDING ALLEGING NONCOMPLIANCE WITH ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION FOR THESE PROPOSED WATER RATE CHANGES.
- (3) Generalized objections are insufficient. To satisfy the Exhaustion of Administrative Remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding.
- (4) Late-filed, noncompliant, or incomplete written Objections will not be considered as satisfying the Exhaustion of Administrative Remedies requirement.

PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print):

GALLINO

Assessor's Parcel Number:

Or

Property Address:

1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)

PROP 218 STATE ALL CUSTOMERS SHALL
RECEIVE NOTICE OF WATER RATE INCREASE
NOT ALL CUSTOMERS HAVE RECEIVED SUCH NOTICE

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

MAKE SURE ALL CUSTOMERS DO RECEIVE SUCH NOTICE

SIGNATURE

PRINT NAME

GALLINO

DATE

MAY 8, 2026

PLEASE MAIL THIS COMPLETED OBJECTION FORM TO THE DISTRICT AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945. TO BE CONSIDERED TIMELY, MAILED OBJECTIONS MUST BE RECEIVED (NOT POSTMARKED) BY 5 PM ON MAY 11, 2026. COMPLETED OBJECTION FORMS MAY ALSO BE HAND DELIVERED DURING BUSINESS HOURS AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945 BY 5:00 PM, MAY 11, 2026.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Taylor

RECEIVED
MAY 08 2026

April 25, 2026

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

Re: WRITTEN PROTEST – Proposed Water Rate Increase Under Proposition 218

Dear Members of the Nevada Irrigation District Board of Directors,

We, [REDACTED] Taylor, are property owners and/or water customer of record of the Nevada Irrigation District (NID), receiving water service at the following address:

Service address:
[REDACTED]

Pursuant to California Constitution Article XIII D, Section 6 (Proposition 218), I hereby submit this written protest against the proposed water rate increases to be considered at the public hearing scheduled for May 27, 2026.

GROUND FOR PROTEST

1. The Proposed Increases Are Excessive and Lack Defined Sunset Provisions

The proposed rate schedule phases in annual increases totaling approximately 85% over five years. While NID cites capital project costs — including the \$55 million Scotts Flat Spillway Replacement Project — as the primary driver, the proposed rate structure contains **no automatic sunset provision, no rate rollback mechanism, and no binding commitment to reduce rates upon project completion.** This means that once these rates are set, they will remain in effect indefinitely unless the Board affirmatively votes to reduce them, which utility boards rarely do.

Ratepayers deserve rates that are directly and proportionally tied to actual, ongoing costs. A project-driven rate increase should be structured to expire or reduce when the project debt is retired or when grant funding offsets costs — not become a permanent floor.

2. The Increases Are Not Proportional to the Cost of Service

Under Proposition 218, water rates may only be increased to cover the actual cost of providing service and may not exceed the proportional cost of the service attributable to each parcel. An 85% cumulative increase over five years, combined with the elimination of the existing irrigation discount, disproportionately burdens irrigation customers and is not demonstrably tied to an 85% increase in the cost of providing service to my parcel.

3. The Board Should Condition Implementation on Annual Review and Funding Offsets

NID's own FAQ acknowledges that if additional state or federal funding is obtained, the Board may opt not to impose a previously approved annual rate increase or to reduce it. However, this is left entirely to Board discretion with no enforceable commitment. I request that any rate schedule approved include a formal, binding annual review process with publicly stated criteria — such as grant funding received, project cost savings, and reserve fund status — that would trigger automatic rate reductions.

4. Personal and Financial Impact

The rising cost of electricity, natural gas, gas prices, groceries, insurance, and property taxes already squeezing California households

- That an 85% water rate hike doesn't exist in a vacuum — it stacks on top of all of that
- That for fixed or limited-income households and small agricultural operations, there's no cushion left
- A direct Prop 218 argument that a rate ignoring cumulative economic reality is neither fair nor equitable

REQUESTS

For the reasons stated above, I respectfully request that the Board:

1. Deny the proposed rate increases as currently structured;
2. Return with a revised rate proposal that includes binding sunset provisions tied to project completion and debt retirement;
3. Commit to applying any state or federal grants or cost savings as mandatory rate offsets — not discretionary ones;
4. Conduct a transparent, annual public cost-of-service review before implementing each successive year's rate increase; and
5. Provide ratepayers with a clear, published projection of when rates would be expected to stabilize or decrease.

This written protest is submitted in accordance with the requirements of Proposition 218. I respectfully request that it be counted as a formal objection in the public record.

Sincerely,

[REDACTED]
[REDACTED]
[REDACTED] Taylor

4/25/2026
[REDACTED]

Account # [REDACTED]

RECEIVED
MAY 11 2026

**Nevada Irrigation District
Proposition 218 WRITTEN OBJECTION FORM**

REQUIREMENTS:

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FAILURE TO TIMELY SUBMIT A WRITTEN OBJECTION USING THIS FORM WILL PROHIBIT YOU FROM BRINGING A JUDICIAL ACTION OR PROCEEDING ALLEGING NONCOMPLIANCE WITH ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION FOR THESE PROPOSED WATER RATE CHANGES.
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PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print): [REDACTED] Dodson

Assessor's Parcel Number: _____

Or

Property Address: [REDACTED]

1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)

Human right to water act (AB 6850). Water Rights Law – usufructuary right – “Use it or Lose it.” California Water Rights Law – ground water depletion. Neglect of infrastructure redesign. Lack of innovation in finding alternative funding. Antitrust violations – monopoly abuse by price hiking. X-inefficiency. Negligence and Nuisance. Prop 218 violation. Violations of regulatory standards and consumer protection laws.

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

Rates making water unaffordable and creating financial shock "rate shock" with lack of alternatives offered for projected costs of infrastructure repair other than passing on those costs to consumers. Currently pay District (NID) water rates for fear of forfeiting the right to water access – the "use it or lose it" clause. For the last 2 years I have paid for water not received and now asked to pay more for that water. There is a pipe blockage in the berm which I am not allowed to "mess with." This has occurred previously, and I had to go at least 1 year without water then too. This has resulted in the decrease of my property value with the loss of an irrigation pond and fish which prior to the realignment worked for many years

Higher rates make groundwater pumping more economical, which could lead to groundwater depletion. District employees' repeatedly quoted Board policy that conveniently protected the realignment shortcut and failure of design without using common sense to realize that Board policy may not apply in this case. It is Board policy that the property owner is responsible for their water line connecting to the district's water supply, that is a good policy, but what if the District realigns the line or the line needs repair, but other Board policies don't allow property owners to access vaults or dig into canal berms to make repairs or to try to unclog lines. The District's cover letter states that for more than a century they have provided dependable water service to customers; I find this debatable and question the District's rate increase and their capability for repairing the proposed infrastructure. Setting water rates and passing the cost of a 55-million-dollar spillway repair to the consumers seems to far exceed the cost of providing water and normal increased maintenance expenses. This violates regulatory standards and consumer protection laws and may also be a Prop 218 violation – overcharging. I believe that it is also a Prop 218 violation to intentionally design complex complaint forms that are designed to stifle opposition. The average water consumer is not fluent in understanding California water rights and law and the laws that govern water monopolies.

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

The District could work to receive backing from the California Public Utilities Commission (CPUC) to verify that these rate increases are just and reasonable. The District could look for alternative forms of revenue to fund expensive realignment and infrastructure repair projects. For instance, the Army Corps of engineers can assist with dam repair through technical assistance, planning studies, and low-cost loans. The Corps Water Infrastructure Financing Program (CWIFP) may fund up to 80% of project costs for repairing or upgrading dams. The District should be accountable for mistakes and stop pushing Board policy without understanding the overall problem. There should be a public relations mediator, not an employee of NID, to review complaints, and monitor operations and perhaps build relations and trust between NID and water customers. I thought that was the job of the elected Board members, but I don't believe they are aware of the District's dealings and tactics once a project is approved. NID should promote irrigation/dipping ponds instead of causing them to fail. The District should supply a more user-friendly complaint form. The Attorney General antitrust complaint form is easier to understand and complete.

Dodson

DATE 5/10/2026

PLEASE MAIL THIS COMPLETED OBJECTION FORM TO THE DISTRICT AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945. TO BE CONSIDERED TIMELY, MAILED OBJECTIONS MUST BE RECEIVED (NOT POSTMARKED) BY 5 PM ON MAY 11, 2026. COMPLETED OBJECTION FORMS MAY ALSO BE HAND DELIVERED DURING BUSINESS HOURS AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945 BY 5:00 PM, MAY 11, 2026.

ADDITIONAL PAGES (OPTIONAL)
(Please number your responses)

[illegible]

RECEIVED
MAY 11 2026

Nevada Irrigation District
Proposition 218 WRITTEN OBJECTION FORM

REQUIREMENTS:

- (1) Each part of this Objection Form must be filled out completely. The Objection Form includes two (2) pages to fill out (not including the optional additional pages attached).
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FAILURE TO TIMELY SUBMIT A WRITTEN OBJECTION USING THIS FORM WILL PROHIBIT YOU FROM BRINGING A JUDICIAL ACTION OR PROCEEDING ALLEGING NONCOMPLIANCE WITH ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION FOR THESE PROPOSED WATER RATE CHANGES.
- (3) Generalized objections are insufficient. To satisfy the Exhaustion of Administrative Remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding.
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PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print):

[REDACTED]

FRESAS

Assessor's Parcel Number:

Or

Property Address:

[REDACTED]

1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)

UNDER PROPOSITION 218, WATER RATE MUST BE PROPORTIONAL TO THE COST OF SERVICE FOR EACH CUSTOMER. NOT BASED ON GENERAL SYSTEM NEEDS.

Proposition 278 WRITTEN OBJECTION FORM

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

SIGNATURE

PRINT NAME

FRESCAS

DATE

MAY 11, 2026

PLEASE MAIL THIS COMPLETED OBJECTION FORM TO THE DISTRICT AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945. TO BE CONSIDERED TIMELY, MAILED OBJECTIONS MUST BE RECEIVED (NOT POSTMARKED) BY 5 PM ON MAY 11, 2026. COMPLETED OBJECTION FORMS MAY ALSO BE HAND DELIVERED DURING BUSINESS HOURS AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945 BY 5:00 PM, MAY 11, 2026.

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**Nevada Irrigation District
Proposition 218 WRITTEN OBJECTION FORM**

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PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print): Greenpeace Water Association

Assessor's Parcel Number: See attached Member's Parcel #'s and Addresses
Or

Property Address: 10 Addresses [REDACTED]

1. **Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)**

The proposed water rates violate Article XIII D, Section 6 of the California Constitution (Proposition 218), which requires that revenues derived from property-related fees not exceed the funds required to provide the property-related service, that fees imposed on any parcel not exceed the proportional cost of service attributable to that parcel, and that revenues not be used for purposes unrelated to the service for which the fee is imposed. The 2026 Cost of Service Study indicates that the proposed rates are designed to fund operating and capital needs, including substantial infrastructure and capital improvement costs, rather than strictly reflect proportional cost of service attributable to individual parcels or customer classes. The study also permits allocation methodologies influenced by policy considerations and revenue objectives, which may conflict with Proposition 218's proportionality and cost-causation requirements. Accordingly, the proposed rates appear to prioritize revenue generation and system-wide funding objectives over parcel-specific proportional cost of service, in violation of Article XIII D, Section 6 of the California Constitution.

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

The Association and its members have invested substantial private funds into water infrastructure that supports water delivery to multiple parcels and reduces demand on District-funded infrastructure. Despite these private investments and reduced system burden, the proposed rate structure appears to treat Association-served properties similarly to parcels that rely more heavily on District-funded infrastructure and capacity.

The proposed rates do not adequately account for the actual level of service used by Association members, the privately funded infrastructure already in place, or the reduced proportional burden placed on the District's system by these properties. Instead, the rates appear to allocate costs broadly based on system-wide revenue and infrastructure objectives rather than measurable parcel-level demand, usage, or benefit received.

In addition, substantial capital project costs are proposed to be recovered from current ratepayers without sufficient demonstration that those projects provide a direct and proportional benefit to Association-served parcels. The removal or reduction of usage-based pricing mechanisms further disconnects charges from actual cost causation and proportional service usage.

As a result, the proposed rates exceed the proportional cost of service attributable to Association members and therefore violate Article XIII D, Section 6 of the California Constitution (Proposition 218).

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

To comply with Article XIII D, Section 6 of the California Constitution (Proposition 218), the District should revise both the proposed rates and the 2026 Cost of Service Study to ensure that all charges are based on the proportional cost of providing service to each parcel or customer class.

This includes accounting for privately funded infrastructure that reduces demand on District facilities, aligning cost allocation methodologies with actual usage and measurable benefit received, and providing clear justification for all fixed, capacity, administrative, and capital-related charges imposed on Association-served parcels.

The District should also ensure that capital project costs are allocated only to customers receiving a direct and proportional benefit from those projects and maintain a meaningful connection between actual water usage and rate responsibility so that customers are not charged for unused theoretical capacity or infrastructure costs unrelated to the level of service attributable to their properties. Without these revisions and supporting evidence demonstrating proportionality and cost causation, the proposed rates and the underlying Cost of Service Study do not comply with Proposition 218.

SIGNATURE

Daniel Tackett

PRINT NAME Greenpeace Water Association - *Daniel Tackett, President*

DATE May 10, 2026

PLEASE MAIL THIS COMPLETED OBJECTION FORM TO THE DISTRICT AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945. TO BE CONSIDERED TIMELY, MAILED OBJECTIONS MUST BE RECEIVED (NOT POSTMARKED) BY 5 PM ON MAY 11, 2026. COMPLETED OBJECTION FORMS MAY ALSO BE HAND DELIVERED DURING BUSINESS HOURS AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945 BY 5:00 PM, MAY 11, 2026.

**Greenpeace Water Association
Member List for 2026**

<u>Name</u>	<u>Phone</u>	<u>Parcel #</u>
[REDACTED] Arneson [REDACTED]	[REDACTED]	[REDACTED]
[REDACTED] Tackett & [REDACTED] Bennitt [REDACTED]		
[REDACTED] Borowitz [REDACTED]		
[REDACTED] Kolb [REDACTED]		
Vacant [REDACTED]		
[REDACTED] Wagner [REDACTED] 14100 Golden Meadows Lane		
[REDACTED] Marshall [REDACTED]		
[REDACTED] Hirst [REDACTED]		
[REDACTED] Rochard and [REDACTED] Birch [REDACTED]		
[REDACTED] & [REDACTED] Patton [REDACTED]		

Nevada Irrigation District
Proposition 218 WRITTEN OBJECTION FORM

RECEIVED
MAY 11 2026
NEVADA IRRIGATION DISTRICT

REQUIREMENTS:

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PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print):

Assessor's Parcel Number:

Or

Property Address:

1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)

*See Code 517212 et seq. Proposition
20218: Art XIII of California Government
Code §§ 53751 et seq and 53759 et seq.
- PRICE gouging*

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

The proposed increases are unnecessary. They impose a burden on the property owner and constitute an undue burden on the public utility.

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

The administrative costs of the district are \$22,000. The district has a total of 24,000 acres. The total cost of the district is \$24,000. The district has a total of 24,000 acres. The total cost of the district is \$24,000. The district has a total of 24,000 acres. The total cost of the district is \$24,000.

SIGNATURE

PRINT NAME

DATE

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ADDITIONAL PAGES (OPTIONAL)
(Please number your responses)

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

RECEIVED
MAY 11 2026

Nevada Irrigation District
Proposition 218 WRITTEN OBJECTION FORM

REQUIREMENTS:

- (1) Each part of this Objection Form must be filled out completely. The Objection Form includes two (2) pages to fill out (not including the optional additional pages attached).
- (2) To Exhaust Administrative Remedies pursuant to Government Code section 53759.1, all Objections must be timely received by 5:00 PM on May 11, 2026.
FAILURE TO TIMELY SUBMIT A WRITTEN OBJECTION USING THIS FORM WILL PROHIBIT YOU FROM BRINGING A JUDICIAL ACTION OR PROCEEDING ALLEGING NONCOMPLIANCE WITH ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION FOR THESE PROPOSED WATER RATE CHANGES.
- (3) Generalized objections are insufficient. To satisfy the Exhaustion of Administrative Remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding.
- (4) Late-filed, noncompliant, or incomplete written Objections will not be considered as satisfying the Exhaustion of Administrative Remedies requirement.

PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print): [REDACTED] Kolb

Assessor's Parcel Number: _____

Or

Property Address: [REDACTED]

1. **Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)**

The proposed water rates violate Article XIII D, Section 6 of the California Constitution (Proposition 218), which requires that revenues derived from property-related fees not exceed the funds required to provide the property-related service, that fees imposed on any parcel not exceed the proportional cost of service attributable to that parcel, and that revenues not be used for purposes unrelated to the service for which the fee is imposed.

The 2026 Cost of Service Study states that the proposed rates are designed to fund operating and capital needs, including approximately \$139 million in capital projects, rather than strictly reflect proportional cost of service. The study also permits allocation methodologies influenced by policy considerations and rate design objectives, which may conflict with Proposition 218's proportionality and cost-causation requirements.

Accordingly, the proposed rates appear to be structured to achieve revenue stability and broader policy objectives rather than ensure each customer pays no more than the proportional cost of providing service to that parcel, as required under Article XIII D, Section 6 of the California Constitution.

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

The proposed rates violate Proposition 218 because they do not reflect the proportional cost of service attributable to my parcel. My property has invested in private water infrastructure that reduces demand on the District's system and supports service to approximately ten additional parcels, yet the proposed rate structure appears to assume uniform system demand and charges based on maximum theoretical capacity rather than actual usage and proportional benefit.

As a result, my property is being charged for system capacity and infrastructure costs that are not proportional to the level of service actually used by or attributable to my parcel. The removal of tiered pricing and implementation of broad uniform increases further disconnect the rates from cost causation and actual water usage.

In addition, substantial capital project costs are being allocated to current ratepayers without sufficient demonstration that those projects provide a proportional and direct benefit to my property. Accordingly, the proposed rates exceed the proportional cost of service attributable to my parcel and therefore violate Article XIII D, Section 6 of the California Constitution (Proposition 218)

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

To comply with Article XIII D, Section 6 of the California Constitution (Proposition 218), the District should revise both the proposed rates and the 2026 Cost of Service Study to ensure that all charges are based on the proportional cost of providing water service to each parcel or customer class.

This includes aligning cost allocation methodologies with actual demand, usage, and measurable benefit received; providing clear parcel-level or customer-class justification for all fixed and variable charges; limiting recovery of capital project costs to those that provide a direct and proportional benefit to current ratepayers; and removing or reducing unsupported fixed, capacity, and administrative charges that are not adequately tied to the actual cost of service.

The District should also maintain a meaningful connection between water usage and rate responsibility so that customers are not charged for unused theoretical capacity or infrastructure costs unrelated to the service attributable to their parcel.

Without these revisions and supporting evidence demonstrating proportionality and cost causation, the proposed rates and the underlying Cost of Service Study do not comply with Proposition 218.

SIGNATURE _____

PRINT NAME _____ Kolb _____

DATE May 10, 2026

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PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print):

Kraywinkel

Assessor's Parcel Number:

Or

Property Address:

1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as

Part 1 & 2) My specific objection relates to me, a senior citizen and my family living on a limited budget.

The increase of cost of living is hitting our budget from every angle: cost of food, cost of gasoline, every organization possible including PG&E, Waste Management, insurance, etc. Your future proposed increases are really pushing us beyond what our budget can handle.

You propose an 80% increase over 5 years equaling a 10% compounded yearly for 5 years in a row. The average cost of living increase in the U.S. is approx. 2-3%/year. Your proposed 10% compounded yearly for 5 years in a row is **way out of line**, particularly for a needed essential element like water that humans can't do without for very long. Right now my water bill, on a low average month is \$70. After 5 years, with your proposal, my water bill will be \$126, and the summer months can more than double with only minimal watering.

(PART 1 of 2 CONTINUED)

I'm not a lawyer, but I believe I could find one to find some statute or constitutional provision and cases that are violated for seniors that have financial hardship and will be affected by an additional \$56.00/month=\$672.00/year. That means my low average water bill will go from \$840+\$672 = \$1512. And again, during the hot weather, June-Oct, the bill can easily double on average. This would mean around \$2140/year. Right now I pay around \$1190/year for water. That's enough to put a strain on many people's budget let alone senior citizens on a limited/shrinking budget.

If I were to go ahead with a judicial action or proceeding, I would find a lawyer that has experience in pursuing class action suites and gather all citizens who's personal budget would be affected and cause undue hardship.

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

For Part 3) A couple of suggestions. You increase your cost to supply water at closer to the average increase cost of living in the U.S. (a Fair Plan) not 12.5% compounded like you're trying to do.

Also a note: PG&E has the Care Discount Program. There discount % is around 32%. Waste Managements discount is about 50%, they pick up less waste. I just recently found out you have a discount program but the maximum you give is \$9.50/month. At \$70/month charge that amounts to under 14%/month. That's not in the ballpark with the other utility companies. You could increase your discount to closer to 30% which would be fair for anyone but particularly seniors.

SIGNATURE

[REDACTED]

Kraywinkel

PRINT NAME

[REDACTED]

Kraywinkel

DATE

5/11/2026

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PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print): [REDACTED] Luchaco

Assessor's Parcel Number: _____

Or

Property Address: [REDACTED]

1. **Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)**

The proposed water rates violate Article XIII D, Section 6 of the California Constitution (Proposition 218), which requires that revenues derived from property-related fees not exceed the funds required to provide the property-related service, that fees imposed on any parcel not exceed the proportional cost of service attributable to that parcel, and that revenues not be used for purposes unrelated to the service for which the fee is imposed. The 2026 Cost of Service Study states that the proposed rates are designed to fund operating and capital needs, including substantial infrastructure and capital improvement projects. However, the study does not clearly demonstrate that the proposed charges are proportional to the actual cost of providing water service to individual residential customers based on actual usage and benefit received. In addition, the proposed rate structure increases fixed charges and reduces the connection between actual water usage and rate responsibility, which may conflict with Proposition 218's proportionality and cost-causation requirements. Accordingly, the proposed rates appear to prioritize revenue generation and long-term infrastructure funding objectives over proportional cost of service attributable to individual residential parcels, in violation of Article XIII D, Section 6 of the California Constitution.

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

My property is a metered residential parcel that uses water primarily for normal household purposes, including drinking, cooking, sanitation, and basic residential use. My household uses water conservatively and does not place unusual demand on the District's system.

Despite this, the proposed rate structure significantly increases fixed and administrative charges that are not directly tied to actual water usage. As a result, a larger portion of the bill is based on mandatory fixed costs rather than the amount of water actually consumed. This reduces the connection between usage and cost responsibility and causes low- and moderate-use residential customers to bear costs that may not be proportional to the actual service attributable to their parcel.

In addition, substantial capital project and infrastructure costs are being allocated to current residential ratepayers without sufficient demonstration that those projects provide a direct and proportional benefit to my property. For customers on fixed incomes and limited household budgets, these increases create a significant financial burden while providing no demonstrated increase in the level of service received.

Accordingly, the proposed rates exceed the proportional cost of service attributable to my parcel and therefore violate Article XIII D, Section 6 of the California Constitution (Proposition 218).

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

To comply with Article XIII D, Section 6 of the California Constitution (Proposition 218), the District should revise both the proposed rates and the 2026 Cost of Service Study to ensure that residential customers are charged based on the proportional cost of providing actual water service to their parcel.

This includes maintaining a meaningful connection between water usage and rate responsibility, reducing reliance on unsupported fixed and administrative charges, and providing clear justification for all capital, infrastructure, and operational costs allocated to residential customers.

The District should also demonstrate how proposed capital projects directly and proportionally benefit residential ratepayers and ensure that customers who use less water are not charged disproportionately through excessive fixed charges unrelated to actual consumption.

Without these revisions and supporting evidence demonstrating proportionality and cost causation, the proposed rates and the underlying Cost of Service Study do not comply with Proposition 218.

SIGNATURE _____

PRINT NAME _____

Luchaco

DATE May 10, 2026

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PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print): [REDACTED] McNeill • NID Account No. [REDACTED]

Assessor's Parcel Number: [REDACTED]

Or

Property Address: _____

(See attached letter re: "all those similarly situated and as a class")

1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)

See attached letter at #1.

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

See attached letter at #2

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

See attached letter at #3.

SIGNATURE

PRINT NAME

McNeill

DATE May 11, 2026 --- hand delivered before 5:00 pm.

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McNeillLawOffices
CIVIL LITIGATION & APPEALS

May 11, 2025

Nevada Irrigation District
1036 W. Main Street
Grass Valley, CA 95945
hand delivered before 5:00 pm

Attachment To Proposition 218 WRITTEN OBJECTION FORM

**OBJECTION submitted both for [REDACTED] McNeill individually
and for all those similarly situated and as a class.**

To the Nevada Irrigation District and its Board of Directors:

Though I am an attorney I happen to be a water rate payer individually aggrieved by the proposed water rate increases, and I submit my objection on those grounds. At the same time it should be clear that the gross deficiencies in both this process and the improper rate increases are systemic and invalidate this rate hike proposal entirely for thousands of rate payers who would be illegally overcharged. In that respect you should take notice that the systemic and methodological deficiencies in the proposed rates also impact "all those similarly situated and as a class." If it becomes necessary to seek legal remedies at a later date you will have been given fair warning that the broad class of rate payers damaged by these illegal rates have satisfied any predicate notice to you before seeking their remedies, if any such notice is required.

#1 & #2: Legal deficiencies in this process and substantively in the proposed rates, impacting me individually and also systemically as to the broad class of rate payers. (Listed in the order encountered, not necessarily in order of importance which is otherwise noted.)

A. Violation of Gov. Code §53759.1. To begin with, the officious demands of NID that "Objections" be submitted only on the NID form, followed by instructions that require recitation of legal authorities ("specific

reference to statutes, rules, constitutional provisions, regulations and/or cases") and "exact issues" of any future litigation, along with descriptions of how NID should fix the violations it has caused (a policy matter apart from the legal violations) , on threat of invalidation of the Objection submitted, are not requirements of Gov. Code §53759.1. The only requirement of the statute is a "written objection to that fee or assessment that specifies the grounds for alleging noncompliance" with "Section 4 or 6 Article XIII D of the California Constitution." No more no less.

The actual statutory requirement is simple, so as to allow objections from lay people and ordinary rate payers. Not every rate payer is an attorney, and I will give you more legal references than other objectors, but the mandatory requirements you are foisting on all of your rate payers who might consider objecting to the rate increase is clearly designed to dissuade participation and chill any attempt at descent. The harm to me as a rate payer is that I am deprived of the broad participation of the rest of your community of customers/rate payers who I know are alarmed and would like to express their opposition. I have used your form only because it is the gateway to make you aware the legal violations of this rate proposal and your process itself; this submission is not an admission or waiver on my part. NIDs' blatant deviation from the simple requirements of the statute, layering on extra requirements that intimidate and chill participation by your customers at large is itself a legal violation and an abuse of discretion that invalidates your process entirely.

B. Gov. Code §53759.1 and §53759.2 are unconstitutional and unenforceable. These two statutes, purportedly creating a mechanism for "exhaustion of administrative remedies," are relatively new (in effect barely over a year), were crafted by the lobby for California's water agencies (ACWA), designed to block challenges to the tidal wave of rate increases by water agencies across the state, and have never been tested in court. They are unconstitutional and unenforceable on several grounds.

(1) Violation of the letter and intent of Prop 218. Article XIII D §6(a) could not be more explicit. It is titled "Procedures for New or Increased Fees and

Charges." It then details the procedures to be followed. These are the already familiar procedures of written notice to the parcel owners potentially subject to the new or amended fee or rate, and a public hearing 45 days in the future that allows for counting and consideration of Protests, with the possibility that the process may be terminated if Protests are filed by a majority of the identified parcels. That is all, and that is enough. The plain language of Prop 218 defines the procedure. This constitutional procedure cannot be amended by statute.

It is not an accident that Gov. Code §53759.1 and §53759.2 are outside of Article 4.6.5, the Proposition 218 Omnibus Implementation Act -- these statutes attempt to modify rather than implement Prop 218. The creation and insertion of a purported administrative remedy in between the standard Notice and the Protest hearing is a substantive change, with dire consequences. Failure to file an Objection terminates the legal rights of the rate payer even before the agency (NID) has actually decided whether or not it will increase the rates. And the demands for demonstration of legal issues and support for Objections (put on full display here by NID), puts rate payers in the impossible position of attempting to assemble all of the evidence and legal issues to compile a "record" for a trial within a period of 45 days, *just in case there is less than a majority protest and just in case the agency goes ahead and increases the rates.*

These statutes would attempt to impose impossible quasi-adjudicatory standards on a process that the Constitutional procedure doesn't allow or accommodate. The CA Supreme Court addressed this in *Plantier v. Ramona Municipal Water District* (2019) 7 Cal. 5th 372, where it ruled not only that the Protest process is not an "administrative remedy" but that the hearing which occurs "will generally be a poor forum for evaluation of an established method for allocating fees," (id. at p. 386) and that the function of the hearing is to "give a majority of fee payors the chance to veto a rate increase and ensure the decision makers are aware of public opposition." (id. at p. 388.) But in this context the supposed administrative remedy of §§53759.1 and §53759 attempts to set up the Board as an adjudicator of an Objection, while the objectors (like me and all others opposed to the rate

increase) have no opportunity to respond to staff responses, submit testimony or evidence, or question witness and argue the matter in a forum that allows due process is this supposed to be a quasi-adjudicatory resolution of the Objections.

A further complication is that the alleged finality of the Objection process which excludes challenges on issues not raised or by parties that didn't object, is in direct conflict with the existing litigation procedure prescribed for challenges to water rates as set forth in Gov. Code §537759. That statute, effective in 2022, requires that all such challenges to a charge for water service be brought by a validation proceeding under §860 of the Code of Civil Procedure within 120 days of the effective date of the final passage of the rate increase. Section 860(d) also requires that the Notice of the Protest Hearing include a statement that there is a 120 day statute of limitations for a legal challenge; a statement you will find at the very end of NID's Notice. However, a validation proceeding under CCP §860 et seq. is an action *in rem* that requires a published summons, and explicitly allows "any party interested" to join the action, without qualification as to participation in any part of the antecedent process of adoption of the rates. This direct conflict, much less the constitutional conflict described above, is irreconcilable, and this "Objection" process pretending to be an administrative remedy cannot be enforced.

C. The March 25, 2026 Cost of Service Study is tainted by fraud, does not serve as a basis for adoption of new rates, and on the facts now admitted by NID must be recalculated to account for the inclusion of the Lake Wildwood treated water remedy.

See the attached copy of Table 4 from the March 25, 2026 Cost of Service Study. It shows that programmed capital improvement costs for the Lake Wildwood Treatment Plant Upgrades were pushed to years 2032 (\$13,619,894) and 2033 (\$13,685,691), total of \$27,305,585, beyond the 5 year coverage of the rate increases, to -- in the words of your Director of Engineering -- "limit impacts on the current rate study." See attached copy of the Staff Report for the Board meeting of April 8, 2026 for a workshop

discussion of imminent action needed on the Lake Wildwood water treatment situation; also Minutes of that meeting; and a map in the materials for that meeting showing the stretch of Rough & Ready Hwy that would be the course of a new pipeline.

As you already know, the most recent assessment of alternatives shows that the option of extending a pipeline for treated water from the E. George Treatment Plant to the connection at the Lake Wildwood system has turned out to be more advantageous than replacing the failing stand-alone treatment facility at Wildwood, and an upcoming Nevada County road repaving project on Rough & Ready Hwy could allow the district to save as much as \$2 million by working in tandem to lay the pipeline when the ground is exposed and save NID extensive repaving costs. This has to be explored and set up right away to take advantage of the savings opportunity. I agree wholeheartedly with the pragmatic approach to saving \$2 million for the District. I object to the fraudulent manipulation of the Cost of Service Study to push expenses for the Wildwood treated water problem out of the study's range to avoid addressing the costs that NID realistically knew were imminent due to circumstances already known. I further object to what will happen under the NID methodology of homogenized rate setting, which will inject that of \$27,305,585 capital cost into the treated water rates that I will pay, and all other treated water rate payers would pay through NID.

At minimum, the current Cost of Service Study has to be reconfigured to account for this huge capital expenditure that previously was fraudulently kept "off the books" of the 5 year rate increase. The rate setting should be re-done right away. Further suggestions below.

D. The NID methodology of setting uniform water rates all across a vast and diverse service territory results in rates that are not proportional to the cost of service for my parcel or to other parcels throughout the District, in violation of Art. XIII D §6(b)(3).

Among water/irrigation districts in California, NID is among the largest in

size (287,00 acres), and one of the most diverse in respect to variety of reservoirs, conveyance facilities, and the mixture of rural, urban, and agricultural water customers. The cost of service for an NID customer to receive water at one location in the District will vary distinctly from the cost at a different location in the NID territory. But your rates are set as though there is only one average customer present everywhere in the District, with only slight variances for quantity of water consumed, etc. The uniform price NID charges is promoted as "fair" because every parcel owner pays the same rate. In reality, the uniform price disproportionately charges many parcel owners too much, and some parcel owners pay disproportionately pay too little - in effect a subsidy from those who overpay. Prop 218, particularly Art. XIII D §6(b)(3) requiring proportionality between the cost of service and the rate charged was intended to prevent this sort of disparity.

The method to account for disproportionate cost of service differences is to adjust your rates to the costs prevailing in the different systems and zones in the district. This is not a new concept to NID because you deliberately studied it in 2020 and on March 11 officially received a report (from the same consultant you have for the 2026 study) advising you in detail how zone based rates could be applied. See "Nevada Irrigation District Cost of Service Study" February 2020, Bartle Wells Associates. Unfortunately the NID Board appears to have backed away from zone rate making, for reasons I can't discern from public information. I can only speculate that the Board was uncomfortable with adjusting rates to zone costs because of public or political discomfort that might cause in bring the rates into equitable alignment. Nonetheless Prop 218 requires the cure.

Attached is a page and table from the 2020 study labeled "Cost of Service by Water System & Zone." In the top portion dealing with treated water systems, as an example, you see costs for the "E. George" system and the "Lake of the Pines" system. In the NID website the pages on these two treatment plants show the number of connections served for each TP and other relevant information. While E. George (which serves my parcel) has the largest cost it has by far the largest service (6,342 connections), and is the most efficient of the TPs at \$624.61 per connection. That is a

comparison to Lake of the Pines which costs \$751.40 per connection. the difference in cost is significant; it impacts me as a rate payer because when rates are blended I am subsidizing other services; and the scope is significant because the E. George plant serves a population of over 18,000 people. ... The same kinds of disparities can be found in rates as they are applied elsewhere in the NID, including raw water and the short list of rates that you manage.

Further attached for your consideration are: (•) a map from the LAFCO sphere of influence study and review, showing the locations of treated water service areas in NID. (•) Another map comes from the Urban Water Management Plan with more definitive boundaries of the treated water service areas. Each of these 6 areas is an individual public water system under state regulation, with testing and other regulatory requirements. Even though NID takes care of reporting requirements these are legally differentiated communities (two are cities) which should have rates assigned to their zones. (•) And the last item is a flow schematic map of the NID system done by your consultant in 2020; the complexity is impressive, but it reflects the analysis already at your disposal to apply zone based rates.

Circling back to the imminent costs of over \$27 million to address the treatment of water for Lake Wildwood. This is an independent and distinct community almost the size of a small city, which should be brought into zone rate making along with the rest of the District. From my personal stake as a parcel owner, I would be prejudiced if either the E. George zone or the District at large blended that cost into the cost of service for my parcel. In the same fashion, other rate payers who do not deserve to absorb the burden of replacing the water treatment system for Lake Wildwood have the same issue, and would be disproportionately adversely affected in their rates if this cost is blended in.

#3. What NID should do.

The foregoing have essentially addressed what I have suggested should be

done. To summarize: Halt the existing process and call off the May 27 public hearing. Revise the Cost of Service Study to (1) include and account for the impending costs of the Lake Wildwood water treatment solution, and (2) make it a system and zone cost of service study with full follow through with fair calculated rates cross the different zones of the District. After outreach and explanation to the public, reset your Prop 218 Protest hearing, and I recommend leaving out the "Objections" component --which I don't believe serves you well.

Thank you for your consideration of the above.

Very truly yours,

MCNEILL LAW OFFICES



WALT MCNEILL

Staff Report

TO: Board of Directors

FROM: Gabe Aronow, P.E. Director of Engineering

DATE: April 8, 2026

SUBJECT: Workshop – Elizabeth George to Lake Wildwood Pipeline Project

ENGINEERING

RECOMMENDATION:

Participate in a workshop discussion on the Elizabeth George to Lake Wildwood Pipeline Project (EGLAWIWO or BEP) and provide direction.

BACKGROUND:

The existing Lake Wildwood Water treatment plant, serving the Lake Wildwood and Penn Valley communities, is at the end of its useful life and needs to be replaced. In 2019, the Board of Directors directed staff to develop pipeline alternatives to deliver treated water from the Elizabeth George system and retain part of the existing treatment plant for backup. Alternatives were developed, and a Mitigated Negative Declaration was approved for the "E. George to Lake Wildwood Backbone Extension Pipeline" Project. The plan was to construct the pipeline over multiple years. The project stopped due to cost, and in 2024, direction was given to staff to proceed with plans for a Lake Wildwood Treatment Plant upgrade rather than a new water supply pipeline. In 2025, a feasibility study for the treatment plant was completed, resulting in higher-than-anticipated costs. A new pipeline cost was also developed in 2025. The new treatment plant and pipeline are now closer in cost than previously estimated, and when considered with annual operation and maintenance expenses, the preferred project may be the pipeline alternative.

To limit impacts on the current rate study, solutions to the Lake Wildwood water supply problem were deferred to 2031, and, in the interim, to address potential failures at the existing treatment plant, an annual budget of \$250,000 was included in the 2026 CIP plan. However, potential cost savings may be captured by expediting either project by avoiding temporary treatment plant improvements and capitalizing on a planned Nevada County paving project, which could avoid having paving costs borne by a pipeline project. The intent of this workshop is to discuss the two alternatives and receive feedback.

BUDGETARY IMPACT:

There is a \$250,000 CIP allowance to address treatment plant deficiencies and support pipeline development through easements, property procurement, and geotechnical support related to pipeline design. However, it was presented and approved by the Board in 2025 only as a treatment plant budget. If the Board directs continued development of the pipeline project, this budget needs to be reallocated with \$200,000 designated for treatment plant repairs and \$50,000 toward pipeline development, or to either project as needed.

The plan, as proposed by staff, is, unless directed otherwise, to design and bid the pipeline alternative to help determine the actual costs for this water supply option. If affordable, the Board may elect to proceed with implementation of the pipeline project. If unaffordable, the Board can direct a return to the treatment plant upgrade option or provide an alternative direction.

The total pipeline cost is estimated to be approximately \$35 million, and approximately \$6 million could be eligible for capacity funds.

Attachments (1)

- Elizabeth George to Lake Wildwood Pipeline Project Presentation

GA

LAKE WILDWOOD TREATMENT PLANT
IMPROVEMENT PROJECT

OR

ELIZABETH GEORGE TO LAKE WILDWOOD
PIPELINE PROJECT

WORKSHOP



WORKSHOP AGENDA

- ▶ Background
- ▶ LWW Water Treatment Plant
- ▶ Elizabeth George to Lake Wildwood Pipeline Project
- ▶ Costs
- ▶ Next steps



BACKGROUND

- ▶ WTP Source Water - Deer Creek, Newtown Canal
- ▶ LWW Water Treatment Plant - Initially built in 1968
- ▶ 2 treatment plants (clarifiers & sand filtration)
- ▶ Plant A built in 1968 - 58 years old
- ▶ Plant B built in 1986 - 40 years old
- ▶ Each plant provides 2 Mgal/d - 4 Mgal/d total
- ▶ Capacity needed 3+/- Mgal/d

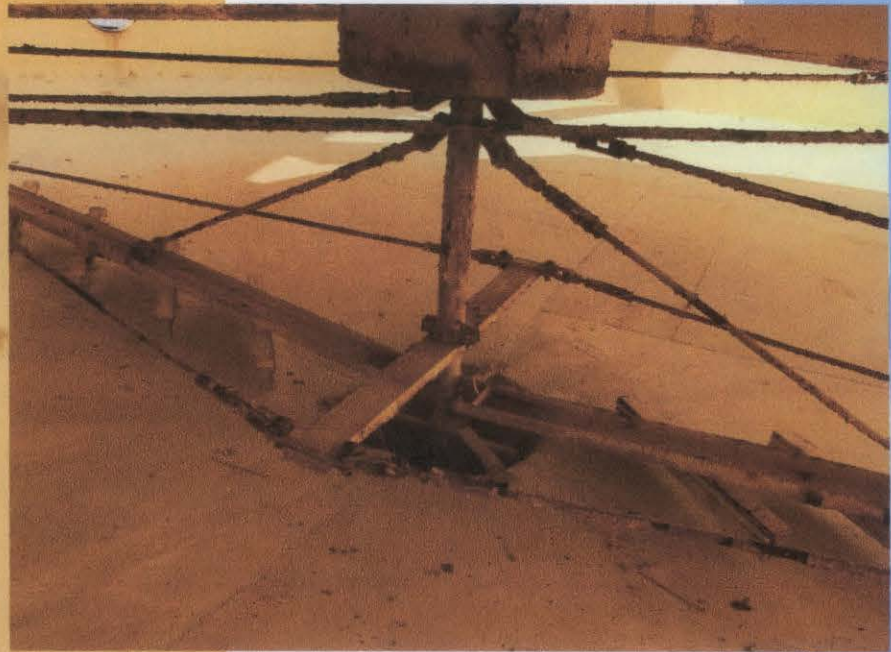


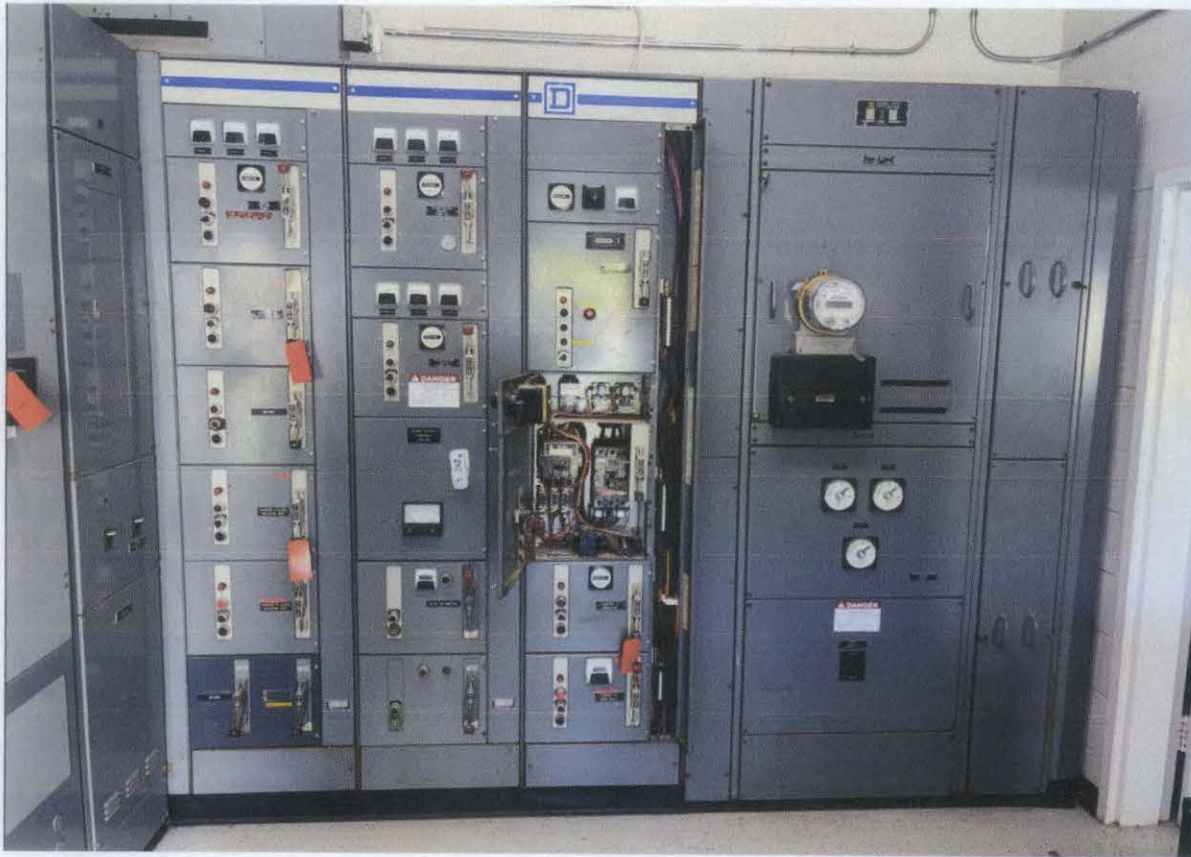
LAKE WILDWOOD WATER TREATMENT PLANT

- ▶ Both plants are at the end of their useful life
 - ▶ Significant corrosion on metallic surfaces
 - ▶ Mechanical equipment failing and custom
 - ▶ Electrical conduit and wire seized together
 - ▶ MCC dated, unserviceable
-
- ▶ Deer Creek Diversion at capacity and in poor condition









LAKE WILDWOOD WATER TREATMENT PLANT

► CONDITION - MULTIPLE POTENTIAL FAILURE POINTS

- Structural, mechanical, electrical
- Back-up electrical may include cables on grade or new trenching
- Current clarifier project:
 - Evaluating new gear box
 - Evaluating new tie-rods and turn-buckles
 - Evaluating new coating system



ELIZABETH GEORGE TO LAKE WILDWOOD PIPELINE PROJECT

- ▶ 7.5 miles
- ▶ 20-inch and 16-inch pipe
- ▶ 7 pressure reducing stations
- ▶ Supplemental chlorination at LWW
- ▶ Hydrants along alignment
- ▶ Service capacity along alignment



ELIZABETH GEORGE TO LAKE WILDWOOD PIPELINE



ELIZABETH GEORGE TO LAKE WILDWOOD PIPELINE AND WTP PROJECT COST

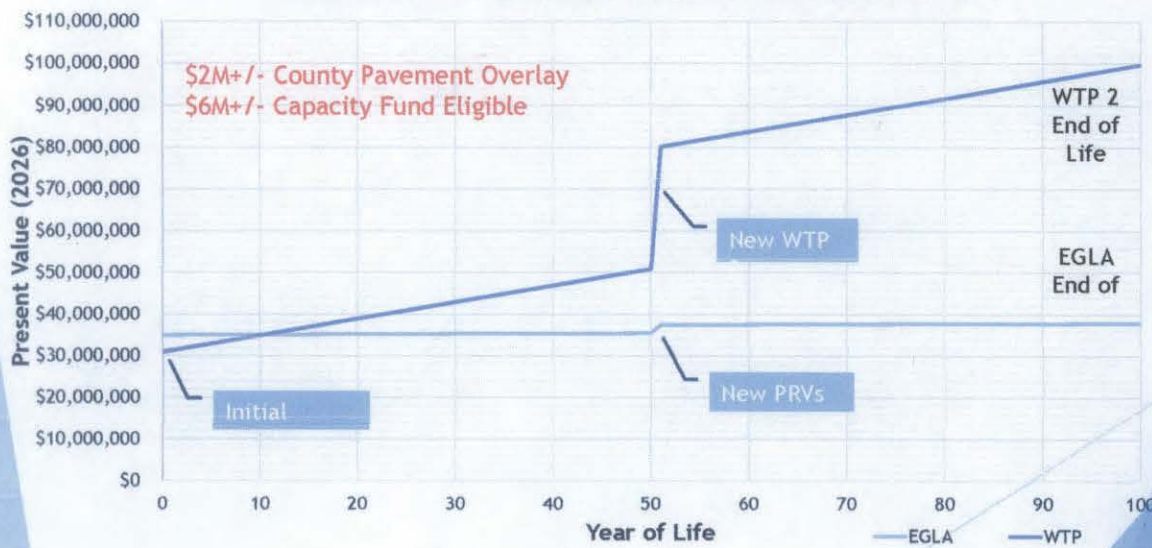
	<u>EGLAWIWO (a)</u>	<u>WTP</u>
Pipe/WTP	\$31,000,000	\$29,000,000
Deer Creek Diversion		\$1,800,000
Personeni		\$300,000
Pressure Reducing Stations	\$3,900,000	
Total Capital	\$35,000,000	\$31,000,000
Annual O&M	\$10,000	\$400,000
100 Year O&M Present Worth	\$1,000,000	\$40,000,000
100 Year Total Present Worth	\$38,000,000	\$100,000,000

funds are considered.



ELIZABETH GEORGE TO LAKE WILDWOOD PIPELINE AND WTP PROJECT COST

Present Value of EG to LWW Pipeline & WTP by Year of Life



LAKE WILDWOOD WATER SUPPLY SUMMARY

- ▶ New plant feasibility study and costs completed in 2025
- ▶ Pipeline costs based on recent bid data
- ▶ Improvements postponed to 2031 to support rate study
- ▶ \$200,000/year budgeted for emergency WTP repairs
- ▶ \$50,000/year assigned to pipeline option development
- ▶ Factors:
 - ▶ Existing WTP improvements will be a throw away investment
 - ▶ Almost \$2M could be saved by expediting the pipeline (County plans to overlay roads in 2028)



BOARD OF DIRECTORS DIRECTION AND NEXT STEPS

- ▶ 2026 Lake Wildwood \$250,000 budget presented as one WTP project budget. Request direction to use \$50,000 of that towards pipeline development - easements/property.
- ▶ Request direction to expedite pipeline design and County coordination to capture pavement savings.
- ▶ Propose to bid the pipeline to “know” what it really cost.
- ▶ Bring pipeline costs to the Board for approval, or if too high, return to the treatment plant design and bid that.



Nevada Irrigation District
Board of Directors

MINUTES

April 8, 2026

The Board of Directors of the Nevada Irrigation District convened in regular session at the District's main office located at 1036 W. Main Street, Grass Valley, on the 8th day April of 2026, at 9 a.m.

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

Director Ricki Heck, (Division I) was absent.

Staff members present included Jennifer Hanson, General Manager; Greg Jones, Assistant General Manager; Chip Close, Director of Water Operations; Gabe Aronow, Director of Engineering; Steve Prosser, Director of Maintenance; Peter Wade, Director of Power Systems; Monica Reyes, Director of Recreation; Naomi Schmitt, Director of Human Resources; Dustin Cooper, District Counsel; and Kris Stepanian, Board Secretary.

STANDING ORDERS

- Call to Order: President Bierwagen called the meeting to order
- President Bierwagen led the Pledge of Allegiance
- Roll Call: 4 Members Present / 1 Member Absent

PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

- A member of the public (name not provided):
 - Urged the District to improve the water rates page on the website to help make less confusing
 - Spoke about difficulties completing the objection form and clarification was provided regarding the protest form and objection form
- Lily Marie Mora, member of the public:
 - Urged the board to enter into a statewide coalition to lobby for infrastructure funds and has spoken with Mountain Counties Water Agency and Yolanda Cookson with Senator Dahle's office
 - Shared that the protest form showed the due date as 2025 and it should have been 2026
- Tyler Blagg, member of the public:
 - Submitted an email last week regarding Prop 218 protest questions and urged responses be provided more timely
 - Commented on change orders approved by the Board
 - Requested improving the District's website to make it easier for the public to navigate and access the Proposition 218 information

April 8, 2026

CONSENT AGENDA

Public comment: None

APPROVE THE MINUTES FROM THE REGULAR MEETING ON MARCH 25, 2026

M/S/C Johansen/Stephens to approve as submitted.

Motion passed on the following roll call vote:

Heck, Division 1	Absent
Bierwagen, Division 2	Aye
Fowler, Division 3	Aye
Stephens, Division 4	Aye
Johansen, Division 5	Aye

WARRANTS, PAYROLL FUND CERTIFICATE, AND INVESTMENT REPORT

Ratified the issuance of warrants by receiving and filing the check register, payroll fund certificate, and the Investment Transaction Report for the period March 14, 2026, through March 27, 2026. M/S/C Johansen/Stephens.

Motion passed on the following roll call vote:

Heck, Division 1	Absent
Bierwagen, Division 2	Aye
Fowler, Division 3	Aye
Stephens, Division 4	Aye
Johansen, Division 5	Aye

GENERAL ORDERS

BUDGET TO ACTUAL REPORTS - FY 2025 Q4, FOR THE PERIOD ENDING DECEMBER 31, 2025

Jennifer Hanson, General Manager, presented the item.

Board Discussion:

- What may have attributed to Hydro reaching 114% of projected revenue
- Volatile times for projections
- The likelihood of Hydro increases with higher rates
- Power purchase agreements and when renegotiations will start
- PG&E announcement of 30-32% increase
- Obtaining consultants prior to power purchase agreements negotiations
- Percentage of power purchased outside of the U.S.
- Hydro power analysis
- Congratulated staff on saving money

Public Comment: None

Received and filed Budget to Actual Reports - FY 2025 Q4, for the period ending December 31, 2025. M/S/C Johansen/Stephens.

Motion passed on the following roll call vote:

April 8, 2026

Heck, Division 1	Absent
Bierwagen, Division 2	Aye
Fowler, Division 3	Aye
Stephens, Division 4	Aye
Johansen, Division 5	Aye

AMENDMENT TO THE FY 2026, WATER FUND 15, CIP BUDGET AND AWARD OF A CONSTRUCTION CONTRACT FOR THE SMITH ROAD CROSSING PROJECT – C0058

Gabe Aronow, Director of Engineering, presented the item.

Board Discussion:

- Pipe size
- Contributing factors to increase pipe
- Minimizing costs
- Contingency clauses and change orders

Public Comment:

- Tyler Blagg, member of the public:
 - Frequency of utilizing contingency funds
 - Ensuring leftover grant funds are not used when work is not necessary and claimed that occurred on Smith Canal
 - Commented that Board decisions and what happens out in the field are sometimes different

Adopted Resolution No. 2026-13 - Approval of an Amendment to FY 2026, Water Fund 15, CIP Budget and Award of a Construction Contract for the Smith Road Crossing Project (Project C0058). M/S/C Fowler/Johansen.

Motion passed on the following roll call vote:

Heck, Division 1	Absent
Bierwagen, Division 2	Aye
Fowler, Division 3	Aye
Stephens, Division 4	Aye
Johansen, Division 5	Aye

WORKSHOP ITEMS

GOLDEN MUSSEL WORKSHOP

Monica Reyes, Director of Recreation, presented the item.

Board Discussion:

- Confirmed there has been no evidence of Golden Mussels in NID canals
- Asked if primary movement of Golden Mussels is by boat
- Golden Mussels going down the aqueduct and how they travel on their own
- Magnet fishing

April 8, 2026

- Forecast of aqueduct clogging up
- NID staff were commended for their hard work and for being on top of the issue
- Boat decontamination and what happens to the boat after Golden Mussels are removed from it
- Alberta Invasive Species Council clarification
- Cooperation with Combie Homeowners' Association
- Sampling stations in operation and no evidence of Golden Mussels
- Examples of other water agencies or reservoirs that did not do anything and now have evidence of Golden Mussels
- Lake Wildwood has good procedures in place
- Watercraft Inspection and Decontamination (WID) Program is the program the District has in place
- Spaulding and Fuller Lakes – No programs in place
- Likelihood of a statewide program in the future
- Cost and how the District covers running Jackson Meadows for the season
- FERC's requirement for recreation
- Jackson Meadows camp hosts and possible partnership
- What happens in the event of a government shutdown
- In best interest to make sure done right even if need to subsidize
- Board consensus received to continue with the Recreation Plan for 2026
- Potential to impose fines for violations
- Concerns about Fuller and Spaulding Lakes and any research of what to do if/when they find evidence of the Golden Mussel
- What to do if the problem becomes bigger
- Posting signage

Public Comment:

- Lily Marie Mora, member of the public:
 - Inquired if there was a known predator to the Golden Mussel
 - Statewide coalition could help with this issue
- Mark DeMartini, member of the public:
 - Inquired whether any of the regulations affect kayaks and paddleboards and if they are still allowed to park and launch when boat ramps are closed

President Bierwagen called for Item 5C – Elizabeth George to Lake Wildwood Pipeline Project Workshop, to be discussed next due to members of the public in attendance interested in the item.

ELIZABETH GEORGE TO LAKE WILDWOOD PIPELINE PROJECT WORKSHOP
Gabe Aronow, Director of Engineering, presented the item.

Board Discussion:

- Confirmed the original plant and additional plant are two separate plants

April 8, 2026

- Capacities of plant
- Development in the area
- Current peak demand
- Areas without water
- MCC = Motor Control Center
- Demand on Newtown
- Connecting locations, sizes and equal distribution
- Size of pipeline to E. George
- Chlorination discussed
- Future use of water treatment plant
- Size of site and value
- Drinking water and chlorination
- Possible water contaminants
- E. George's high water quality
- Less expensive to treat water of higher quality
- Stagnation and time for water to travel
- Backbone extension pipeline to Lake of the Pines with chlorination station
- Operating costs
- The Board expressed their appreciation for the workshop
- Ability to serve more customers
- Easements and what is needed
- Possible connection fees in soft serve areas
- Confirmed costs for pressure treatment stations are included in the budget
- Bonding
- Board consensus received to move forward
- Requested input from representatives in attendance from Lake Wildwood
- Fire evacuation and fire access
- Fire District access to funds to help pay for hydrants
- Service laterals
- Board consensus received to continue forward with pipeline development and report back when more progress is made

Public Comment:

- Mark De Martini, member of the public
 - Inquired if there would possibly be an opportunity to generate power
 - Spoke about the Newtown Reservoir and if costs were included in the CIP
 - Expressed his support of the backbone project and bringing treated water directly to Lake Wildwood community
 - Suggested reallocating any funds currently allocated for work related to the Newtown Reservoir, ditch or diversion dam to the Elizabeth George to Lake Wildwood Pipeline Project
 - Appreciated clarification that there is nothing in the current budget or Capital Improvement Program for Newtown, Deer Creek Diversion Dam

April 8, 2026

- Suggested the District clean sediment out of the Newtown Reservoir to avoid causing an additional burden on the Lake Wildwood Treatment Plant or property owners below the Newtown Reservoir, and said the bottom outlet urgently needs to be fixed from safety perspective
- Lily Marie Mora, member of the public:
 - Inquired if 100-year projections will need to include updates for the Elizabeth George Treatment Plant
 - Asked if Golden Mussels will be more of a problem in a ditch vs. pipeline
 - Asked about the age of the Elizabeth George Treatment Plant and when last upgrades were completed
- Chris Boyd, General Manager of Lake Wildwood Association
 - Thanked the Board for welcoming their participation
 - Planning a town hall meeting in Lake Wildwood
 - Recent communications to rate payers regarding potential rate increase
 - Working together and happy to be included in communications
 - Confirmed this project is built into the rate model

The meeting recessed at 11:01 a.m. and reconvened at 11:12 a.m.

HYDROELECTRIC DAM SAFETY - FERC PART 12D PROCESS & SEISMIC HAZARDS ASSESSMENT

Peter Wade, Director of Power Services, and Roy Carlson, Chief Dam Safety Engineer, presented the item.

Board Discussion:

- Clarification of the reference to the word "otherwise" on Slide 4
- Confirmed inspection recommendations are typically confidential information for security purposes
- Inquired what the District might learn about the status of the dam at Rollins Reservoir from upcoming comprehensive assessment
- Frustration with layers of bureaucracy and appreciates staff's ability to negotiate through the process
- Micro ponds
- Timing of inspections
- Estimate annual cost
- Security against terrorists
- Inquired if an analysis does not consider consequences of the failure
- Potential Failure Mode Analysis (PFMA)
- Ag lands lost from spillway failure at Oroville
- Clarified the number of PFMs carried forward
- Asset Management

April 8, 2026

- Inquired if new Colgate issue is likely to result in new regulations
- Different failure modes and ways to project how a dam may fail
- Clarified 3-hour time shown on Slide 13 refers to evacuation time in the event of a dam failure
- Inquired if seismic hazards assessment results included only horizontal or also vertical
- Combie Dam work and timing
- Requested clarification of parapet walls and how they work
- Combie Reservoir
 - Alternatives and level of importance
 - Costs
 - Confirmed no liquefaction
 - Supplies water to both ag and treated water users
 - Inquired if Hydro pays a portion

Public Comment:

- Tyler Blagg, member of the public
 - Need all the storage we can get
 - Inquired about vulnerability and if the District has done any assessments on FERC licensing
 - Inquired if FERC could require removal of dams in the future, similar to what occurred in Potter Valley area

ROLLINS Reservoir Storage Update

Gabe Aronow, Director of Engineering, presented the item.

Board Discussion:

- Sediment traps and removal
- Do extraction areas flood in high water
- Source of sediment
- Target stabilization
- SMRA (Surface Mining Reclamation Act) and the SMRA plan in place for Hansen Bros. in this area
- Adding an "F" to the background on the staff report for a holistic approach to increase water
- Expressed appreciation for the storage update and excited about possibilities
- Confirmed bathymetric is underway

Public Comment: None

GENERAL MANAGER'S REPORT

Jennifer Hanson, General Manager, reported on the following items:

- Urban Water Management Plan update

April 8, 2026

- Attended and spoke at the Placer County Farm Bureau meeting on April 8th – also in attendance was Greg Jones, Assistant General Manager, and Director Stephens
- Attended the Climate Resiliency event last week, along with Steve Prosser, Director of Maintenance, Gabe Aronow, Director of Engineering, and Director Johansen, and spoke about support needed for the Scotts Flat Spillway
- Visited Senator Dahle's office last week
- Will be speaking at the Community Forum on April 17th
- Water Rates webpage updates made

BOARD OF DIRECTORS' ITEMS / REPORTS

Director Stephens, Division IV, reported on the following items:

- Met with the Placer County Farm Bureau on April 7th
- Spoke about being a public official and interactions with the public while running a public business
- Requested a town hall meeting
- Requested the creation of a policy establishing guardrails on water rates
 - Apply any excess revenue to Scotts Flat to help drop water rates
 - Vote every year on any rate change
- Requested an update on future PG&E planned outages
- Mandarin and pumpkin update

Director Johansen, Division V, reported on the following items:

- Climate Resilience Group potential
- Pleased with today's meeting items - Backbone extension and micro ponds
- Seeding ranchland and organic matter

Director Fowler, Division III, reported on the following items:

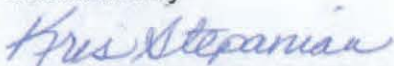
- Encouraged to hear about the high school ranch progress with the District
- Nevada County Farm Bureau Ag Tour is on May 6th
- Glad for the discussion about storage
- Web page feedback
- Scotts Flat Cascade Shores boat ramp touched on already by Monica
- Proposed water rates conversations
- Bureaucracy
- Ranch is great and rain ahead is perfect

Director Bierwagen, Division II, reported on the following items:

- He has been receiving a lot of calls about the proposed water rates

MEETING ADJOURNED at 12:47 p.m. The Board is scheduled to reconvene in regular session on Wednesday, April 22, 2026, at 9:00 a.m. at the District's Business Center located at 1036 West Main Street, Grass Valley, California.

Submitted By



Kris Stepanian, Board Secretary

ELIZABETH GEORGE TO LAKE WILDWOOD PIPELINE



2. Cost of Service by Water System & Zone

Cost of Service by Zone

The following tables shows a 3-year average of operating and maintenance expenses by service zone for the treated and raw water systems based on the cost of service analysis.

Table 7 – Three-Year Average of Operating Expenses by System & Zone

System & Zone	Treated Water O&M	Raw Water O&M
	3-Year Average	3-Year Average
Treated Water System		
E. George	3,961,335	4,448
Lake of the Pines	1,929,614	13,881
Lake Wildwood	2,039,298	610
Loma Rica	2,344,329	11,155
North Auburn	2,013,072	4,582
Smartsville	278,398	0
Support Systems	9,414	2,616
Subtotal	12,575,460	37,291
Treated & Raw System		
Cascade	200,906	1,495,986
Deer Creek South	432,640	1,599,757
Support Systems	1,493,823	1,511,032
Subtotal	2,127,369	4,606,775
Raw Water System		
Auburn Ravine	14,777	1,046,733
Cascade	200,906	1,495,986
Combie Ophir	25,140	2,359,941
Combie Phase	382,896	651,813
Combie Phase & Ophir	1,169	2,945
Deer Creek North	166,264	1,269,879
Deer Creek South	432,640	1,599,757
Fiddler Green	604	51,952
Support Systems	163,199	840,428
Subtotal	1,387,595	9,319,434
Campground Water System		
Jackson Mead. Aspen	9,000	0
Jackson Mead. Woodcamp	3,022	0
Long Ravine	0	0
Peninsula	3,107	0
Recreation	60	0
Scotts Flat I	45,327	0
Scotts Flat II	14,270	0
Support Systems	66,599	8,434
Subtotal	141,385	8,434
Grand Total	16,231,809	13,971,933
% of Annual Total	53.7%	46.3%

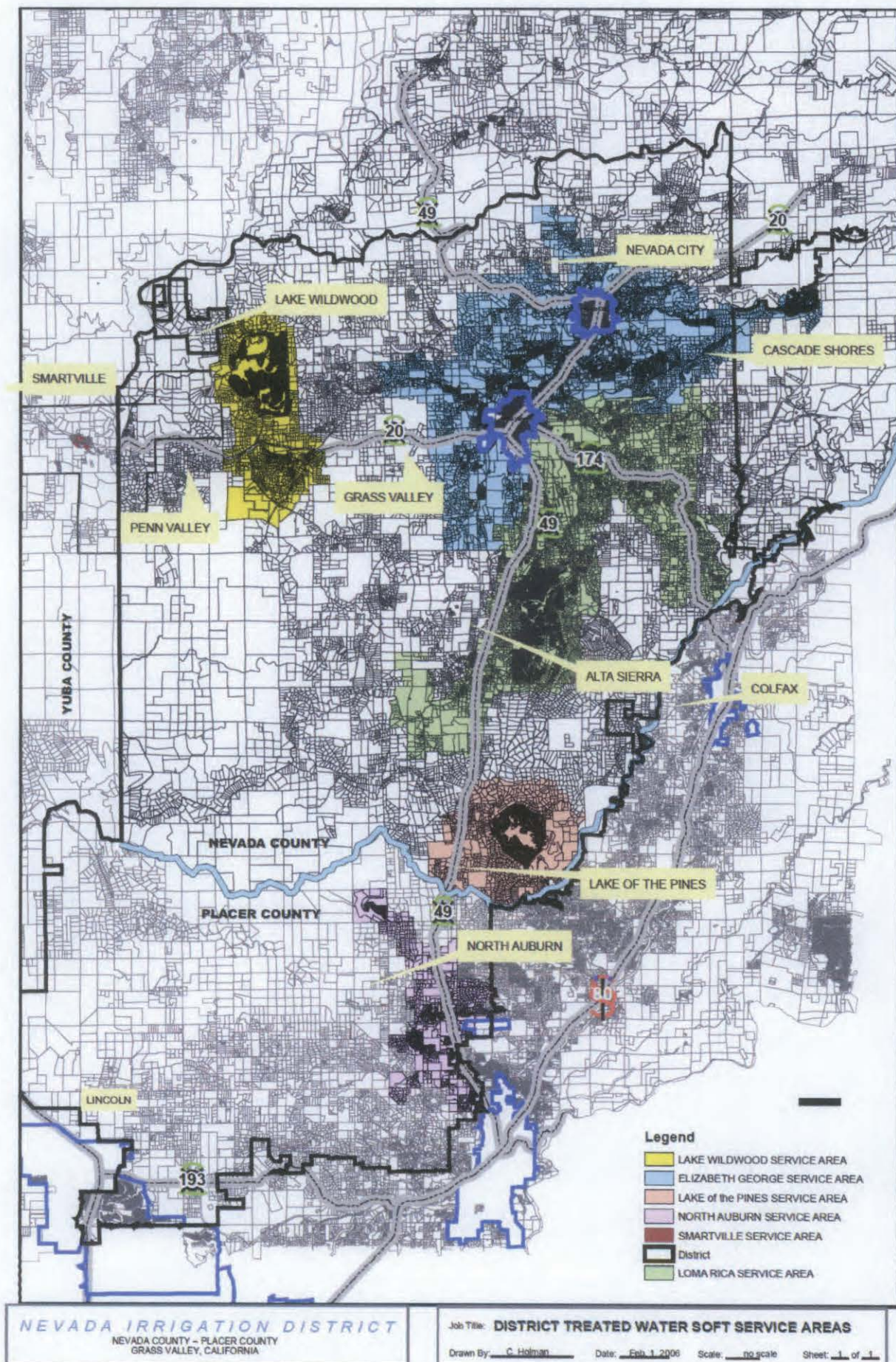


FIGURE 4.1

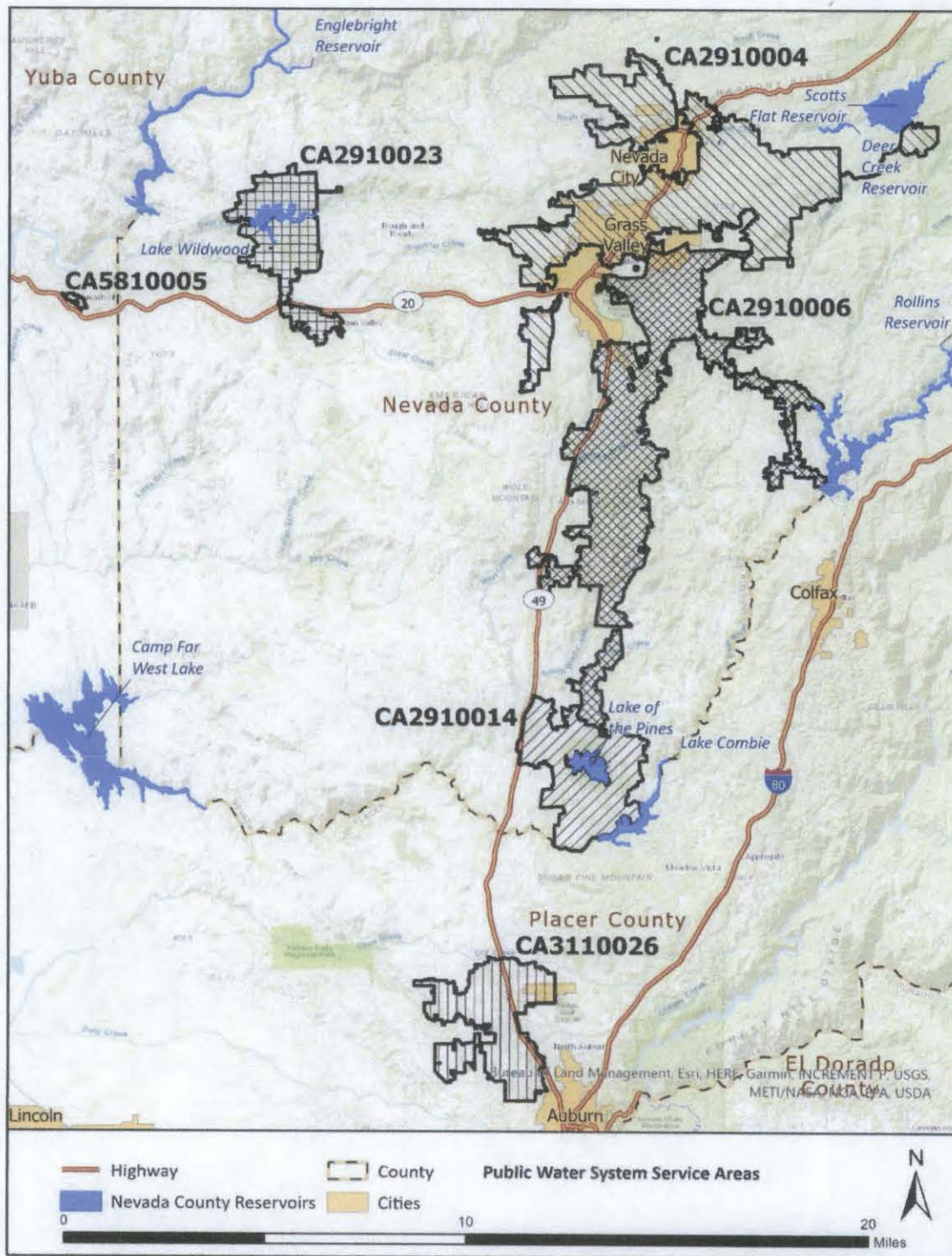
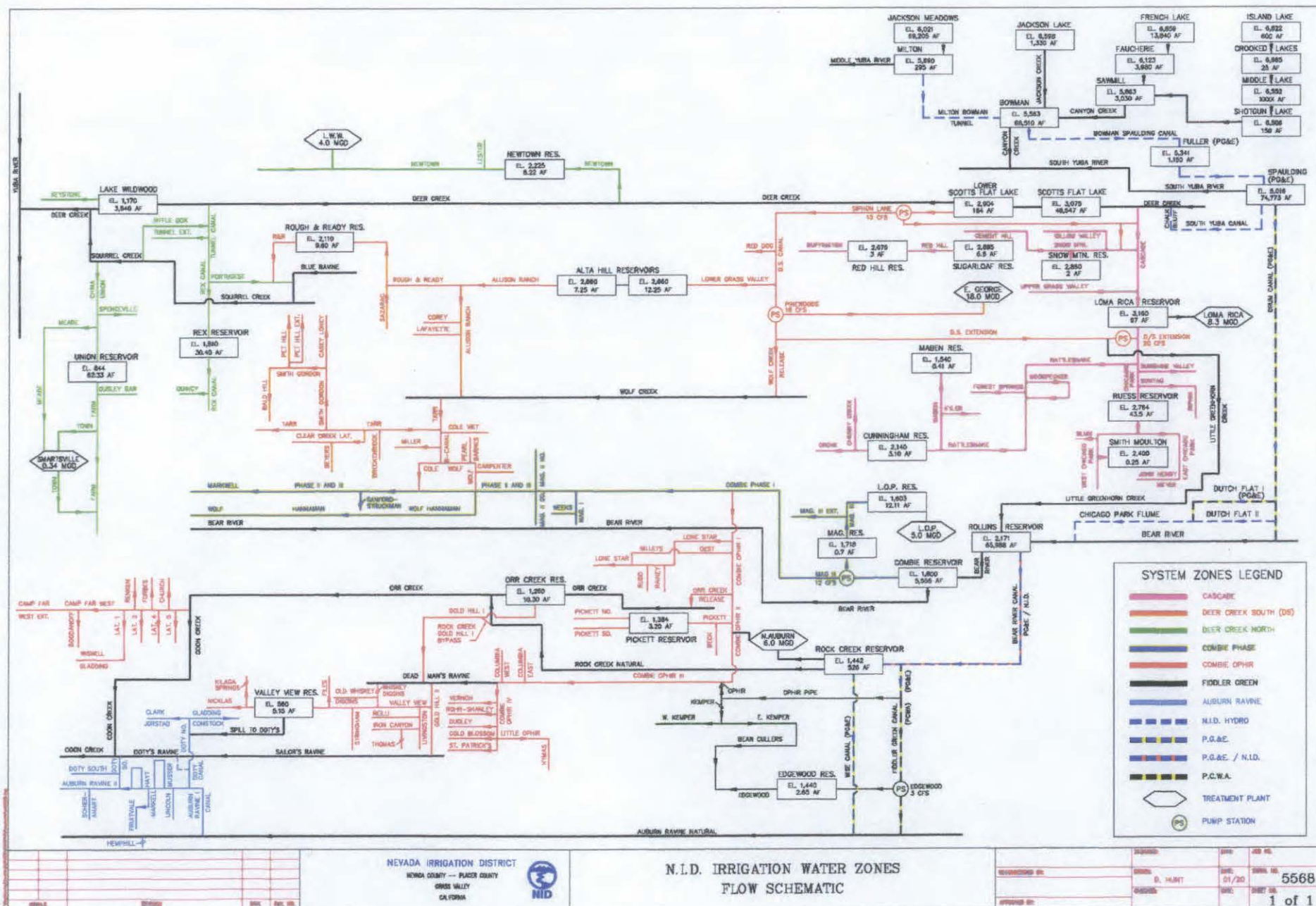


Figure 3-2. Public Water Systems (Source: Figure created by WEST, 2026)



NEVADA IRRIGATION DISTRICT
HUMBERT COUNTY — PLACER COUNTY
GRASS VALLEY
CALIFORNIA



N.I.D. IRRIGATION WATER ZONES FLOW SCHEMATIC

DESIGNED BY:	DATE:	5568
DESIGNED BY:	DATE:	1 of 1

RECEIVED
MAY 11 2026

**Nevada Irrigation District
Proposition 218 WRITTEN OBJECTION FORM**

REQUIREMENTS:

- (1) Each part of this Objection Form must be filled out completely. The Objection Form includes two (2) pages to fill out (not including the optional additional pages attached).
- (2) To Exhaust Administrative Remedies pursuant to Government Code section 53759.1, all Objections must be timely received by 5:00 PM on May 11, 2026.
FAILURE TO TIMELY SUBMIT A WRITTEN OBJECTION USING THIS FORM WILL PROHIBIT YOU FROM BRINGING A JUDICIAL ACTION OR PROCEEDING ALLEGING NONCOMPLIANCE WITH ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION FOR THESE PROPOSED WATER RATE CHANGES.
- (3) Generalized objections are insufficient. To satisfy the Exhaustion of Administrative Remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding.
- (4) Late-filed, noncompliant, or incomplete written Objections will not be considered as satisfying the Exhaustion of Administrative Remedies requirement.

PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print): WAHLER ENTERPRISES
Assessor's Parcel Number: [REDACTED] C/O [REDACTED] WAHLER
Or
Property Address: [REDACTED]

1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as

Part 1 & 2) My specific objection relates to me and my wife both senior citizens on a limited budget. The increase of cost of living is hitting our budget from every angle: cost of food, cost of gasoline, every organization possible including PG &E, Waste Management, insurance, etc. Your future proposed increases are really pushing us beyond what our budget can handle.

You propose a 90% increase over 5 years equaling a 10% compounded yearly for 5 years in a row. The average cost of living increase in the U.S. is approx. 2-3%/year. Your proposed 10% compounded yearly for 5 years in a row is **way out of line** particularly for a needed essential element like water that humans can't do without for very long. Right now my water bill, on a low average month is \$55. After 5 years, with your proposal, my water bill will be \$105, and the summer months can more than double with only minimal watering

(PART 1 & 2 CONTINUED)

I'm not a lawyer, but I believe I could find one to find some statute or constitutional provision and cases that are violated for seniors that have financial hardship and will be affected by an additional \$50.00/month=\$600.00/year. That means my low average water bill will go from \$660+\$600 = \$1260. And again, during the hot weather, June-Oct, the bill can easily double on average. This would mean around \$1800/year. Right now I pay around \$910/year for water. That's enough to put a strain on avg. person's budget let alone senior citizens on a limited/shrinking budget.

If I were to go ahead with a judicial action or proceeding, I would find a lawyer that has experience in pursuing class action suites and gather all citizens who's personal budget would be affected and cause undue hardship.

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

For Part 3) A couple of suggestions. You increase your cost to supply water at closer to the average increase cost of living in the U.S. (a Fair Plan) not 10% compounded like you're trying to do.

Also a note: PG&E has the Care Discount Program. There discount % is around 32%. Waste Managements discount is about 50%, they pick up less waste. I just recently found out you have a discount program but the maximum you give is \$9.50/month. At \$55/month charge that amounts to under 18%/month. That's not in the ballpark with the other utility companies. You could increase your discount to closer to 30% which would be fair for all, particularly seniors.

SIGNATURE

PRINT NAME

DATE

PLEASE MAIL THIS COMPLETED OBJECTION FORM TO THE DISTRICT AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945. TO BE CONSIDERED TIMELY, MAILED OBJECTIONS MUST BE RECEIVED (NOT POSTMARKED) BY 5 PM ON MAY 11, 2026. COMPLETED OBJECTION FORMS MAY ALSO BE HAND DELIVERED DURING BUSINESS HOURS AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945 BY 5:00 PM, MAY 11, 2026.

RECEIVED

APR 23 2026

Objection to Rate Increase

Nevada Irrigation District

I am the record owner (or tenant responsible for water service) of the parcel located at:

[REDACTED]

I hereby formally protest the proposed water rate increases and the elimination of the early payment discount.

This protest is based on concerns that the proposed rates may violate Proposition 218, including but not limited to:

- Revenues exceeding the funds required to provide the property-related service
- Improper or unsupported cost-of-service allocation among customer classes
- Inclusion of costs not tied to service delivery or parcel-specific benefit
- Insufficient transparency in the rate study and methodology
- Elimination of discounts without cost-based justification

I request that this protest be counted toward the Proposition 218 majority protest requirement.

I reserve all rights to pursue further administrative or legal remedies if adopted.

Name:

[REDACTED] Brown

Signature:

[REDACTED]

Date:

03/28/26

From: [Aurora C. Penaluna](#)
To: [Kris Stepanian](#)
Subject: FW: Prop 218 Rate Objection Form and Protest Forms (APN [REDACTED])
Date: Tuesday, May 12, 2026 7:20:40 AM
Attachments: [Prop 218 Rate Objection Form and Protest Forms \(APN \[REDACTED\]\)](#)

From: Joe Knadler <jknadler@mitchellchadwick.com>
Sent: Monday, May 11, 2026 4:55 PM
To: Customer Service <customerservice@nidwater.com>; NID Info <info@nidwater.com>
Cc: Ricki Heck <division1@nidwater.com>; Chris Bierwagen <division2@nidwater.com>; Brad Fowler <division3@nidwater.com>; Earl Stephens <division4@nidwater.com>; Rich Johansen <division5@nidwater.com>; Braiden Chadwick <bchadwick@mitchellchadwick.com>; Ryan Thomason <rthomason@mitchellchadwick.com>
Subject: Prop 218 Rate Objection Form and Protest Forms (APN [REDACTED])

CAUTION: [EXTERNAL] This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender.

Good Evening:

Please find attached copies of Ecosystem Investment Partners' (also known as EIP IV CA Raccoon Creek LLC) NID Protest and Objection forms, which have also been mailed to NID's office.

Thank you,
Joe

Joe Knadler
Associate Attorney



1420 Rocky Ridge Drive, Suite 260

Roseville, CA 95661

Office: 916.462.8888

Direct: 916.462.8872

jknadler@mitchellchadwick.com

www.mitchellchadwick.com

CONFIDENTIALITY NOTICE: This communication and any accompanying document(s) are confidential and privileged. They are intended for the sole use of the addressee.

If you receive this transmission in error, you are advised that any disclosure, copying, distribution, or the taking of any action in reliance upon the communication is strictly prohibited. If you have received this message in error, please contact us by telephone at (916) 462-8888.

**Nevada Irrigation District
Proposition 218 WRITTEN OBJECTION FORM**

REQUIREMENTS:

- (1) Each part of this Objection Form must be filled out completely. The Objection Form includes two (2) pages to fill out (not including the optional additional pages attached).
- (2) To Exhaust Administrative Remedies pursuant to Government Code section 53759.1, all Objections must be timely received by 5:00 PM on May 11, 2026.
FAILURE TO TIMELY SUBMIT A WRITTEN OBJECTION USING THIS FORM WILL PROHIBIT YOU FROM BRINGING A JUDICIAL ACTION OR PROCEEDING ALLEGING NONCOMPLIANCE WITH ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION FOR THESE PROPOSED WATER RATE CHANGES.
- (3) Generalized objections are insufficient. To satisfy the Exhaustion of Administrative Remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding.
- (4) Late-filed, noncompliant, or incomplete written Objections will not be considered as satisfying the Exhaustion of Administrative Remedies requirement.

PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print): EIP IV CA RACCOON CREEK, LLC

Assessor's Parcel Number: [REDACTED], et. al

Or
Property Address: [REDACTED]

NID Account # [REDACTED]

1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)

Please see Response to Question #1 on Attachment 1 to this Objection Form.

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

Please see Response to Question #2 on Attachment 1 to this Objection Form.

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

Please see Response to Question #3 on Attachment 1 to this Objection Form.

SIGNATURE



PRINT NAME G. Braiden Chadwick (Agent for Property Owner)

DATE 5/11/26

PLEASE MAIL THIS COMPLETED OBJECTION FORM TO THE DISTRICT AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945. TO BE CONSIDERED TIMELY, MAILED OBJECTIONS MUST BE RECEIVED (NOT POSTMARKED) BY 5 PM ON MAY 11, 2026. COMPLETED OBJECTION FORMS MAY ALSO BE HAND DELIVERED DURING BUSINESS HOURS AT: 1036 W. MAIN STREET, GRASS VALLEY, CA, 95945 BY 5:00 PM, MAY 11, 2026.

ADDITIONAL PAGES (OPTIONAL)
(Please number your responses)

Please see Attachment 1, attached hereto.

ATTACHMENT 1 (Objection Form NID Rates – APN [REDACTED] et.al)

Question 1: Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)

Response: Article XIII.D of the California Constitution applies to any agency imposing property-related fees or charges, including water rate charges and are required to comply with notice, hearing, and substantive restrictions as outlined in Article XIII.D. (See *Bighorn-Desert View Water Agency v. Verjil*, 39 Cal. 4th 205 (2006). Article XIII D, § 6(b) imposes five substantive requirements that any increased water rate must meet: (1) revenues may not exceed the cost of providing the service (revenue cap); (2) fees must be used only for the purpose for which they were imposed (dedicated purpose); (3) fees must be proportional to each parcel's share of the service cost (proportionality); (4) a fee may only be imposed where the service is actually used by, or immediately available to, the property owner (actual use); and (5) fees may not fund general governmental services provided broadly to the public (no general services). The burden falls on the agency to show compliance.

NID's proposed rate structure appears to conflict with multiple requirements of Proposition 218. First, by allocating the cost of systemwide infrastructure improvements—such as dam spillway repairs—through volumetric charges rather than a uniform service-based fee, the District risks violating the proportionality requirement, as high-volume users like EIP and Ellis Cattle Co. are being required to bear a disproportionate share of costs. Here, the increased charges imposed on high-volume users appear to function as a subsidy for system improvements that benefit all customers equally, rather than reflecting the marginal cost of delivering additional water. As a result, the rate structure fails to demonstrate the required nexus between the amount charged and the cost of service attributable to each parcel.

Second, to the extent these capital improvements provide general system reliability and public safety benefits, funding them through targeted ratepayer charges may also implicate the prohibition on fees for general governmental services. Third, if the rate increases exceed the actual cost of providing water service or are structured to recover costs unrelated to current serv

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

The property has high quality habitat already on site, and the property owner proposes to preserve the property's conservation values. The property owner intends to place one or more conservation easements over the property to protect aquatic resources, which provide buffer habitat that protects water supply and quantity. The property owner intends for project to be included in the Placer County Conservation Program. The preservation project will include hundreds of acres of groundwater recharge/agriculture. The property owner will use water services to implement its preservation activities in accordance with the conservation easement(s), including revegetation, erosion control, and ecological enhancements. Increasing rates to such a degree will hinder the property owner's preservation activities.

Question 3: Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

Response: NID should not increase rates for NID water users, especially those that are operating agricultural and conservation lands. Agricultural and conservation land users are struggling to continue operations, and the rate increases proposed by NID could put generational farmers out of business. To the extent NID's rate increases are designed to pay for infrastructure, such as dam spillway repairs, these costs should be paid by developers in the County and/or through Prop 4 funding, as well as the numerous other public grants offered through the federal government and the State of California. Maintaining current rates (or increasing them even modestly consistent with prior increases) would ensure NID is (1) conforming with legal requirements, and (2) not placing an undue hardship on agricultural and conservation industries needed within the County.

RECEIVED

MAY 13 2026

This is the one
that came through
email 5.11.26

Hard Copy Mailed
Rec'd 5.13.26



MITCHELL
CHADWICK

1420 Rocky Ridge Drive, Suite 260
Roseville, CA 95661

Nevada Irrigation District
1036 W. Main Street
Grass Valley, CA 95945

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Nevada Irrigation District
1036 W. Main Street
Grass Valley, CA 95945



9590 9402 6489 0346 3612 64

2. Article Number (Transfer from service label)

7020 0090 0001 4111 1982

COMPLETE THIS SECTION ON DELIVERY

A. Signature

K. Kemp

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

K. Kemp

C. Date of Delivery

5.13.26

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
☐ Adult Signature Restricted Delivery
☐ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Insured Mail Restricted Delivery
☐ Priority Mail Express®
☐ Registered Mail™
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☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

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Property Owner or Customer Name (Print): EIP IV CA RACCOON CREEK, LLC

Assessor's Parcel Number: [REDACTED], et. al

Or
Property Address: [REDACTED]

NID Account # [REDACTED]

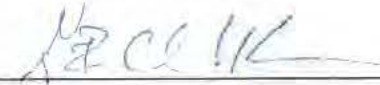
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SIGNATURE



PRINT NAME G. Braiden Chadwick (Agent for Property Owner)

DATE 5/11/26

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PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print): [REDACTED] Robinson

Assessor's Parcel Number: [REDACTED]

Or

Property Address: [REDACTED]

1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)

The seasonal fixed service charge per customer is excessively high. The fixed service charge in addition to the seasonal, volumetric rate per miner's inch adds up to more than most people can afford for water access.

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

SIGNATURE

PRINT NAME

DATE

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PLEASE PRINT LEGIBLY, OR YOUR OBJECTION MAY NOT BE CONSIDERED

Property Owner or Customer Name (Print): Valentine [REDACTED]

Assessor's Parcel Number: [REDACTED]

Or

Property Address: _____

- 1. Describe the provision(s) of law that form the basis of your objection, with specific reference to statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated if the proposed rates are adopted. (Attach additional pages as necessary.)**

I am not familiar with the law you reference
This form does not seem to allow an objection
to a specific portion of the proposed increase
that does not relate to the law

2. Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above. (Attach additional pages as necessary.)

→ I object to AN ANNUAL increase on only
the Monthly Fixed Service charge

I do not object to an increase in a volumetric
rate, however I feel the percentage increase
is not in line with typical inflationary rates.

3. Describe how Nevada Irrigation District may correct the violations of law you alleged above. Provide amendments to the proposed rates and the written basis (i.e., the 2026 Cost of Service Study) for the rates. (Attach additional pages as necessary.)

- I do not understand why it would matter, what
diameter pipe one has i.e. 5/8" vs 1" vs 1.5" etc..
as this seems to be a one time cost at
installation
- Why should a customer with a 1.5" pipe pay
more or less than other sizes on a monthly basis?
- Why should the monthly fee on this go up 78.6%
(in 5 years?)

SIGNATURE

PRINT NAME

Valentine

DATE

05-09-2026

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Exhibit B

Response to Written Objections

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Exhibit B
Nevada Irrigation District's
Response to Written Objections

1. Everson Objection

Procedural Requirements

The Everson Objection was timely received prior to the District's May 11, 2026, deadline to exhaust administrative remedies and utilized the District's Proposition 218 written objection form.

Substantive Requirements

(a) Cost of Service

The Everson Objection alleges that the District did not prepare a Cost of Service Study demonstrating that the District's proposed rates do not exceed the District's cost of water service. This allegation is not accurate.

The District retained Bartle Wells Associates to prepare a 2026 Cost of Service Study (COS Study). The COS Study was referenced in the District's public notice mailed to all customers subject to the proposed change in water rates, was available upon request, and is available at nidwater.com/nid-water-rate-adjustments. Section 5 (Cost of Service Methodology) provides a comprehensive analysis of the District's cost of service, allocation between treated and irrigation/raw water service, and functional allocation.

Due to the District's receipt of non-rate revenue, including a share of property taxes and through sale of hydroelectric power, the District's treated and irrigation/raw water rates are subsidized and are provided below the true cost of service. These subsidies are not available to water users who receive service from the District to properties located outside the jurisdictional boundaries of the District. The COS Study removes these subsidies from the proposed rate for out-of-District users. (See, e.g., COS Study, Table 2 [rates higher for "Out-District Raw Water" for both fixed service charge and volumetric rates].)

(b) Proportionality

The Everson Objection alleges the District has not demonstrated proportionality as required under Proposition 218. The District's COS Study demonstrates proportionality.

Article XIII D, section 6(b)(3) of the California Constitution requires that the amount of a property-related fee or charge imposed upon a parcel "shall not exceed the proportional cost of the service attributable to the parcel." The District's proposed rates satisfy this

requirement. The 2026 Cost of Service Study (the "COS Study") prepared by Bartle Wells Associates establishes proportionality at three levels: the allocation of costs between raw and treated water service, the derivation of raw water rates, and the derivation of treated water rates.

Raw and Treated Proportional Cost Allocation

Because raw water customers do not benefit from the treated water system, the COS Study at Chapter 5 and Table 8 allocates each line item of projected expenses and non-rate revenues between the two systems based on operational data, engineering analysis, and the District's capital plan. The COS Study then allocates raw water system costs to treated water customers, reflecting the proportion of raw water flow that is conveyed into the treated system for delivery to treated customers (Table 9).

Proportional Raw Water Rates

Within the raw water revenue requirement, the COS Study at Table 10 allocates costs among functional components reflecting the specific drivers of raw water service: customer-based fixed costs, capacity- and volume-based costs, and purchased water costs. Each component's revenue requirement is divided by the units most reasonably related to that function (customers, or miner's inches) to derive the corresponding rate. Property tax revenues and revenues from the sale of hydroelectric power are applied as an offset to the Inside District revenue requirements, allowing Inside District Rates to recover less than the full cost of service. Seasonal rate differentials reflect certain fixed costs paid by fewer customers in the winter season. The resulting raw water rates therefore recover from each customer no more than the proportional cost of service attributable to that customer's parcel.

Proportional Treated Water Rates

Within the treated water revenue requirement, the COS Study at Table 11 (Treated Water Functional Allocation) allocates costs among two functional components corresponding to the cost drivers of treated water service: (i) Capacity, reflecting fixed costs related to the capacity of the treated water system that must be maintained to deliver water on demand to each customer; and (ii) Volumetric, reflecting costs that vary with the volume of water consumed. Property tax revenues and revenues from the sale of hydroelectric power are applied as an offset to the Inside District revenue requirements, allowing Inside District Rates to recover less than the full cost of service.

The capacity component is recovered through fixed monthly service charges that vary by meter size, with each meter assigned a Meter Equivalent Unit ratio proportional to its maximum safe flow capacity relative to a 5/8-inch meter. This ensures that each

customer's fixed charge corresponds to the share of system capacity the District must maintain to serve that parcel.

The District's proposed transition from a two-tier volumetric treated water rate structure to a uniform volumetric rate structure is supported by the proportionality requirements of Article XIII D, section 6 of the California Constitution and is based upon the cost-of-service analysis set forth in the District's Cost of Service ("COS") Study. A review of the current operations of the water system did not indicate that there are proportionally higher costs associated with use in the higher tier. Under the uniform rate structure, all customers within the same class of service pay the same volumetric charge for each unit of treated water consumed. This approach aligns with the functional cost allocation methodology employed in the COS Study and, consistent with the principles set forth in *Capistrano Taxpayers Association v. City of San Juan Capistrano* (2015) 235 Cal.App.4th 1493, ensures that the volumetric rate charged to each customer corresponds to the proportional cost of providing service to that customer.

Proportionality Summary

The rates charged to the District's customers are proportional to the cost of service provided to each customer. The COS Study demonstrates that the revenue requirement for each of the District's customer classes is proportional to the cost to serve each class. The raw water and treated water rate structures for each class collect the proportional costs that do not vary with water use in the fixed charge and the costs that do vary with use in the volumetric charge. This structure ensures that the rate revenue collected from each customer is proportional to the cost of serving that customer.

(c) Wholesale Passthrough

The Everson Objection alleges that the District failed to comply with Government Code section 53756 "which requires the agency to demonstrate that the proposed rates comply with proposition 218." Section 53756 applies to agencies seeking to pass through increases in wholesale charges for water and other services by requiring several additional compliance requirements. The District is not proposing to pass through the costs of wholesale water acquisition and, in fact, does not acquire water from a wholesaler. The District is neither relying upon, nor subject to, the requirements of section 53756.

Other Comments Addressed

The Everson Objection also states that "Canal irrigation water generally involves lower cost than treated water systems, yet the proposed rates do not appear to reflect these differences." The proposed rates do reflect lower costs for irrigation when compared to treated water. The Treated Water Customer Class pays its proportionate share of irrigation

water costs (i.e., the untreated water entering the treatment plan) and all treated water costs.

Additionally, the Everson Objection identified several actions the District should take to correct its perceived violation of the law arising from the rate study. Among those, the Everson Objection indicates that the rates should be revised to eliminate any charges not directly tied to the cost of service. The COS Study prepared by the District provides a cost allocation by customer class and functional allocation and excludes costs not associated with providing service to any specific customer class.

Conclusion and Reservation of Rights

Regarding the Everson Objection, in exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Everson Objection.

2. Noel Objection

Procedural Requirements

The Noel Objection was timely received prior to the District's May 11, 2026, deadline to exhaust administrative remedies and utilized the District's Proposition 218 written objection form.

Substantive Requirements

The Noel Objection asserts that the proposed water rate increase requires the District to provide a voter ballot and obtain affirmative voter approval before implementing the rate change.

The Noel Objection confuses the separate processes under Proposition 218 for proposed new or extended taxes, assessments, and property related fees and charges, such as water service. New or extended taxes and assessments require ballots and an affirmative vote of affected landowners. However, property related fees and charges, such as those related to water service, are subject only to a majority protest process.

California Constitution, Article XIII D, section 6 sets forth the substantive and procedural requirements for new or existing increased property related fees and charges. Pursuant to subdivision (a)(1), the District on March 25, 2026, mailed Notices to all affected parcels indicating the amount of the proposed water rate increases. Pursuant to subdivision (a)(2),

the public hearing on the proposed water rate increase is May 27, 2026 where the District “shall consider protests against the proposed fee or charge”. “If written protests against the proposed fee or charge are presented by a majority of owners of the identified parcels, the agency shall not impose the fee or charge.” (Cal. Const., Art. XIII D, § 6, subd. (a)(2).) For certain property related fees or charges, assuming there is not a majority protest, there is a second step requiring “voter approval for new or increased fees and charges”. However, importantly, fees for “sewer, water, and refuse collection services” are exempt from the voter approval requirement following the protest hearing and lack of majority protest. (See *id.* at subd. (c).)

Other Comments Addressed

The Noel Objection states that it is not the rate payer’s responsibility to pay for power plants or maintenance costs associated with the Scotts Flat Spillway Reconstruction Project. The proposed rates do not include any costs associated with the hydropower plants. In fact, hydropower revenue allows the District to charge water ratepayers less than the actual cost of providing service through subsidization of those rates.

Conclusion and Reservation of Rights

Regarding the Noel Objection, in exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Noel Objection.

3. Brooks Objection

Procedural Requirements

The Brooks Objection was timely received prior to the District’s May 11, 2026, deadline to exhaust administrative remedies and utilized the District’s Proposition 218 written objection form.

Substantive Requirements

(a) Proportionality

The Brooks Objection alleges that “the rates fail to meet the proportionality requirement under Section 6(b)(3), as the total revenue may exceed the fund required to provide the property-related service.” However, the Brooks Objection does not elaborate or provide any legal argument explaining why the allegation is made.

The District's written objection form states that "Generalized objections are insufficient" and "objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding." "Late-filed, noncompliant, or incomplete written objections will not be considered as satisfying the Exhaustion of Administrative Remedies requirement." The Brooks Objection fails to satisfy these substantive requirements. In addition, the allegation is not accurate.

Cost of Service Study Demonstrates Proportionality

Article XIII D, section 6(b)(3) of the California Constitution requires that the amount of a property-related fee or charge imposed upon a parcel "shall not exceed the proportional cost of the service attributable to the parcel." The District's proposed rates satisfy this requirement. The COS Study prepared by Bartle Wells Associates establishes proportionality at three levels: the allocation of costs between raw and treated water service, the derivation of raw water rates, and the derivation of treated water rates.

Raw and Treated Proportional Cost Allocation

Because raw water customers do not benefit from the treated water system, the COS Study at Chapter 5 and Table 8 allocates each line item of projected expenses and non-rate revenues between the two systems based on operational data, engineering analysis, and the District's capital plan. The COS Study then allocates raw water system costs to treated water customers, reflecting the proportion of raw water flow that is conveyed into the treated system for delivery to treated customers (Table 9).

Proportional Raw Water Rates

Within the raw water revenue requirement, the COS Study at Table 10 allocates costs among functional components reflecting the specific drivers of raw water service: customer-based fixed costs, capacity- and volume-based costs, and purchased water costs. Each component's revenue requirement is divided by the units most reasonably related to that function (customers, or miner's inches) to derive the corresponding rate. Property tax revenues and revenues from the sale of hydroelectric power are applied as an offset to the Inside District revenue requirements, allowing Inside District Rates to recover less than the full cost of service. Seasonal rate differentials reflect certain fixed costs paid by fewer customers in the winter season. The resulting raw water rates therefore recover from each customer no more than the proportional cost of service attributable to that customer's parcel.

Proportionality Summary

The rates charged to the District's customers are proportional to the cost of service provided to each customer. The COS Study demonstrates that the revenue requirement for each of the District's customer classes is proportional to the cost to serve each class. The raw water and treated water rate structures for each class collect the proportional costs that do not vary with water use in the fixed charge and the costs that do vary with use in the volumetric charge. This structure ensures that the rate revenue collected from each customer is proportional to the cost of serving that customer.

(b) Cost of Service

The Brooks Objection alleges that “the rates appear to violate Section 6(b)(1), as the total revenue may exceed the fund required to provide the property-related service.” However, the Brooks Objection does not elaborate or provide any legal argument explaining why the allegation is made.

The District's written objection form states that “Generalized objections are insufficient” and “objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding.” “Late-filed, noncompliant, or incomplete written objections will not be considered as satisfying the Exhaustion of Administrative Remedies requirement.” The Brooks Objection fails to satisfy these substantive requirements.

In addition, the District retained Bartle Wells Associates to prepare a 2026 Cost of Service Study (COS Study). The COS Study was referenced in the District's public notice mailed to all customers subject to the proposed change in water rates, was available upon request, and is available at nidwater.com/nid-water-rate-adjustments. Section 5 (Cost of Service Methodology) provides a comprehensive analysis of the District's cost of service, allocation between treated and irrigation/raw water service, and functional allocation.

Due to the District's receipt of non-rate revenue, including a share of property taxes and through sale of hydroelectric power, the District's treated and irrigation/raw water rates are subsidized and are provided below the true cost of service. These subsidies are not available to water users that receive service from the District to properties located outside the jurisdictional boundaries of the District. The COS Study removes these subsidies from the proposed rate for out-of-District users. (See, e.g., COS Study, Table 2 [rates higher for “Out-District Raw Water” for both fixed service charge and volumetric rates].)

(c) New Infrastructure

The Brooks Objection states “it is not fair for residential customers to be asked to subsidize infrastructure that primarily benefits other customer classes” and District should ensure that “current residential rates do not include capital improvement costs for expanding the ditch and canal system to accommodate new developments.”

The Brooks Objection does not elaborate, provide citation, or otherwise support this allegation. The District’s written objection form states that “Generalized objections are insufficient” and “objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding.” “Late-filed, noncompliant, or incomplete written objections will not be considered as satisfying the Exhaustion of Administrative Remedies requirement.” The Brooks Objection fails to satisfy these substantive requirements.

In addition, the allegation is not accurate. The District is not utilizing existing or proposed new water rates to fund development. Existing water rates, as well as the proposed increased water rates, are exclusively used by the District for the purpose of providing water service. Separately, and not at issue in this rate proceeding, the District imposes capacity fees and connection charges to any new development to recover the costs of extending water service.

Other Comments Addressed

The Brooks Objection states that it is not fair for residential customers to be asked to subsidize infrastructure that benefits new development. Infrastructure needs related to new development are paid for through a capacity fee, not by water rate payers.

Conclusion and Reservation of Rights

Regarding the Brooks Objection, in exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning Brooks Objection.

4. Hamilton Objections [Four Separate Objections]

Procedural Requirements

The District received four separate Hamilton Objections for four separate assessor parcel numbers. The four objections were timely received prior to the District’s May 11, 2026, deadline. Each Hamilton Objection appears to use a reformatted version of the District’s written objection form. The bottom right corner of the Hamilton Objection provides page numbers (e.g., “Page 1 of 4”); the District only received pages 1 and 2 of 4. The District did not receive pages 3 and 4 for any of the objections.

Substantive Requirements

Aside from the different assessor parcel numbers, the Hamilton Objections are substantively identical. The Hamilton Objections do not comply with the District's substantive requirements for properly submitting a written objection, including that "(1) Each part of this form must be filled out completely" and "(3) generalized objections are insufficient. To satisfy this exhaustion of administrative remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding." The Hamilton Objections were incompletely filled out. They do not contain any provisions of law alleged to be violated; do not describe how the proposed rates violate the cited law; and do not explain how the District could correct the alleged violations of law. The Hamilton Objections do not advance legal arguments for why the proposed rate change should not proceed.

Other Comments Addressed

The Hamilton Objections indicates that the rate increases should not be used to build dams. The District has no project or plans to construct a dam, and therefore, no costs associated with building dams are included in the COS Study.

Conclusion and Reservation of Rights

Both the District's Proposition 218 Notice and its written objection form state that "[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement". The District finds and determines that the Hamilton Objections do not comply with the District's procedural and substantive requirements for properly filing a written objection. Consequently, Hamilton is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Hamilton Objections.

5. Appell Objection

Procedural Requirements

The District received a "Formal Objection to Proposed Water Rate Increase". The Appell Objection was received prior to the District's May 11, 2026, deadline for written objections. However, the Appell Objection did not use the District's written objection form.

Substantive Requirements

The Appell Objection does not comply with the District's substantive requirements for properly submitting a written objection. The District's Notice stated to "exhaust administrative remedies, you must do the following: (1) obtain a written objection form and complete all portions of the form...." Additionally, the District's written objection form states that "(1) Each part of this form must be filled out completely" and "(3) generalized objections are insufficient. To satisfy this exhaustion of administrative remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding."

The Appell Objection did not use the District's written objection form. Nor does the Appell correspondence articulate with specificity any legal arguments for why the District's proposed rate change violates the law. The Appell Objection do not advance legal arguments for why the proposed rate change should not proceed.

Other Comments Addressed

The Appell Objection requests that the Board of Directors conduct an independent financial audit of the District's financials. The District has a third-party complete an annual financial audit, and the COS study was developed by an expert third-party. Additionally, the Appell Objection requested the evaluation of alternative funding mechanisms. The District is pursuing alternative funding mechanisms for projects, and specifically for the Scotts Flat Spillway Reconstruction Project.

Conclusion and Reservation of Rights

Both the District's Proposition 218 Notice and its written objection form state that "[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement". The District finds and determines that the Appell Objection does not comply with the District's procedural and substantive requirements for properly filing a written objection. Consequently, Appell is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

The District notes, however, that the Appell Objection may have been intended as a written protest, despite using the term "Formal Objection". Following several requests of the District's Board of Directors, the Appell Objection states "I request that this letter be included in the official record as a formal protest under Proposition 218." The District will consider the Appell Objection as a written protest to the proposed rates to be considered at the protest hearing.

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Appell Objection.

6. Barrett Objection

Procedural Requirements

The Barrett Objection was timely received prior to the District's May 11, 2026, deadline to exhaust administrative remedies and utilized the District's Proposition 218 written objection form.

Substantive Requirements

In section 1, the Barrett Objection cites several statutory provisions and case law to allege legal violations. However, in section 2, the Barrett Objection fails to develop legal argument describing how the District is alleged to have violated each of these legal citations. The District's written objection form states that "Generalized objections are insufficient" and "objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding." "Late-filed, noncompliant, or incomplete written objections will not be considered as satisfying the Exhaustion of Administrative Remedies requirement." The Barrett Objection fails to satisfy these substantive requirements.

It appears the chief allegation is that "The District has not clearly demonstrated how the costs identified in the 2026 Cost of Service Study are allocated to individual parcels or customer classes." The rates charged to the District's customers are proportional to the cost of service provided to each customer. The COS Study demonstrates that the revenue requirement for each of the District's customer classes is proportional to the cost to serve each class. The raw water and treated water rate structures for each class collect the proportional costs that do not vary with water use in the fixed charge and the costs that do vary with use in the volumetric charge. This structure ensures that the rate revenue collected from each customer is proportional to the cost of serving that customer.

The Barrett Objection questions whether higher rates are "subsidizing other users, infrastructure expansion, or capital improvements that do not directly benefit my property". Due to the District's receipt of non-rate revenue, including a share of property taxes and through sale of hydroelectric power, the District's treated and irrigation/raw water rates are subsidized and are provided below the true cost of service. These subsidies are not available to water users that receive service from the District to properties located outside

the jurisdictional boundaries of the District. The COS Study removes these subsidies from the proposed rate for out-of-District users. (See, e.g., COS Study, Table 2 [rates higher for “Out-District Raw Water” for both fixed service charge and volumetric rates].) The District does not utilize water rate revenue to subsidize a different class of customers.

It is unclear what is meant by “infrastructure expansion”. However, the COS Study does indicate that a “key driver” for rate increases is the District’s capital improvement costs, including repair of Scotts Flat Reservoir Spillway. Table 4 summarizes the District’s capital improvement program for this rate setting process and, importantly, shows how such costs are attributed to treated water customers and/or irrigation water customers. The COS Study describes the rationale for attributing capital expenses to irrigation customers or to treated water customers, or to both irrigation and treated water customers. For example, certain large capital projects such as Scotts Flat Spillway are necessary to continue water service to both irrigation and treated water customers and, thus, both classes are sharing in the projected expense. Other projects, as detailed in the COS Study, only benefit irrigation or treated and are treated as such as part of the methodology justifying the proposed rate increase.

The Barrett Objection states that “proposed rates may include costs unrelated to the provision of water service to my parcel”. That is not accurate. The District’s rate consultant ensured that the rate revenue requirement needed from each customer class is proportional to their cost of service. The COS Study describes this analysis beginning at page 26. Article XIII D, section 6(b)(3) of the California Constitution requires that the amount of a property-related fee or charge imposed upon a parcel “shall not exceed the proportional cost of the service attributable to the parcel.” The District’s proposed rates satisfy this requirement. The COS Study prepared by Bartle Wells Associates establishes proportionality at three levels: the allocation of costs between raw and treated water service, the derivation of raw water rates, and the derivation of treated water rates.

Lastly, the Barrett Objection cites to *Capistrano Taxpayers Assn., Inc. v. City of San Juan Capistrano* (2015) 235 Cal. App. 4th 1493 and states that the District needs to ensure “any tiered or increased rates are supported by actual cost differential.” The District’s proposed rate change would discontinue tiered pricing. As summarized in the District’s Notice, as well as in its COS Study, the District’s current rate structure includes volumetric tiered water rates for treated water customers that vary by service area. (See, e.g., COS Study, p. 18.) The proposed rate change, if adopted, would “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.” (COS Study, p. 8.) The District’s proposed transition from a two-tier volumetric

treated water rate structure to a uniform volumetric rate structure is supported by the proportionality requirements of Article XIII D, section 6 of the California Constitution and is based upon the cost-of-service analysis set forth in the District's COS Study. A review of the current operations of the water system did not indicate that there are proportionally higher costs associated with use in the higher tier. Under the uniform rate structure, all customers within the same class of service pay the same volumetric charge for each unit of treated water consumed. This approach aligns with the functional cost allocation methodology employed in the COS Study and, consistent with the principles set forth in *Capistrano Taxpayers Association v. City of San Juan Capistrano* (2015) 235 Cal.App.4th 1493, ensures that the volumetric rate charged to each customer corresponds to the proportional cost of providing service to that customer.

Other Comments Addressed

The Barrett Objection includes two statements that indicate that no rate payer should subsidize another and that administrative costs not allocable to service delivery should not be charged. The rates determined by the COS Study do not allow one class of ratepayers to subsidize another. Additionally, the ratepayers do not pay all of the District's administrative costs. Administrative costs associated with the hydropower and recreation enterprises are paid from revenue generated by these enterprises, not by ratepayers.

Conclusion and Reservation of Rights

Regarding the Barrett Objection, in exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning Barrett Objection.

7. Beckett Objection

Procedural Requirements

The Beckett Objection was timely received prior to the District's May 11, 2026, deadline to exhaust administrative remedies and utilized the District's Proposition 218 written objection form.

Substantive Requirements

The Beckett Objection does not comply with the District's substantive requirements for properly submitting a written objection. The District's Notice stated to "exhaust

administrative remedies, you must do the following: (1) obtain a written objection form and complete all portions of the form....” Additionally, the District’s written objection form states that “(1) Each part of this form must be filled out completely” and “(3) generalized objections are insufficient. To satisfy this exhaustion of administrative remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding.”

While the Beckett objection cites to several provisions of Proposition 218, it does not “Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above.” Nor does the Beckett Objection “Provide amendments to the proposed rates and the written basis...” The District can only speculate as to the specific reasons why the Beckett Objection believes “cost of service”, “proportionality” and “revenue limitations” are legal issues that need to be addressed.

Other Comments Addressed

As demonstrated in the COS Study, the proposed rates are necessary to meet operational needs and fund infrastructure repair and replacement, both of which are required to continue delivering water.

Conclusion and Reservation of Rights

Both the District’s Proposition 218 Notice and its written objection form state that “[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement”. The District finds and determines that the Beckett Objection does not comply with the District’s substantive requirements for properly filing a written objection. Consequently, Beckett is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Beckett Objection.

8. Cosso Objection

Procedural Requirements

The Cosso Objection was timely received prior to the District's May 11, 2026, deadline to exhaust administrative remedies and utilized the District's Proposition 218 written objection form.

Substantive Requirements

The Cosso Objection does not comply with the District's substantive requirements for properly submitting a written objection. The District's Notice stated to "exhaust administrative remedies, you must do the following: (1) obtain a written objection form and complete all portions of the form..." Additionally, the District's written objection form states that "(1) Each part of this form must be filled out completely" and "(3) generalized objections are insufficient. To satisfy this exhaustion of administrative remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding."

The Cosso Objection fails to meet these substantive requirements. For example, section 1 does not cite to any provision of law that would form the basis of the Cosso Objection. Rather, it expresses policy rationale for why the proposed rate increase should not be adopted.

Other Comments Addressed

The Cosso Objection states that the District did not establish rates that reflect the lower rate of serving the Cosso parcel specifically. The COS rates are reasonable, proportional, and supported by evidence and analyses presented in the COS Study, based on an allocation of costs by customer class and functional allocation. The rates were not established to generate excessive revenue, but to maintain reserves needed to ensure financial stability and handle emergencies. Current reserves are also relied upon in the proposed rate schedule, in a combination of the issuance of new debt, to decrease the significance of the proposed rate increase.

The Cosso Objection states that the elimination of tiered rate charges the low-volume water users the same rate as high-volume water users. Treated water users are charged a fixed rate based on meter size. The larger the meter size, the more water is used. The larger-meter customers pay a higher cost than the smaller-meter customers. The difference in these costs is explained in the COS Study under the functional allocation discussion.

Conclusion and Reservation of Rights

Both the District's Proposition 218 Notice and its written objection form state that "[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement". The District finds and determines

that the Cosso Objection does not comply with the District's substantive requirements for properly filing a written objection. Consequently, Cosso is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Cosso Objection.

9. Dayen Objection

Procedural Requirements

The Dayen Objection was timely received prior to the District's May 11, 2026, deadline to exhaust administrative remedies and utilized the District's Proposition 218 written objection form.

Substantive Requirements

The Dayen Objection does not comply with the District's substantive requirements for properly submitting a written objection. The District's Notice stated to "exhaust administrative remedies, you must do the following: (1) obtain a written objection form and complete all portions of the form...." Additionally, the District's written objection form states that "(1) Each part of this form must be filled out completely" and "(3) generalized objections are insufficient. To satisfy this exhaustion of administrative remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding."

The Dayen Objection fails to meet these substantive requirements. For example, section 1 does not cite to any provision of law that would form the basis of the Dayen Objection. Rather, it expresses policy rationale for why the proposed rate increase should not be adopted.

Other Comments Addressed

The Dayen Objection claims that removing the two-tiered water rate for treated water customers may disproportionately impact households regardless of actual water use and limit the customer's ability to control their bills through conservation. Proposition 218 requires the COS Study demonstrate a reasonable relationship between the costs of

providing service and the rates charged. Proposition 218 does not allow rates to be set to encourage conservation independent of cost. The COS Study explains that the move from two tiers to a single tier or uniform volumetric rate for treated water users is consistent with the District's operating cost structure. It should be noted that the greater the volume of water used, the higher the costs on the customer.

Conclusion and Reservation of Rights

Both the District's Proposition 218 Notice and its written objection form state that "[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement". The District finds and determines that the Dayen Objection does not comply with the District's substantive requirements for properly filing a written objection. Consequently, Dayen is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Dayen Objection.

10. Foxley Objection

Procedural Requirements

The District received a "formal written objection" formatted in the style of a letter to the Board of Directors. The Foxley Objection was received prior to the District's May 11, 2026, deadline for written objections. However, the Foxley Objection did not use the District's written objection form.

Substantive Requirements

The Foxley Objection does not comply with the District's substantive requirements for properly submitting a written objection. The District's Notice stated to "exhaust administrative remedies, you must do the following: (1) obtain a written objection form and complete all portions of the form...." Additionally, the District's written objection form states that "(1) Each part of this form must be filled out completely" and "(3) generalized objections are insufficient. To satisfy this exhaustion of administrative remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in

a judicial action or proceeding.” The Foxley Objection did not use the District’s written objection form.

While the Foxley Objection cites provisions of law, including requirements of Proposition 218, it does not “Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above.” Instead, the Foxley Objection generalizes its legal complaints and fails to substantiate its claims with any argument or application of the legal principles cited. For example, the Foxley Objection states

To the extent the proposed rates fund:

- Future system expansion benefiting new development;
- Unrelated infrastructure projects;
- Or general government purposes,

they are unconstitutional.

One of the key purposes of the exhaustion of administrative remedies requirement is to apprise the District of the specific grounds of alleged noncompliance through legal citation and analysis so that the District may consider such argument and potentially make changes, clarifications, or even to potentially discontinue the proposed rate change. The Foxley Objection’s lack of legal analysis deprives the District of this opportunity.

Other Comments Addressed

The Foxley Objection states that COS Study does not provide transparent and verifiable evidence that the proposed rates are limited to the actual cost of water. However, this claim does not appear to be based on the COS Study completed by the District. For example, the Foxley Objection states that the District did not provide detailed cost allocations, demand assumptions, and infrastructure funding breakdowns, and reserve calculations. However, all of these items are included in the COS Study. The remainder of the Foxley Objection does not provide a legal justification or other reasoned basis for the objection; instead, it contains hypothetical statements that indicate that if a specific legal requirement is not met, it would be illegal. For example, the District must hold a lawful public hearing. Not only has the public hearing not yet been held, but the date, time and location was included in the public Notice, in accordance with the requirements of Proposition 218.

Conclusion and Reservation of Rights

Both the District's Proposition 218 Notice and its written objection form state that "[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement". The District finds and determines that the Foxley Objection does not comply with the District's procedural and substantive requirements for properly filing a written objection. Consequently, Foxley is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

The District notes, however, that the Foxley Objection may have been intended as a written protest, despite using the term "formal written objection". The District will consider the Foxley Objection as a written protest to the proposed rates to be considered at the protest hearing.

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Foxley Objection.

11. Gardner Objection

Procedural Requirements

The Gardner Objection was timely received prior to the District's May 11, 2026, deadline to exhaust administrative remedies and utilized the District's Proposition 218 written objection form. However, the Gardner Objection was not signed.

Substantive Requirements

The Gardner Objection states it is "based on Article XIII D of the California Constitution (Proposition 218), Section 6(b), which requires that water rates not exceed the proportional cost of service to a parcel and that revenues be used only for that service." The District's COS Study demonstrates proportionality.

Article XIII D, section 6(b)(3) of the California Constitution requires that the amount of a property-related fee or charge imposed upon a parcel "shall not exceed the proportional cost of the service attributable to the parcel." The District's proposed rates satisfy this requirement. The COS Study prepared by Bartle Wells Associates establishes proportionality at three levels: the allocation of costs between raw and treated water service, the derivation of raw water rates, and the derivation of treated water rates.

Raw and Treated Proportional Cost Allocation

Because raw water customers do not benefit from the treated water system, the COS Study at Chapter 5 and Table 8 allocates each line item of projected expenses and non-rate revenues between the two systems based on operational data, engineering analysis, and the District's capital plan. The COS Study then allocates raw water system costs to treated water customers, reflecting the proportion of raw water flow that is conveyed into the treated system for delivery to treated customers (Table 9).

Proportional Treated Water Rates

Within the treated water revenue requirement, the COS Study at Table 11 (Treated Water Functional Allocation) allocates costs among two functional components corresponding to the cost drivers of treated water service: (i) Capacity, reflecting fixed costs related to the capacity of the treated water system that must be maintained to deliver water on demand to each customer; and (ii) Volumetric, reflecting costs that vary with the volume of water consumed. Property tax revenues and revenues from the sale of hydroelectric power are applied as an offset to the Inside District revenue requirements, allowing Inside District Rates to recover less than the full cost of service.

The capacity component is recovered through fixed monthly service charges that vary by meter size, with each meter assigned a Meter Equivalent Unit ratio proportional to its maximum safe flow capacity relative to a 5/8-inch meter. This ensures that each customer's fixed charge corresponds to the share of system capacity the District must maintain to serve that parcel.

The District's proposed transition from a two-tier volumetric treated water rate structure to a uniform volumetric rate structure is supported by the proportionality requirements of Article XIII D, section 6 of the California Constitution and is based upon the cost-of-service analysis set forth in the District's Cost of Service ("COS") Study. A review of the current operations of the water system did not indicate that there are proportionally higher costs associated with use in the higher tier. Under the uniform rate structure, all customers within the same class of service pay the same volumetric charge for each unit of treated water consumed. This approach aligns with the functional cost allocation methodology employed in the COS Study and, consistent with the principles set forth in *Capistrano Taxpayers Association v. City of San Juan Capistrano* (2015) 235 Cal.App.4th 1493, ensures that the volumetric rate charged to each customer corresponds to the proportional cost of providing service to that customer.

Proportionality Summary

The rates charged to the District's customers are proportional to the cost of service provided to each customer. The COS Study demonstrates that the revenue requirement for each of the District's customer classes is proportional to the cost to serve each class. The raw water and treated water rate structures for each class collect the proportional costs that do not vary with water use in the fixed charge and the costs that do vary with use in the volumetric charge. This structure ensures that the rate revenue collected from each customer is proportional to the cost of serving that customer.

Other Comments Addressed

None.

Conclusion and Reservation of Rights

Both the District's Proposition 218 Notice and its written objection form state that "[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement". The District finds and determines that the Gardner Objection does not comply with the District's procedural and substantive requirements for properly filing a written objection. Consequently, Gardner is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

In exercising its legislative discretion the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Gardner Objection.

12. Hinshaw Objection

Procedural Requirements

The Hinshaw Objection was timely received prior to the District's May 11, 2026, deadline to exhaust administrative remedies and utilized the District's Proposition 218 written objection form.

Substantive Requirements

The Hinshaw Objection does not comply with the District's substantive requirements for properly submitting a written objection. The District's Notice stated to "exhaust administrative remedies, you must do the following: (1) obtain a written objection form and complete all portions of the form...." Additionally, the District's written objection form

states that “(1) Each part of this form must be filled out completely” and “(3) generalized objections are insufficient. To satisfy this exhaustion of administrative remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding.” The Hinshaw Objection fails to meet these substantive requirements. For example, the Hinshaw objection refers to the proposed rates as “excessive” and “will affect every household and business”. The Hinshaw Objection contains policy rationale, not legal citation or argument, as to why the proposed rate increase ought not to proceed.

Hinshaw alleges in section 1 of the written objection form that the proposed rates are “disproportionate” and “violates Proposition 218”. However, Section 2 does not describe with any legal reasoning or argument why the rates fail these supposed standards and instead relies upon policy rationale for why the proposed rates should not take effect.

Other Comments Addressed

The Hinshaw Objection includes statements regarding the prohibition of voting by members of a homeowners' association (HOA) or a mobile home park. The members of an HOA or mobile home park that are collectively served by a single meter are not direct customers of the District and do not directly pay current or proposed District rates; therefore, these wholesale customers were not provided Notices and are not independently entitled to Notice or to otherwise participate in the Proposition 218 process through submission of a written objection or protest. Additionally, in the case of an HOA or a mobile home park, the wholesale purchaser may elect to pass along higher costs that those charged by the District rates, or absorb them.

Conclusion and Reservation of Rights

Both the District’s Proposition 218 Notice and its written objection form state that “[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement”. The District finds and determines that the Hinshaw Objection does not comply with the District’s substantive requirements for properly filing a written objection. Consequently, Hinshaw is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Hinshaw Objection.

13. Lovejoy Objection

Procedural Requirements

The Lovejoy Objection was timely received prior to the District's May 11, 2026, deadline to exhaust administrative remedies and utilized the District's Proposition 218 written objection form.

Substantive Requirements

The Lovejoy Objection does not comply with the District's substantive requirements for properly submitting a written objection. The District's Notice stated to "exhaust administrative remedies, you must do the following: (1) obtain a written objection form and complete all portions of the form...." Additionally, the District's written objection form states that "(1) Each part of this form must be filled out completely" and "(3) generalized objections are insufficient. To satisfy this exhaustion of administrative remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding."

The Lovejoy Objection fails to meet these substantive requirements. For example, the Lovejoy Objection states that "Rate increases exceed the cost of living that most senior citizens receive on a fixed income" and "Give the consumer a break". Sections 2 and 3 of the District's objection form were not completed.

The completed section 1 portion of the Lovejoy Objection contains policy rationale, not legal citation or argument, as to why the proposed rate increase ought not to proceed. Section 1 does not cite any provision of law that would form the basis of the Lovejoy Objection. Rather, it expresses policy rationale for why the proposed rate increase should not be adopted.

Other Comments Addressed

The District is committed to working with customers to increase water efficiency and reduce associated costs.

Conclusion and Reservation of Rights

Both the District's Proposition 218 Notice and its written objection form state that "[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement". The District finds and determines that the Lovejoy Objection does not comply with the District's substantive requirements for

properly filing a written objection. Consequently, Lovejoy is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Lovejoy Objection.

14. Owens Objection

Procedural Requirements

The Owens Objection was timely received prior to the District's May 11, 2026, deadline to exhaust administrative remedies and utilized the District's Proposition 218 written objection form.

Substantive Requirements

(a) Proportionality

Article XIII D, section 6(b)(3) of the California Constitution requires that the amount of a property-related fee or charge imposed upon a parcel "shall not exceed the proportional cost of the service attributable to the parcel." The District's proposed rates satisfy this requirement. The COS Study prepared by Bartle Wells Associates establishes proportionality at three levels: the allocation of costs between raw and treated water service, the derivation of raw water rates, and the derivation of treated water rates. The COS Study demonstrates that the revenue requirement for each of the District's customer classes is proportional to the cost to serve each class. The raw water and treated water rate structures for each class collect the proportional costs that do not vary with water use in the fixed charge and the costs that do vary with use in the volumetric charge. This structure ensures that the rate revenue collected from each customer is proportional to the cost of serving that customer.

(b) Use of Revenue

The Owens Objection alleges that "revenues from water fees must be used strictly for the purpose for which they were imposed (water service)." However, in section 2 of the written objection form, that allegation is not advanced or described in any detail.

Other Comments Addressed

None.

Conclusion and Reservation of Rights

Both the District's Proposition 218 Notice and its written objection form state that "[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement". The District finds and determines that portions of the Owens Objection do not comply with the District's substantive requirements for properly filing a written objection. Consequently, as to these claims Owens is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Owens Objection.

15. Quinn Objection

Procedural Requirements

The Quinn Objection was timely received prior to the District's May 11, 2026, deadline to exhaust administrative remedies and utilized the District's Proposition 218 written objection form. While the Quinn Objection was handwritten, it was not signed.

Substantive Requirements

The Quinn Objection does not comply with the District's substantive requirements for properly submitting a written objection. The District's Notice stated to "exhaust administrative remedies, you must do the following: (1) obtain a written objection form and complete all portions of the form...." Additionally, the District's written objection form states that "(1) Each part of this form must be filled out completely" and "(3) generalized objections are insufficient. To satisfy this exhaustion of administrative remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding."

The Quinn Objection does not describe, with reference to the Quinn property and usage of water, how the proposed rates violate provisions of the law. There are no legal citations used or legal analysis as to why the District's rates violate applicable law. The completed

portions of the Quinn Objection contain policy rationale, not legal citation or argument, as to why the proposed rate increase ought not to proceed.

Other Comments Addressed

None.

Conclusion and Reservation of Rights

Both the District's Proposition 218 Notice and its written objection form state that "[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement". The District finds and determines that the Quinn Objection does not comply with the District's procedural and substantive requirements for properly filing a written objection. Consequently, Quinn is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Quinn Objection.

16. Van Wagner

Procedural Requirements

The Van Wagner Objection was timely received prior to the District's May 11, 2026, deadline to exhaust administrative remedies and utilized the District's Proposition 218 written objection form.

Substantive Requirements

(a) Cost of Service

The Van Wagner Objection alleges that "The proposed increases do not clearly demonstrate this required nexus or cost justification as applied to my property, and appear to shift costs in a way that may not reflect actual service provided." However, the Van Wagner Objection does not elaborate or provide any legal argument explaining why the allegation is made. The District's written objection form states that "Generalized objections are insufficient" and "objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding." "Late-filed, noncompliant, or

incomplete written objections will not be considered as satisfying the Exhaustion of Administrative Remedies requirement.” The Van Wagner Objection fails to satisfy these substantive requirements.

In addition, the District retained Bartle Wells Associates to prepare a 2026 Cost of Service Study (COS Study). The COS Study was referenced in the District’s public notice mailed to all customers subject to the proposed change in water rates, was available upon request, and is available at nidwater.com/nid-water-rate-adjustments. Section 5 (Cost of Service Methodology) provides a comprehensive analysis of the District’s cost of service, allocation between treated and irrigation/raw water service, and functional allocation.

Due to the District’s receipt of non-rate revenue, including a share of property taxes and through sale of hydroelectric power, the District’s treated and irrigation/raw water rates are subsidized and are provided below the true cost of service. These subsidies are not available to water users that receive service from the District to properties located outside the jurisdictional boundaries of the District. The COS Study removes these subsidies from the proposed rate for out-of-District users. (See, e.g., COS Study, Table 2 [rates higher for “Out-District Raw Water” for both fixed service charge and volumetric rates].)

(b) Proportionality

The Van Wagner Objection asserts there “is not a clear showing that they [the proposed rates] are proportional to the actual cost of providing service to my parcel.” The COS Study demonstrates proportionality.

Article XIII D, section 6(b)(3) of the California Constitution requires that the amount of a property-related fee or charge imposed upon a parcel “shall not exceed the proportional cost of the service attributable to the parcel.” The District’s proposed rates satisfy this requirement. The COS Study prepared by Bartle Wells Associates establishes proportionality at three levels: the allocation of costs between raw and treated water service, the derivation of raw water rates, and the derivation of treated water rates.

Raw and Treated Proportional Cost Allocation

Because raw water customers do not benefit from the treated water system, the COS Study at Chapter 5 and Table 8 allocates each line item of projected expenses and non-rate revenues between the two systems based on operational data, engineering analysis, and the District’s capital plan. The COS Study then allocates raw water system costs to treated water customers, reflecting the proportion of raw water flow that is conveyed into the treated system for delivery to treated customers (Table 9).

Proportional Treated Water Rates

Within the treated water revenue requirement, the COS Study at Table 11 (Treated Water Functional Allocation) allocates costs among two functional components corresponding to the cost drivers of treated water service: (i) Capacity, reflecting fixed costs related to the capacity of the treated water system that must be maintained to deliver water on demand to each customer; and (ii) Volumetric, reflecting costs that vary with the volume of water consumed. Property tax revenues and revenues from the sale of hydroelectric power are applied as an offset to the Inside District revenue requirements, allowing Inside District Rates to recover less than the full cost of service.

The capacity component is recovered through fixed monthly service charges that vary by meter size, with each meter assigned a Meter Equivalent Unit ratio proportional to its maximum safe flow capacity relative to a 5/8-inch meter. This ensures that each customer's fixed charge corresponds to the share of system capacity the District must maintain to serve that parcel.

The District's proposed transition from a two-tier volumetric treated water rate structure to a uniform volumetric rate structure is supported by the proportionality requirements of Article XIII D, section 6 of the California Constitution and is based upon the cost-of-service analysis set forth in the District's COS Study. A review of the current operations of the water system did not indicate that there are proportionally higher costs associated with use in the higher tier. Under the uniform rate structure, all customers within the same class of service pay the same volumetric charge for each unit of treated water consumed. This approach aligns with the functional cost allocation methodology employed in the COS Study and, consistent with the principles set forth in *Capistrano Taxpayers Association v. City of San Juan Capistrano* (2015) 235 Cal.App.4th 1493, ensures that the volumetric rate charged to each customer corresponds to the proportional cost of providing service to that customer.

Proportionality Summary

The rates charged to the District's customers are proportional to the cost of service provided to each customer. The COS Study demonstrates that the revenue requirement for each of the District's customer classes is proportional to the cost to serve each class. The raw water and treated water rate structures for each class collect the proportional costs that do not vary with water use in the fixed charge and the costs that do vary with use in the volumetric charge. This structure ensures that the rate revenue collected from each customer is proportional to the cost of serving that customer.

Other Comments Addressed

None.

Conclusion and Reservation of Rights

Both the District's Proposition 218 Notice and its written objection form state that "[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement". The District finds and determines that portions of the Van Wagner Objection do not comply with the District's substantive requirements for properly filing a written objection. Consequently, as to these claims Van Wagner is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Van Wagner Objection.

17. Johnson Objection

Procedural Requirements

The District received a "Objection to Rate Increase". The Johnson Objection was received prior to the District's May 11, 2026, deadline for written objections. However, the Johnson Objection did not use the District's written objection form.

Substantive Requirements

The Johnson Objection does not comply with the District's substantive requirements for properly submitting a written objection. The District's Notice stated to "exhaust administrative remedies, you must do the following: (1) obtain a written objection form and complete all portions of the form...." Additionally, the District's written objection form states that "(1) Each part of this form must be filled out completely" and "(3) generalized objections are insufficient. To satisfy this exhaustion of administrative remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding."

The Johnson Objection did not use the District's written objection form. Nor does the Johnson correspondence articulate with specificity any legal argument for why the District's proposed rate change violates the law. It only states the "proposed rates may violate Proposition 218". The Johnson Objection do not advance legal reasoning for why the proposed rate change should not proceed.

Other Comments Addressed

The Johnson Objection states that the District eliminated the single-payment discount without a cost-based justification. The District eliminated the single-payment discount because offering it raised potential Proposition 218 concerns, such as it resulting in increasing rates for others in the same customer class, as the rate charged included revenue recovery associated with the use of the 5% prepayment discount. Additionally, the discount increases the District's administrative and labor costs because the discounted payments must be processed manually.

Conclusion and Reservation of Rights

Both the District's Proposition 218 Notice and its written objection form state that "[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement". The District finds and determines that the Johnson Objection does not comply with the District's procedural and substantive requirements for properly filing a written objection. Consequently, Johnson is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

The District notes, however, that the Johnson Objection may have been intended as a written protest, despite using the term "Objection". Following several requests of the District's Board of Directors, the Johnson Objection states "I request that this protest be counted toward the Proposition 218 majority protest requirement." The District will consider the Johnson Objection as a written protest to the proposed rates to be considered at the protest hearing.

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Johnson Objection.

18. Cash Objection

Procedural Requirements

The District received a "Formal Written Project – Proposition 218". It states "I object to the proposed rate increases" and contains a reservation of rights "to challenge the proposed rates". The Cash Objection was received prior to the District's May 11, 2026, deadline for written objections. However, the Cash Objection did not use the District's written objection form.

Substantive Requirements

The Cash Objection does not comply with the District's substantive requirements for properly submitting a written objection. The District's Notice stated to "exhaust administrative remedies, you must do the following: (1) obtain a written objection form and complete all portions of the form...." Additionally, the District's written objection form states that "(1) Each part of this form must be filled out completely" and "(3) generalized objections are insufficient. To satisfy this exhaustion of administrative remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding."

The Cash Objection did not use the District's written objection form. Nor does the Cash correspondence articulate with specificity any legal arguments for why the District's proposed rate change violates the law. It only states the generalized "significant concerns regarding whether the proposed rate increases comply with the constitutional requirements of Proposition 218." The Cash Objection refers to the District's Notice, but not its COS Study, which was referred to in the Notice as included in the written basis for the proposed rates.

Other Comments Addressed

None.

Conclusion and Reservation of Rights

Both the District's Proposition 218 Notice and its written objection form state that "[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement". The District finds and determines that the Cash Objection does not comply with the District's procedural and substantive requirements for properly filing a written objection. Consequently, Cash is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

The District notes, however, that the Cash Objection may have been intended as a written protest, despite using the term "Objection". Following several requests of the District's Board of Directors, the Cash Objection states "This letter is intended to serve as a formal protest under Proposition 218 and I request that it be counted toward any majority protest determination." The District will consider the Cash Objection as a written protest to the proposed rates to be considered at the protest hearing.

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Cash Objection.

19. Leveskis Objection

Procedural Requirements

The District received a “Objection to Rate Increase. The Leveskis Objection was received prior to the District’s May 11, 2026, deadline for written objections. However, the Leveskis Objection did not use the District’s written objection form.

Substantive Requirements

The Leveskis Objection does not comply with the District’s substantive requirements for properly submitting a written objection. The District’s Notice stated to “exhaust administrative remedies, you must do the following: (1) obtain a written objection form and complete all portions of the form....” Additionally, the District’s written objection form states that “(1) Each part of this form must be filled out completely” and “(3) generalized objections are insufficient. To satisfy this exhaustion of administrative remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding.”

The Leveskis Objection did not use the District’s written objection form. Nor does the Leveskis correspondence articulate with specificity any legal arguments for why the District’s proposed rate change violates the law. It only states the generalized “concerns”.

Other Comments Addressed

None.

Conclusion and Reservation of Rights

Both the District’s Proposition 218 Notice and its written objection form state that “[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement”. The District finds and determines that the Leveskis Objection does not comply with the District’s procedural and substantive requirements for properly filing a written objection. Consequently, Leveskis is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

The District notes, however, that the Leveskis Objection may have been intended as a written protest, despite using the term “Objection”. The Leveskis Objection states “I request that this protest be counted toward the Proposition 218 majority protest requirement”. The District will consider the Leveskis Objection as a written protest to the proposed rates to be considered at the protest hearing.

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Leveskis Objection.

20. Beach Objection

Procedural Requirements

The District received a handwritten letter expressing objection to the proposed rate increase and asking that it be considered as “my statement of opposition to NID proposed rate increases.” The Beach Objection was received prior to the District’s May 11, 2026, deadline for written objections. However, the Beach Objection did not use the District’s written objection form.

Substantive Requirements

The Beach Objection does not comply with the District’s substantive requirements for properly submitting a written objection. The District’s Notice stated to “exhaust administrative remedies, you must do the following: (1) obtain a written objection form and complete all portions of the form....” Additionally, the District’s written objection form states that “(1) Each part of this form must be filled out completely” and “(3) generalized objections are insufficient. To satisfy this exhaustion of administrative remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding.”

The Beach Objection did not use the District’s written objection form. Nor does the Beach correspondence articulate with specificity any legal arguments for why the District’s proposed rate change violates the law. It expresses policy rationale, not legal argument, in opposition to the proposed rate increase, such as that “I do not feel obligated to fund NID’s aging infrastructure”.

Other Comments Addressed

None.

Conclusion and Reservation of Rights

Both the District's Proposition 218 Notice and its written objection form state that "[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement". The District finds and determines that the Beach Objection does not comply with the District's procedural and substantive requirements for properly filing a written objection. Consequently, Beach is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

The District notes, however, that the Beach Objection may have been intended as a written protest, despite using the term "object". The District will consider the Beach Objection as a written protest to the proposed rates to be considered at the protest hearing.

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Beach Objection.

21. Bright Objection

Procedural Requirements

The Bright Objection was timely received prior to the District's May 11, 2026, deadline to exhaust administrative remedies and utilized the District's Proposition 218 written objection form.

Substantive Requirements

(a) Cost of Service

The Bright Objection states that "the proposed rates appear to generate revenue beyond the actual cost of providing the water service, constituting an unlawful tax." This allegation is not accurate.

The District retained Bartle Wells Associates to prepare a 2026 Cost of Service Study (COS Study). The COS Study was referenced in the District's public notice mailed to all customers subject to the proposed change in water rates, was available upon request, and is available at nidwater.com/nid-water-rate-adjustments. Section 5 (Cost of Service Methodology) provides a comprehensive analysis of the District's cost of service, allocation between treated and irrigation/raw water service, and functional allocation.

Due to the District's receipt of non-rate revenue, including a share of property taxes and through sale of hydroelectric power, the District's treated and irrigation/raw water rates are subsidized for in-District customers and are provided below the true cost of service. These subsidies are not available to water users that receive service from the District to properties located outside the jurisdictional boundaries of the District. The COS Study removes these subsidies from the proposed rate for out-of-District users. (See, e.g., COS Study, Table 2 [rates higher for "Out-District Raw Water" for both fixed service charge and volumetric rates].)

(b) Proportionality/Equal Protection

The Bright Objection states "the proposed rate structure fails to demonstrate proportionality between charges and the cost of service to individual customers or classes of customers." The COS Study demonstrates proportionality and, thus addresses the Bright Objection equal protection claim even if, *arguendo*, the equal protection clause applied.

Article XIII D, section 6(b)(3) of the California Constitution requires that the amount of a property-related fee or charge imposed upon a parcel "shall not exceed the proportional cost of the service attributable to the parcel." The District's proposed rates satisfy this requirement. The COS Study prepared by Bartle Wells Associates establishes proportionality at three levels: the allocation of costs between raw and treated water service, the derivation of raw water rates, and the derivation of treated water rates.

Raw and Treated Proportional Cost Allocation

Because raw water customers do not benefit from the treated water system, the COS Study at Chapter 5 and Table 8 allocates each line item of projected expenses and non-rate revenues between the two systems based on operational data, engineering analysis, and the District's capital plan. The COS Study then allocates raw water system costs to treated water customers, reflecting the proportion of raw water flow that is conveyed into the treated system for delivery to treated customers (Table 9).

Proportional Treated Water Rates

Within the treated water revenue requirement, the COS Study at Table 11 (Treated Water Functional Allocation) allocates costs among two functional components corresponding to the cost drivers of treated water service: (i) Capacity, reflecting fixed costs related to the capacity of the treated water system that must be maintained to deliver water on demand to each customer; and (ii) Volumetric, reflecting costs that vary with the volume of water consumed. Property tax revenues and revenues from the sale of hydroelectric power are

applied as an offset to the Inside District revenue requirements, allowing Inside District Rates to recover less than the full cost of service.

The capacity component is recovered through fixed monthly service charges that vary by meter size, with each meter assigned a Meter Equivalent Unit ratio proportional to its maximum safe flow capacity relative to a 5/8-inch meter. This ensures that each customer's fixed charge corresponds to the share of system capacity the District must maintain to serve that parcel.

The District's proposed transition from a two-tier volumetric treated water rate structure to a uniform volumetric rate structure is supported by the proportionality requirements of Article XIII D, section 6 of the California Constitution and is based upon the cost-of-service analysis set forth in the District's COS Study. A review of the current operations of the water system did not indicate that there are proportionally higher costs associated with use in the higher tier. Under the uniform rate structure, all customers within the same class of service pay the same volumetric charge for each unit of treated water consumed. This approach aligns with the functional cost allocation methodology employed in the COS Study and, consistent with the principles set forth in *Capistrano Taxpayers Association v. City of San Juan Capistrano* (2015) 235 Cal.App.4th 1493, ensures that the volumetric rate charged to each customer corresponds to the proportional cost of providing service to that customer.

Proportionality Summary

The rates charged to the District's customers are proportional to the cost of service provided to each customer. The COS Study demonstrates that the revenue requirement for each of the District's customer classes is proportional to the cost to serve each class. The raw water and treated water rate structures for each class collect the proportional costs that do not vary with water use in the fixed charge and the costs that do vary with use in the volumetric charge. This structure ensures that the rate revenue collected from each customer is proportional to the cost of serving that customer.

(c) Charges Based on Actual Use

The Bright Objection states "Section 6(b)(4): Charges imposed regardless of actual use or availability raise compliance concerns". There is no further legal argument, factual claims, or rationale supporting this statement. The District's form states that "Generalized objections are insufficient" and that parties "must present the exact issue(s) that they intent to pursue in a judicial action or proceeding". Moreover, the District requires objecting parties to "Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above." The Bright Objection fails to meet this substantive requirement.

In addition, the claim is incorrect. Charges are imposed solely on the basis of use of water service. A parcel within the District's service area that does not receive District water service does not pay the proposed rates. Only active customers of the District are subject to the proposed rates.

(d) Charges for Other Services

The Bright Objection states "Section 6(b)(2): to the extent that revenues are used for unrelated projects, reserves not reasonably tied to service, or other district obligations, the rates violate this provision." There is no further legal argument, factual claims, or rationale supporting this statement. The District's form states that "Generalized objections are insufficient" and that parties "must present the exact issue(s) that they intent to pursue in a judicial action or proceeding". Moreover, the District requires objecting parties to "Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above." The Bright Objection fails to meet this substantive requirement.

In addition, the claim is incorrect. Charges are imposed solely for the purpose of funding water service and are not and will not be used for other purposes. The COS Study demonstrates the cost justification for water rate increases and the use of those funds on water related services exclusively.

Lastly, the Bright Objection cites to *Capistrano Taxpayers Assn., Inc. v. City of San Juan Capistrano* (2015) 235 Cal. App. 4th 1493 and states "to the extent the proposed rates included tiered pricing or fixed charges not supported by cost-of-service data, they are inconsistent with this precedent." The District's proposed rate change would discontinue tiered pricing. As summarized in the District's Notice, as well as in its COS Study, the District's current rate structure includes volumetric tiered water rates for treated water customers that vary by service area. (See, e.g., COS Study, p. 18.) The proposed rate change, if adopted, would "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." (COS Study, p. 8.)

Other Comments Addressed

The Bright Objection incorrectly presumes that moving and distributing water downhill should be inexpensive. Unfortunately, moving water downhill is very expensive, given the significant infrastructure required to store and transport it.

Conclusion and Reservation of Rights

Regarding the Bright Objection, in exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Bright Objection.

22. Clow Objection

Procedural Requirements

The District received a “Objection to Rate Increase”. The Clow Objection was received prior to the District’s May 11, 2026, deadline for written objections. However, the Clow Objection did not use the District’s written objection form.

Substantive Requirements

The Clow Objection does not comply with the District’s substantive requirements for properly submitting a written objection. The District’s Notice stated to “exhaust administrative remedies, you must do the following: (1) obtain a written objection form and complete all portions of the form...” Additionally, the District’s written objection form states that “(1) Each part of this form must be filled out completely” and “(3) generalized objections are insufficient. To satisfy this exhaustion of administrative remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding.”

The Clow Objection did not use the District’s written objection form. Nor does the Clow correspondence articulate with specificity any legal arguments for why the District’s proposed rate change violates the law. It only states the “proposed rates may violate Proposition 218”. The Clow Objection do not advance legal argument for why the proposed rate change should not proceed.

Other Comments Addressed

None.

Conclusion and Reservation of Rights

Both the District’s Proposition 218 Notice and its written objection form state that “[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement”. The District finds and determines that the Clow Objection does not comply with the District’s procedural and substantive requirements for properly filing a written objection. Consequently, Clow is prohibited from

bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

The District notes, however, that the Clow Objection may have been intended as a written protest, despite using the term “Objection”. The Clow Objection states “I request that this protest be counted toward the Proposition 218 majority protest requirement.” The District will consider the Clow Objection as a written protest to the proposed rates to be considered at the protest hearing.

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Clow Objection.

23. Hensel Objection

Procedural Requirements

The District received a “Objection to Water Rate Increase”. The Hensel Objection was received prior to the District’s May 11, 2026, deadline for written objections. However, the Hensel Objection did not use the District’s written objection form.

Substantive Requirements

The Hensel Objection does not comply with the District’s substantive requirements for properly submitting a written objection. The District’s Notice stated to “exhaust administrative remedies, you must do the following: (1) obtain a written objection form and complete all portions of the form....” Additionally, the District’s written objection form states that “(1) Each part of this form must be filled out completely” and “(3) generalized objections are insufficient. To satisfy this exhaustion of administrative remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding.”

The Hensel Objection did not use the District’s written objection form. Nor does the Hensel correspondence articulate with specificity any legal arguments for why the District’s proposed rate change violates the law. It states policy reasons, not legal argument, for why the proposed rates should not be adopted.

Other Comments Addressed

None.

Conclusion and Reservation of Rights

Both the District's Proposition 218 Notice and its written objection form state that "[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement". The District finds and determines that the Hensel Objection does not comply with the District's procedural and substantive requirements for properly filing a written objection. Consequently, Hensel is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

The District notes, however, that the Hensel Objection may have been intended as a written protest, despite using the term "Objection". The Hensel Objection states "I object to your proposed changes and increases. The District will consider the Hensel Objection as a written protest to the proposed rates to be considered at the protest hearing.

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Hensel Objection.

24. Bromm Objections [Two Objections]

Procedural Requirements

The Bromm Objections were timely received prior to the District's May 11, 2026, deadline to exhaust administrative remedies and utilized the District's Proposition 218 written objection form.

Substantive Requirements

The Bromm Objections cite several legal claims unrelated to the District's proposed water rate increase under Proposition 218. For example, the Bromm Objections raise objections as "the victim of a District's realignment project". They also allege claims for human right to water, water rights law, groundwater depletion, negligent infrastructure redesign, lack of innovation, antitrust violations, negligence and nuisance, and violations of regulatory standards and consumer protection laws. As to these claims, the Bromm Objections do not create a legal nexus between the claims alleged (section 1) and the description of how the proposed rates violate those claims alleged (section 2). The District's written objection form states that "Generalized objections are insufficient" and "objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding."

“Late-filed, noncompliant, or incomplete written objections will not be considered as satisfying the Exhaustion of Administrative Remedies requirement.” As to the claims for which there is no legal nexus or argument as to how those claims are implicated in the District’s ratemaking process, the Bromm Objections fail to satisfy these substantive requirements.

The Bromm Objections do assert a “Prop 218 violation” and “Setting water rates and passing the cost of a 55-million-dollar spillway repair to the consumers seems to far exceed the cost of providing water and normal increased maintenance expenses.” The Scotts Flat Reservoir spillway repair is a regulatory mandate imposed on the District by the California Division of Safety of Dams and the Federal Energy Regulatory Commission. Scotts Flat Reservoir serves both treated and irrigation customers and, thus, that forecasted capital expense is proportionately shared by all District customers. If the District did not implement the spillway repair as mandated, it is likely that the District would be required to lower the storage elevation in Scotts Flat Reservoir, reducing the pool of water available to District customers, thus negatively impacting the ability to continue water service for irrigation and treated water customers. Consequently, the forecasted capital expense for the project is necessary to maintain water service for District customers and is appropriately and proportionately included in the proposed rate change so the District may recover its cost of providing water service.

Other Comments Addressed

The Bromm Objections request that the District contact the California Public Utilities Commission (CPUC) to verify the rates. The CPUC does not have regulatory authority over the District and the District would neither pursue, nor would the CPUC be interested in such a verification process given entities under the CPUC jurisdiction are not subject to Proposition 218.

Conclusion and Reservation of Rights

Both the District’s Proposition 218 Notice and its written objection form state that “[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement”. The District finds and determines that portions of the Bromm Objections do not comply with the District’s substantive requirements for properly filing a written objection. Consequently, as to these claims Bromm is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Bromm Objections.

25. Caulder Objections [Two Objections]

Procedural Requirements

The Caulder Objections were timely received prior to the District's May 11, 2026, deadline to exhaust administrative remedies and utilized the District's Proposition 218 written objection form.

Substantive Requirements

(a) Lake Wildwood Treatment Plant Upgrade

Without citation, the Caulder Objections assert "the District cannot materially alter the revenue requirement or the projects used to justify the rates without issuing a new study and providing fresh notice." The Caulder Objections assert that the COS Study included only \$250,000 per year for Lake Wildwood Treatment Plant upgrades, but was thereafter changed to "\$21 million+" and "This post-notice material change increases the revenue requirement imposed on my property."

To avoid large swings in projected future rate increases, the District, as is customary amongst water providers, utilized a ten-year capital improvement cost projection. The COS Study at Table 4 (Capital Improvement Cost (Future \$)) shows forecasted capital improvement projects over a ten-year period, from 2026 through 2035. The "Lake Wildwood System" is listed as having relatively minor annual capital costs from 2026 through 2030, with large projected increases of approximately \$13.6 million in both 2032 and 2034.

The District is only proposing a 5-year schedule of potential rate changes. The large projected Lake Wildwood Treatment Plant expenses in 2032 and 2033 are beyond the proposed 5-year rate schedule. Those large projected future expenses are not included in or otherwise affecting the revenue requirements to satisfy the District's cost of service needs during the 5-year proposed rate schedule. The large future projected capital expenses in 2032 and 2033 were purposely delayed beyond the proposed 5-year rate schedule to avoid a more significant increase in water rates as part of this rate setting process.

Finally, Table 4 indicates that the future expenses associated with Lake Wildwood Treatment Plant are under the “Infrastructure – Treated Water” category, meaning that those projected costs within the proposed 5-year rate schedule are allocated to the District’s treated water customers alone. The District’s irrigation customers are not allocated any share of the Lake Wildwood Treatment Plant upgrades. The Caulder Objections are associated with a District account that only utilizes irrigation water. It is, thus, inaccurate for the Caulder Objections to state that the Lake Wildwood Treatment Plant upgrades “increases the revenue requirement on my property.”

(b) Hydroelectric Revenue Subsidy

The Caulder Objections assert that the COS Study eliminates the “historic hydroelectric subsidy.” The Caulder Objections do not explain how this claim, even if true, violated or otherwise implicated Proposition 218. For this reason, the claim fails to meet the substantive requirements of the written objection, including that “generalized objections are insufficient.”

Regardless, however, the assertion is not accurate. . The District’s Hydropower Department funds the upper division of the watershed, including all high-elevation reservoirs, aqueducts, tunnels, canals, and hydroelectric facilities. These systems collect the majority of the District’s water supply and conveys it to Scotts Flat Reservoir and Rollins Reservoir, from which the water is distributed to District irrigation and domestic customers. This historic and current use of hydroelectric revenue constitutes a subsidy to District water users. Property tax revenues and revenues from the sale of hydroelectric power are applied as an offset to the Inside District revenue requirements, allowing Inside District Rates to recover less than the full cost of service.

Due to the District’s receipt of non-rate revenue, including a share of property taxes and through sale of hydroelectric power, the District’s treated and irrigation/raw water rates are subsidized and are provided below the true cost of service. These subsidies are not available to water users that receive service from the District to properties located outside the jurisdictional boundaries of the District. The COS Study removes these subsidies from the proposed rate for out-of-District users. (See, e.g., COS Study, Table 2 [rates higher for “Out-District Raw Water” for both fixed service charge and volumetric rates].) The account referenced in the Caulder Objections is within the District, meaning it has and will continue to benefit from the District’s subsidies.

(c) Incorrect Protest Form Date

The Caulder Objections correctly note a typographical error in the optional protest form that was originally posted to the District’s website, nidwater.com/nid-water-rate-

adjustment on March 25, 2026. The original protest form listed the hearing date as May 27, 2025, rather than May 27, 2026. The typo was promptly fixed by the District on April 2, 2026, once the District was made aware of the issue.

The Caulder Objections request “re-opening or extending the protest period if necessary to ensure all ratepayers had accurate information.” The District is unwilling to make this request for several reasons.

First, the District’s Notice contained the correct hearing date and observed that the example protest form is optional, as follows:

How to Protest Proposed Rates

Proposition 218 allows property owners or customers to file one written protest per parcel subject to the proposed rates in this Notice. Written protests must be received (not postmarked) by the District no later than the close of the public hearing on May 27, 2026. A sample protest form is available at <https://www.nidwater.com/nid-water-rate-adjustments> and will be mailed to any interested party upon request by contacting the District at (530) 273-6185. However, property owners/customers are not required to use the sample protest form. Although this notice is sent to both property owners and the customer identified on the account (if different), only one protest may be cast per parcel.

Every written protest must include all the following to be considered valid:

1. Customer or property owner name;
2. Parcel Number or street address(es) of all property(ies) serviced for which protest is made;
3. Original signature of property owner or water customer; and
4. Statement in opposition to the rate proposal.

Protests must be submitted in a timely manner by mail or in person only to the following address (oral protests or protests submitted by email or other electronic means are not accepted and will not be counted):

Nevada Irrigation District – Kris Stepanian, Board Secretary

1036 West Main Street, Grass Valley, CA 95945

At the conclusion of the public hearing, protests will be publicly counted and validated. If a majority protest exists, the District’s Board of Directors cannot proceed with the proposed rate change. However, if a majority protest does not exist, the District has the authority to adopt the proposed rates, which would take effect on January 1, 2027.

Second, following the close of the protest hearing, the District will count and validate protests to determine if a majority protest exists. The District will count protests utilizing the original protest form if the protest is otherwise valid (e.g., signed, one protest per parcel, etc.) The District will not, in other words, reject otherwise valid protests simply because a customer utilized the original protest form containing the date typo.

Third, as the Caulder Objections observe, the District corrected the typographical error promptly upon notification on April 2, 2026. That was 55 days prior to the protest hearing on May 27, 2026. The public had the corrected optional protest form for longer than the

minimum 45-day period required by Proposition 218. (Cal. Const., Art. XIII D, § 6, subd. (a)(2).)

Other Comments Addressed

None.

Conclusion and Reservation of Rights

Both the District's Proposition 218 Notice and its written objection form state that "[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement". The District finds and determines that portions of the Caulder Objections do not comply with the District's substantive requirements for properly filing a written objection. Consequently, as to these claims Caulder is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Caulder Objections.

26. Gallino Objection

Procedural Requirements

The Gallino Objection was timely received prior to the District's May 11, 2026, deadline to exhaust administrative remedies and utilized the District's Proposition 218 written objection form.

Substantive Requirements

The Gallino Objection does not comply with the District's substantive requirements for properly submitting a written objection. The District's Notice stated to "exhaust administrative remedies, you must do the following: (1) obtain a written objection form and complete all portions of the form...." Additionally, the District's written objection form states that "(1) Each part of this form must be filled out completely" and "(3) generalized objections are insufficient. To satisfy this exhaustion of administrative remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding."

The Gallino Objection fails to meet these substantive requirements. It states that not all customers received the notice of water rate increase. Section 2 of the District's objection form is not completed and no description or other support is offered for the claim that not all customers received written notice. Moreover, the claim is not accurate. The District, as required by Article XIII D, section 6, subdivision (a)(1) provided written notice by mail of the proposed fee or charge to the record owner of each identified parcel upon which the fee or charge is proposed for imposition. In addition, though not legally required, the District mailed notices to each customer, not just record owner, subject to the proposed fee. Due to this extra step, the District mailed 28,306 notices for 25,072 parcels subject to the proposed fee.

Other Comments Addressed

None.

Conclusion and Reservation of Rights

Both the District's Proposition 218 Notice and its written objection form state that "[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement". The District finds and determines that the Gallino Objection does not comply with the District's procedural and substantive requirements for properly filing a written objection. Consequently, Gallino is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Gallino Objection.

27. Taylor Objection

Procedural Requirements

The District received a letter requesting it be "counted as a formal objection". The Taylor Objection was received prior to the District's May 11, 2026, deadline for written objections. However, the Taylor Objection did not use the District's written objection form.

Substantive Requirements

The Taylor Objection does not comply with the District's substantive requirements for properly submitting a written objection. The District's Notice stated to "exhaust administrative remedies, you must do the following: (1) obtain a written objection form and complete all portions of the form...." Additionally, the District's written objection form states that "(1) Each part of this form must be filled out completely" and "(3) generalized objections are insufficient. To satisfy this exhaustion of administrative remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding."

The Taylor Objection did not use the District's written objection form. The Taylor Objection largely raises policy rationale, not legal argument, for why the proposed rate change should be denied.

The Taylor Objection does allege that "increases are not proportional to the cost of service." However, the claim is not advanced through any legal rationale or reasoning. Moreover, the District's proposed rates do not exceed the proportional cost of service attributable to the parcel. The rates charged to the District's customers are proportional to the cost of service provided to each customer. The COS Study demonstrates that the revenue requirement for each of the District's customer classes is proportional to the cost to serve each class. The raw water and treated water rate structures for each class collect the proportional costs that do not vary with water use in the fixed charge and the costs that do vary with use in the volumetric charge. This structure ensures that the rate revenue collected from each customer is proportional to the cost of serving that customer.

Other Comments Addressed

None.

Conclusion and Reservation of Rights

Both the District's Proposition 218 Notice and its written objection form state that "[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement". The District finds and determines that the Taylor Objection does not comply with the District's procedural and substantive requirements for properly filing a written objection. Consequently, Taylor is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

The District notes, however, that the Taylor Objection may have been intended as a written protest, despite using the term "Objection". The Taylor Objection states "I hereby submit this written protest against the proposed water rate increases to be considered at the

public hearing scheduled for May 27, 2026.” The District will consider the Taylor Objection as a written protest to the proposed rates to be considered at the protest hearing.

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Taylor Objection.

28. Dodson Objection

Procedural Requirements

The Dodson Objection was timely received prior to the District’s May 11, 2026, deadline to exhaust administrative remedies and utilized the District’s Proposition 218 written objection form.

Substantive Requirements

The Dodson Objection is substantially similar to the Bromm Objections. It cites several legal claims unrelated to the District’s proposed water rate increase under Proposition 218. For example, the Dodson Objection raises objections as to a “pipe blockage” and “realignment”. The Dodson Objection also alleges claims for human right to water, water rights law, groundwater depletion, negligent infrastructure redesign, lack of innovation, antitrust violations, negligence and nuisance, and violations of regulatory standards and consumer protection laws. As to these claims, the Dodson Objection does not create a legal nexus between the claims alleged (section 1) and the description of how the proposed rates violate those claims alleged (section 2).

The District’s written objection form states that “Generalized objections are insufficient” and “objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding.” “Late-filed, noncompliant, or incomplete written objections will not be considered as satisfying the Exhaustion of Administrative Remedies requirement.” As to the claims for which there is no legal nexus or argument as to how those claims are implicated in the District’s ratemaking process, the Dodson Objection fails to satisfy these substantive requirements.

The Dodson Objection does assert a “Prop 218 violation” and “Setting water rates and passing the cost of a 55-million-dollar spillway repair to the consumers seems to far exceed the cost of providing water and normal increased maintenance expenses.” The Scotts Flat Reservoir spillway repair is a regulatory mandate imposed on the District by the California Division of Safety of Dams and the Federal Energy Regulatory Commission.

Scotts Flatt Reservoir serves both treated and irrigation customers and, thus, that forecasted capital expense is proportionately shared by all District customers. If the District did not implement the spillway repair as mandated, it is likely that the District would be required to lower the storage elevation in Scotts Flat Reservoir, impacting the ability to continue water service for irrigation and treated water customers. Consequently, the forecasted capital expense for the project is necessary to maintain water service for District customers and is appropriately and proportionately included in the proposed rate change so the District may recover its cost of providing water service.

Other Comments Addressed

None.

Conclusion and Reservation of Rights

Both the District's Proposition 218 Notice and its written objection form state that "[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement". The District finds and determines that portions of the Dodson Objection do not comply with the District's substantive requirements for properly filing a written objection. Consequently, as to these claims Dodson is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Dodson Objection.

29. Frescas Objection

Procedural Requirements

The Frescas Objection was timely received prior to the District's May 11, 2026, deadline to exhaust administrative remedies and utilized the District's Proposition 218 written objection form.

Substantive Requirements

The Frescas Objection does not comply with the District's substantive requirements for properly submitting a written objection. The District's Notice stated to "exhaust administrative remedies, you must do the following: (1) obtain a written objection form and

complete all portions of the form....” Additionally, the District’s written objection form states that “(1) Each part of this form must be filled out completely” and “(3) generalized objections are insufficient. To satisfy this exhaustion of administrative remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding.”

While the Frescas Objection states “water rate must be proportional to the cost of service for each customer”, it does not “Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above.” Nor does the Frescas Objection “Provide amendments to the proposed rates and the written basis...” The District can only speculate as to the specific reasons why the Frescas Objection believes “proportionality” is a legal issue that needs to be addressed. Moreover, the rates charged to the District's customers are proportional to the cost of service provided to each customer. The COS Study demonstrates that the revenue requirement for each of the District’s customer classes is proportional to the cost to serve each class. The raw water and treated water rate structures for each class collect the proportional costs that do not vary with water use in the fixed charge and the costs that do vary with use in the volumetric charge. This structure ensures that the rate revenue collected from each customer is proportional to the cost of serving that customer.

Other Comments Addressed

None.

Conclusion and Reservation of Rights

Both the District’s Proposition 218 Notice and its written objection form state that “[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement”. The District finds and determines that portions of the Frescas Objection do not comply with the District’s substantive requirements for properly filing a written objection. Consequently, as to these claims Frescas is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Frescas Objection.

30. Greenpeace Water Association Objection

Procedural Requirements

The Greenpeace Water Association Objection was timely received prior to the District's May 11, 2026, deadline to exhaust administrative remedies and utilized the District's Proposition 218 written objection form.

Substantive Requirements

(a) Wholesale Delivery to Mutual Water Companies Is Not Subject to Proposition 218

Greenpeace Water Association is a mutual water company under the District's rules and regulations that receives irrigation water from the District and distributes it via a privately owned, operated and maintained water distribution system to property within its jurisdictional area. The Greenpeace Water Association Objection includes a 2026 member list, identifying 10 addresses receiving water from the mutual water company. The District only has one account with and one delivery point to Greenpeace Water Association. The District does not have any direct relationship with Greenpeace Water Association's members; it does not have any accounts or delivery points to any of its members and such a direct customer relationship between mutual water company members and the District is prohibited under District rules.

Greenpeace Water Association is responsible for payment of District fees and charges for water service, not its members. The District is unaware of the financial relationship between Greenpeace Water Association and its members as it relates to District water service. For example, the District does not know how Greenpeace Water Association charges its members (if at all) for water service; how District's costs are (or are not) shared amongst members; or whether Greenpeace Water Association enhances the District's rate to cover its expense of operation, repair and maintenance of the Greenpeace Water Association water infrastructure.

For these reasons, water service to Greenpeace Water Association is provided on a wholesale, not retail basis. Proposition 218 only applies to fees or charges imposed upon a parcel or person *as an incident of property ownership*. Where, as here, a third party like Greenpeace Water Association purchases water wholesale for subsequent distribution to retain customers, it acts in the capacity as a water distributor, not in its capacity as a property owner.

The California Supreme Court in *Richmond v. Shasta Community Services Dist.*, 32 Cal.4th 409 (2004) established the critical threshold test: a water service fee is subject to Article XIII D "if, but only if, it is imposed 'upon a person as an incident of property ownership.'" The

Court explained that the reason water service qualifies as a property-related service is that water is indispensable to most uses of real property, water is delivered through pipes physically connected to the property, and a water provider may, by recording a certificate, obtain a lien on the property for delinquent service charges. Crucially, the Court held that not all water service charges are automatically subject to Article XIII D; the fee must still be imposed *as an incident of property ownership* to fall within the constitutional mandate.

The California Supreme Court directly addressed the question of whether charges imposed on another entity that purchases and redistributes water can constitute property-related fees under Proposition 218 in *City of San Buenaventura v. United Water Conservation Dist.*, 3 Cal.5th 1191 (2017). The City of Ventura pumped groundwater from a conservation district's basin and paid charges to fund the district's conservation activities; the City then delivered that water to its residential customers. The Court held that the groundwater charges were not charges for a "property-related service" subject to Article XIII D. The Court articulated the governing principle: "A fee is charged for a 'property-related service,' and is thus subject to article XIII D, if it is imposed on a property owner, in his or her capacity as a property owner, to pay for the costs of providing a service to a parcel of property."

The Court reasoned that when the district charged the City, it was not providing a service to the City in its capacity as a property owner, "but in the City's capacity as an extractor of groundwater from stores that are managed for the benefit of the public." Furthermore, the Court specifically noted the significance of the wholesale intermediary role: "while some well operators extract water for use on their own property, others, such as the City, extract water for sale and distribution elsewhere." This is the essential distinction. A retail property owner who receives water service uses that water for the property—giving rise to a direct relationship to property ownership. A wholesale purchaser, by contrast, acquires water not for use on its own property but for redistribution to end-use customers, breaking the constitutionally required chain between the fee and property ownership.

The Supreme Court further noted that the district's services "are not directed at any particular parcel or set of parcels in the same manner as, for example, water delivery or refuse collection services," reinforcing that Article XIII D's framework is designed for charges tied to specific identified parcels—a concept structurally incompatible with wholesale transactions. *City of San Buenaventura v. United Water Conservation Dist.*, 3 Cal.5th 1191 (2017) Indeed, Article XIII D requires that an agency identify each parcel upon which a proposed fee is to be imposed and provide written notice to the record owner of each parcel. (Cal. Const., Art. XIII D, § 1.) Compliance with this requirement is possible in retail service contexts but is structurally impossible in a wholesale transaction where the charging agency provides water to another agency (not to individual parcel owners) and has

no relationship with the downstream parcels. (See, also, The Honorable Richard K. Rainey, 80 Ops. Cal. Atty. Gen. 183 (1997).)

Greenpeace Water Association's challenges to wholesale water rate structures imposed between local agencies are instead evaluated under California Constitution, Article XIII C (Proposition 26), not Article XIII D (Proposition 218). This was confirmed by both the Supreme Court in *City of San Buenaventura v. United Water Conservation Dist.*, 3 Cal.5th 1191 (2017) and by the Court of Appeal in *Newhall County Water Dist. v. Castaic Lake Water Agency*, 243 Cal.App.4th 1430 (2016). Under Proposition 26, the District must ensure that its charges to Greenpeace Water Association comply with Proposition 26 (Article XIII C), which requires that government charges be proportional to the cost of service actually provided directly to the payor.

Greenpeace Water Association purchases 8 miners' inches of water during the irrigation season. It pays the same rate as a direct in-District customer for the 8 miners' inches of water, thus demonstrating proportionality (also discussed below). District Rule 5.08 (f) impose a 15% administrative fee on wholesale purchasers like Greenpeace Water Association, as follows:

- (e) A 15% administrative fee will be charged to mutual water companies or special districts that applied for service prior to July 2017. This fee will cover the cost of special handling of these accounts by the District to ensure that the mutual water company, special district, or other entity is in compliance with these Regulations. If a mutual water company, special district, or other entity elects to continue its registration with the State of California, then this administrative fee will not apply.

Because Greenpeace Water Association is a wholesale, not retail customer, the Objection's claims regarding alleged noncompliance with Proposition 218 fail.

(b) Proportionality

While the District's delivery of water to Greenpeace Water Association is not subject to Proposition 218, the District out of an abundance of caution will provide a written response to its Proposition 218 claims related to concerning proportionality. The COS Study demonstrates proportionality.

Article XIII D, section 6(b)(3) of the California Constitution requires that the amount of a property-related fee or charge imposed upon a parcel "shall not exceed the proportional cost of the service attributable to the parcel." The District's proposed rates satisfy this requirement. The COS Study prepared by Bartle Wells Associates establishes

proportionality at three levels: the allocation of costs between raw and treated water service, the derivation of raw water rates, and the derivation of treated water rates.

Raw and Treated Proportional Cost Allocation

Because raw water customers do not benefit from the treated water system, the COS Study at Chapter 5 and Table 8 allocates each line item of projected expenses and non-rate revenues between the two systems based on operational data, engineering analysis, and the District's capital plan. The COS Study then allocates raw water system costs to treated water customers, reflecting the proportion of raw water flow that is conveyed into the treated system for delivery to treated customers (Table 9).

Proportional Raw Water Rates

Within the raw water revenue requirement, the COS Study at Table 10 allocates costs among functional components reflecting the specific drivers of raw water service: customer-based fixed costs, capacity- and volume-based costs, and purchased water costs. Each component's revenue requirement is divided by the units most reasonably related to that function (customers, or miner's inches) to derive the corresponding rate. Property tax revenue and hydro source of supply funding is applied as an offset only to inside District revenue requirements. Seasonal rate differentials reflect certain fixed costs paid by fewer customers in the winter season. The resulting raw water rates therefore recover from each customer no more than the proportional cost of service attributable to that customer's parcel.

Proportional Treated Water Rates

Within the treated water revenue requirement, the COS Study at Table 11 (Treated Water Functional Allocation) allocates costs among two functional components corresponding to the cost drivers of treated water service: (i) Capacity, reflecting fixed costs related to the capacity of the treated water system that must be maintained to deliver water on demand to each customer; and (ii) Volumetric, reflecting costs that vary with the volume of water consumed. Property tax revenue and hydro source of supply funding is applied as an offset only to inside District revenue requirements.

The capacity component is recovered through fixed monthly service charges that vary by meter size, with each meter assigned a Meter Equivalent Unit ratio proportional to its maximum safe flow capacity relative to a 5/8-inch meter. This ensures that each customer's fixed charge corresponds to the share of system capacity the District must maintain to serve that parcel.

The District's proposed transition from a two-tier volumetric treated water rate structure to a uniform volumetric rate structure is supported by the proportionality requirements of Article XIII D, section 6 of the California Constitution and is based upon the cost-of-service analysis set forth in the District's COS Study. A review of the current operations of the water system did not indicate that there are proportionally higher costs associated with use in the higher tier. Under the uniform rate structure, all customers within the same class of service pay the same volumetric charge for each unit of treated water consumed. This approach aligns with the functional cost allocation methodology employed in the COS Study and, consistent with the principles set forth in *Capistrano Taxpayers Association v. City of San Juan Capistrano* (2015) 235 Cal.App.4th 1493, ensures that the volumetric rate charged to each customer corresponds to the proportional cost of providing service to that customer.

Proportionality Summary

The rates charged to the District's customers are proportional to the cost of service provided to each customer. The COS Study demonstrates that the revenue requirement for each of the District's customer classes is proportional to the cost to serve each class. The raw water and treated water rate structures for each class collect the proportional costs that do not vary with water use in the fixed charge and the costs that do vary with use in the volumetric charge. This structure ensures that the rate revenue collected from each customer is proportional to the cost of serving that customer.

Other Comments Addressed

None.

Conclusion and Reservation of Rights

Both the District's Proposition 218 Notice and its written objection form related to claims under Proposition 218 and state that "[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement". The District finds and determines that its water delivery to Greenpeace Water Association is not subject to Proposition 218 and, thus, its Objection does not comply with the District's substantive requirements for properly filing a written objection. Consequently, Greenpeace Water Association is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning Greenpeace Water Association Objection.

31. Harper Objection

Procedural Requirements

The Harper Objection was timely received prior to the District's May 11, 2026, deadline to exhaust administrative remedies and utilized the District's Proposition 218 written objection form.

Substantive Requirements

The Harper Objections do not comply with the District's substantive requirements for properly submitting a written objection, including that "(1) Each part of this form must be filled out completely" and "(3) generalized objections are insufficient. To satisfy this exhaustion of administrative remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding." While the Harper Objection cites Proposition 218, Business & Professions Code section 17200 et seq., and "price gouging", it does not contain any argument, factual basis, or other rationale for describing how the proposed rates violate these provisions of law. Rather, the Harper Objection simply says the proposed rate change is "unnecessary". The Harper Objections do not advance legal arguments for why the proposed rate change should not proceed.

Other Comments Addressed

None.

Conclusion and Reservation of Rights

Both the District's Proposition 218 Notice and its written objection form state that "[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement". The District finds and determines that the Harper Objections do not comply with the District's procedural and substantive requirements for properly filing a written objection. Consequently, Harper is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Harper Objections.

32. Kolb Objection

Procedural Requirements

The Kolb Objection was timely received prior to the District's May 11, 2026, deadline to exhaust administrative remedies and utilized the District's Proposition 218 written objection form.

Substantive Requirements

- (a) Kolb is Not a District Customer, Receives Water Service that is Not Subject to Proposition 218, and Does not Have Standing to Challenge the District's Proposed Rate Change

Kolb is a member of Greenpeace Water Association, who also submitted an objection. (See section 30, above, and incorporated herein.) The Greenpeace Water Association Objection lists Kolb and the Kolb property as one of its members and the Kolb Objection states "My property has invested in private water infrastructure that reduces demand on the District's system and supports service to approximately ten parcels...."

As stated in the District's response to the Greenpeace Water Association Objection, the District does not have any customer, landowner, or other legally enforceable relationship with any of Greenpeace's members, including Kolb. The District delivers wholesale water to Greenpeace Water Association, who then delivers it through its own privately owned water distribution network to Kolb and other members. The District does not know any of the terms of the financial relationship between Kolb and Greenpeace Water Association, including for example, the charges that Greenpeace may impose on Kolb for retail water service.

Proposition 218 only applies to fees or charges imposed upon a parcel or person *as an incident of property ownership*. Where, as here, a third party like Greenpeace Water Association purchase water for its members for subsequent distribution to retail customers, such as Kolb, it acts in the capacity as a water distributor, not in its capacity as a property owner.

The California Supreme Court in *Richmond v. Shasta Community Services Dist.*, 32 Cal.4th 409 (2004) established the critical threshold test: a water service fee is subject to Article XIII D "if, but only if, it is imposed 'upon a person as an incident of property ownership.'" The Court explained that the reason water service qualifies as a property-related service is that water is indispensable to most uses of real property, water is delivered through pipes

physically connected to the property, and a water provider may, by recording a certificate, obtain a lien on the property for delinquent service charges. Crucially, the Court held that not all water service charges are automatically subject to Article XIII D; the fee must still be imposed *as an incident of property ownership* to fall within the constitutional mandate.

The California Supreme Court directly addressed the question of whether charges imposed on an another entity that purchases and redistributes water can constitute property-related fees under Proposition 218 in *City of San Buenaventura v. United Water Conservation Dist.*, 3 Cal.5th 1191 (2017). The City of Ventura pumped groundwater from a conservation district's basin and paid charges to fund the district's conservation activities; the City then delivered that water to its residential customers. The Court held that the groundwater charges were not charges for a "property-related service" subject to Article XIII D. The Court articulated the governing principle: "A fee is charged for a 'property-related service,' and is thus subject to article XIII D, if it is imposed on a property owner, in his or her capacity as a property owner, to pay for the costs of providing a service to a parcel of property."

The Court reasoned that when the district charged the City, it was not providing a service to the City in its capacity as a property owner, "but in the City's capacity as an extractor of groundwater from stores that are managed for the benefit of the public." Furthermore, the Court specifically noted the significance of the wholesale intermediary role: "while some well operators extract water for use on their own property, others, such as the City, extract water for sale and distribution elsewhere." This is the essential distinction. A retail property owner who receives water service uses that water for the property—giving rise to a direct relationship to property ownership. A wholesale purchaser, by contrast, acquires water not for use on its own property but for redistribution to end-use customers, breaking the constitutionally required chain between the fee and property ownership.

The Supreme Court further noted that the district's services "are not directed at any particular parcel or set of parcels in the same manner as, for example, water delivery or refuse collection services," reinforcing that Article XIII D's framework is designed for charges tied to specific identified parcels—a concept structurally incompatible with wholesale transactions. *City of San Buenaventura v. United Water Conservation Dist.*, 3 Cal.5th 1191 (2017) Indeed, Article XIII D requires that an agency identify each parcel upon which a proposed fee is to be imposed and provide written notice to the record owner of each parcel. CA CONST Art. 13D, § 1. Compliance with this requirement is possible in retail service contexts but is structurally impossible in a wholesale transaction where the charging agency provides water to another agency (not to individual parcel owners) and has no relationship with the downstream parcels. (See, also, The Honorable Richard K. Rainey, 80 Ops. Cal. Atty. Gen. 183 (1997).)

Greenpeace Water Association's challenges to wholesale water rate structures imposed between local agencies are instead evaluated under California Constitution, Article XIII C (Proposition 26), not Article XIII D (Proposition 218). This was confirmed by both the Supreme Court in *City of San Buenaventura v. United Water Conservation Dist.*, 3 Cal.5th 1191 (2017) and by the Court of Appeal in *Newhall County Water Dist. v. Castaic Lake Water Agency*, 243 Cal.App.4th 1430 (2016). Under Proposition 26, the District must ensure that its charges to Greenpeace Water Association comply with Proposition 26 (Article XIII C), which requires that government charges be proportional to the cost of service actually provided directly to the payor.

Importantly, Greenpeace Water Association, as the District's wholesale customer, has these potential Proposition 26 claims against the District. A member of Greenpeace Water Association, such as Kolb, does not have individual standing to pursue either Proposition 218 or Proposition 26 claims against the District. The District does not "impose" a charge on Kolb. (Cal. Const. Art. XIII C, § 1, subd. (e)(1)-(7). If Kolb takes issue with rates imposed by Greenpeace Water Association, then Kolb's legal recourse is against Greenpeace Water Association as Kolb's water provider. Kolb does not have standing to pursue claims against the District.

Because Kolb is a customer of Greenpeace Water Association, a wholesale purchaser from the District, the Kolb Objection's claims regarding alleged noncompliance with Proposition 218 fail.

(a) Proportionality

While Kolb in relation to the District is not subject to Proposition 218 or Proposition 26, the District out of an abundance of caution will provide a written response to the Kolb Objection's Proposition 218 claims related to concerning proportionality. The COS Study demonstrates proportionality.

Article XIII D, section 6(b)(3) of the California Constitution requires that the amount of a property-related fee or charge imposed upon a parcel "shall not exceed the proportional cost of the service attributable to the parcel." The District's proposed rates satisfy this requirement. The COS Study prepared by Bartle Wells Associates establishes proportionality at three levels: the allocation of costs between raw and treated water service, the derivation of raw water rates, and the derivation of treated water rates.

Raw and Treated Proportional Cost Allocation

Because raw water customers do not benefit from the treated water system, the COS Study at Chapter 5 and Table 8 allocates each line item of projected expenses and non-rate revenues between the two systems based on operational data, engineering analysis, and

the District's capital plan. The COS Study then allocates raw water system costs to treated water customers, reflecting the proportion of raw water flow that is conveyed into the treated system for delivery to treated customers (Table 9).

Proportional Raw Water Rates

Within the raw water revenue requirement, the COS Study at Table 10 allocates costs among functional components reflecting the specific drivers of raw water service: customer-based fixed costs, capacity- and volume-based costs, and purchased water costs. Each component's revenue requirement is divided by the units most reasonably related to that function (customers, or miner's inches) to derive the corresponding rate. Property tax revenue and hydro source of supply funding is applied as an offset only to inside District revenue requirements. Seasonal rate differentials reflect certain fixed costs paid by fewer customers in the winter season. The resulting raw water rates therefore recover from each customer no more than the proportional cost of service attributable to that customer's parcel.

Proportional Treated Water Rates

Within the treated water revenue requirement, the COS Study at Table 11 (Treated Water Functional Allocation) allocates costs among two functional components corresponding to the cost drivers of treated water service: (i) Capacity, reflecting fixed costs related to the capacity of the treated water system that must be maintained to deliver water on demand to each customer; and (ii) Volumetric, reflecting costs that vary with the volume of water consumed. Property tax revenue and hydro source of supply funding is applied as an offset only to inside District revenue requirements.

The capacity component is recovered through fixed monthly service charges that vary by meter size, with each meter assigned a Meter Equivalent Unit ratio proportional to its maximum safe flow capacity relative to a 5/8-inch meter. This ensures that each customer's fixed charge corresponds to the share of system capacity the District must maintain to serve that parcel.

The District's proposed transition from a two-tier volumetric treated water rate structure to a uniform volumetric rate structure is supported by the proportionality requirements of Article XIII D, section 6 of the California Constitution and is based upon the cost-of-service analysis set forth in the District's COS Study. A review of the current operations of the water system did not indicate that there are proportionally higher costs associated with use in the higher tier. Under the uniform rate structure, all customers within the same class of service pay the same volumetric charge for each unit of treated water consumed. This approach aligns with the functional cost allocation methodology employed in the COS Study and,

consistent with the principles set forth in *Capistrano Taxpayers Association v. City of San Juan Capistrano* (2015) 235 Cal.App.4th 1493, ensures that the volumetric rate charged to each customer corresponds to the proportional cost of providing service to that customer.

Proportionality Summary

The rates charged to the District's customers are proportional to the cost of service provided to each customer. The COS Study demonstrates that the revenue requirement for each of the District's customer classes is proportional to the cost to serve each class. The raw water and treated water rate structures for each class collect the proportional costs that do not vary with water use in the fixed charge and the costs that do vary with use in the volumetric charge. This structure ensures that the rate revenue collected from each customer is proportional to the cost of serving that customer.

Other Comments Addressed

None.

Conclusion and Reservation of Rights

Both the District's Proposition 218 Notice and its written objection form related to claims under Proposition 218 and state that "[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement". The District finds and determines that its water delivery to Greenpeace Water Association who then provides water service to Kolb is not subject to Proposition 218 and, thus, the Kolb Objection does not comply with the District's substantive requirements for properly filing a written objection. Consequently, Kolb is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Kolb Objection.

33. Kraywinkel Objection

Procedural Requirements

The Kraywinkel Objection was timely received prior to the District's May 11, 2026, deadline to exhaust administrative remedies and utilized the District's Proposition 218 written objection form.

Substantive Requirements

The Kraywinkel Objection does not comply with the District's substantive requirements for properly submitting a written objection. The District's Notice stated to "exhaust administrative remedies, you must do the following: (1) obtain a written objection form and complete all portions of the form..." Additionally, the District's written objection form states that "(1) Each part of this form must be filled out completely" and "(3) generalized objections are insufficient. To satisfy this exhaustion of administrative remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding." The Kraywinkel Objection fails to meet these substantive requirements. For example, section 1 does not cite to any provision of law that would form the basis of the Kraywinkel Objection. Rather, it expresses policy rationale for why the proposed rate increase should not be adopted.

The Kraywinkel Objection form was modified such that it does not contain question 2 or any response to question 2: "Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above." Thus, the District was not afforded opportunity to receive legal complaints and analysis about its proposed rate change as required to exhaust administrative remedies.

Other Comments Addressed

None.

Conclusion and Reservation of Rights

Both the District's Proposition 218 Notice and its written objection form state that "[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement". The District finds and determines that the Kraywinkel Objection does not comply with the District's substantive requirements for properly filing a written objection. Consequently, Kraywinkel is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Kraywinkel Objection.

34. Luchaco Objection

Procedural Requirements

The Luchaco Objection was timely received prior to the District's May 11, 2026, deadline to exhaust administrative remedies and utilized the District's Proposition 218 written objection form.

Substantive Requirements

The Luchaco Objection alleges that the proposed rates violate Proposition 218's proportionality requirement. The District's COS Study demonstrates proportionality.

Article XIII D, section 6(b)(3) of the California Constitution requires that the amount of a property-related fee or charge imposed upon a parcel "shall not exceed the proportional cost of the service attributable to the parcel." The District's proposed rates satisfy this requirement. The COS Study prepared by Bartle Wells Associates establishes proportionality at three levels: the allocation of costs between raw and treated water service, the derivation of raw water rates, and the derivation of treated water rates.

Raw and Treated Proportional Cost Allocation

Because raw water customers do not benefit from the treated water system, the COS Study at Chapter 5 and Table 8 allocates each line item of projected expenses and non-rate revenues between the two systems based on operational data, engineering analysis, and the District's capital plan. The COS Study then allocates raw water system costs to treated water customers, reflecting the proportion of raw water flow that is conveyed into the treated system for delivery to treated customers (Table 9).

Proportional Treated Water Rates

Within the treated water revenue requirement, the COS Study at Table 11 (Treated Water Functional Allocation) allocates costs among two functional components corresponding to the cost drivers of treated water service: (i) Capacity, reflecting fixed costs related to the capacity of the treated water system that must be maintained to deliver water on demand to each customer; and (ii) Volumetric, reflecting costs that vary with the volume of water consumed. Property tax revenues and revenues from the sale of hydroelectric power are applied as an offset to the Inside District revenue requirements, allowing Inside District Rates to recover less than the full cost of service.

The capacity component is recovered through fixed monthly service charges that vary by meter size, with each meter assigned a Meter Equivalent Unit ratio proportional to its maximum safe flow capacity relative to a 5/8-inch meter. This ensures that each customer's fixed charge corresponds to the share of system capacity the District must maintain to serve that parcel.

The District's proposed transition from a two-tier volumetric treated water rate structure to a uniform volumetric rate structure is supported by the proportionality requirements of Article XIII D, section 6 of the California Constitution and is based upon the cost-of-service analysis set forth in the District's COS Study. A review of the current operations of the water system did not indicate that there are proportionally higher costs associated with use in the higher tier. Under the uniform rate structure, all customers within the same class of service pay the same volumetric charge for each unit of treated water consumed. This approach aligns with the functional cost allocation methodology employed in the COS Study and, consistent with the principles set forth in *Capistrano Taxpayers Association v. City of San Juan Capistrano* (2015) 235 Cal.App.4th 1493, ensures that the volumetric rate charged to each customer corresponds to the proportional cost of providing service to that customer.

Proportionality Summary

The rates charged to the District's customers are proportional to the cost of service provided to each customer. The COS Study demonstrates that the revenue requirement for each of the District's customer classes is proportional to the cost to serve each class. The raw water and treated water rate structures for each class collect the proportional costs that do not vary with water use in the fixed charge and the costs that do vary with use in the volumetric charge. This structure ensures that the rate revenue collected from each customer is proportional to the cost of serving that customer.

Other Comments Addressed

None.

Conclusion and Reservation of Rights

Regarding the Luchaco Objection, in exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning Luchaco Objection.

35. McNeill Objection

Procedural Requirements

The McNeill Objection was timely received prior to the District's May 11, 2026, deadline to exhaust administrative remedies and utilized the District's Proposition 218 written objection form.

Substantive Requirements

(a) Government Code section 53759.1

The McNeill Objection alleges that the District's requirement that written objections be submitted only on the District's written objection form "are not requirements of Gov. Code § 53759.1." This is not accurate.

Subdivision (c) of section 53759.1 authorizes the exhaustion of administrative remedies requirement only if the local agency (here the District) complies with subdivisions (c)(1) through (c)(7). As relevant, subdivision (c)(6) states:

(6) Includes in the written notice, sent pursuant to subdivision (c) of Section 4 or paragraph (1) of subdivision (a) of Section 6 of Article XIII D of the California Constitution, a prominently displayed statement that contains the following information:

(A) That all written objections must be submitted within the written objection period set by the local agency pursuant to paragraph (4) and that a failure to timely object in writing bars any right to challenge that fee or assessment through a legal proceeding.

(B) All substantive and procedural requirements for submitting an objection to the proposed fee or assessment.

(Underlining added.)

The District's Notice provides the substantive and procedural requirements for submitting an objection. The Notice states:

How to Submit a Written Objection to Proposed Rates

Pursuant to Government Code section 53759.1, any person or entity that may wish to challenge any new, increased, or extended rates adopted, modified, or amended by Nevada Irrigation District pursuant to this Notice must first exhaust administrative remedies. All substantive and procedural requirements for submitting a written objection are set forth in this Notice and the written objection form.

To exhaust administrative remedies, you must do the following:

1. Obtain a written objection form and complete all portions of the form. Oral objections will not be considered. Written objection forms are available at <https://www.nidwater.com/nid-water-rateadjustments> and will be mailed to any interested party upon request by contacting the District at (530) 273-6185 and
2. Submit the completed written objection in a timely manner, no later than 5:00 p.m. on May 11, 2026, to 1036 West Main Street, Grass Valley, CA 95945 or by hand delivery during normal business hours at the same address. Mailed objection forms must be received (not postmarked) by 5:00 p.m. on May 11, 2026. Failure to object in writing in a timely manner bars any right to challenge the rates through a legal proceeding. Late-filed, non-compliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement.

Prior to the public hearing on May 27, 2026, the District's Board of Directors will review written objections and determine whether (1) amendments or clarifications are necessary; (2) to reduce the proposed new rates; (3) to review further prior to making a determination; or (4) to proceed with the public hearing. Pursuant to Government Code section 53759.1, subdivision (c)(2), the District has posted at [nidwater.com/nid-waterrate-adjustments](https://www.nidwater.com/nid-waterrate-adjustments) the written basis for the rates, including a copy of the 2026 Cost of Service Study. Additionally, the written basis will be mailed to any person upon request by contacting the District at (530) 273-6185.

(March 25, 2026, Notice.)

Government Code section 53759.1 requires the District to include in its Notice "All substantive and procedural requirements for submitting an objection to the proposed fee or assessment." The District's Notice prominently provides the District's substantive and procedural requirements, including that written objections be submitted utilizing the District's written objection form and providing structure and assistance in the form of instructions on how to provide the District the detailed information necessary for a party to exhaust administrative remedies prior to initiating suit against the District. Among other requirements, the District's Form states "**FAILURE TO TIMELY SUBMIT A WRITTEN OBJECTION USING THIS FORM WILL PROHIBIT YOU FROM BRINGING A JUDICIAL ACTION OR PROCEEDING ALLEGING NONCOMPLIANCE WITH ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION FOR THESE PROPOSED WATER RATE CHANGES.**"

The District's written objection form assists the District's Board of Directors, in exercising its legislative discretion, to determine as required by section 53759.1(d): (1) Whether the written objections and the agency's response warrant clarifications to the proposed fee or assessment; (2) Whether to reduce the proposed fee or assessment; (3) Whether to further review before making a determination on whether clarification or reduction is needed; and/or (4) Whether to proceed with the protest hearing or ballot tabulation hearing required under Section 4 or 6 of Article XIII D of the California Constitution.

In addition, the written objection form helps parties interested in objecting understand what information must be included in protests. Nor is the objection form restrictive in terms of what legal argument may be presented, as the forty (40) page MacNeil Objection itself demonstrates. Rather, the form provides a usable format and guidelines for presenting legal argument for District consideration.

(b) Constitutionality of Government Code sections 53759.1 and 53759.2

The McNeill Objection asserts that Government Code section 53759.1 and 53759.2 are unconstitutional because "these statutes attempt to modify rather than implement Prop 218." (Emphasis in original.)

Article II, section 10(c) of the California Constitution, provides that the Legislature may amend an initiative statute only by another statute that becomes effective upon voter approval, "unless the initiative statute permits amendment or repeal without the electors' approval" (CA CONST Art. 2, § 10.) In *People v. Kelly*, 47 Cal.4th 1008 (2010), the California Supreme Court held that the Legislature is "powerless to act on its own to amend an initiative statute" absent voter approval or explicit authorization within the initiative.

However, Proposition 218 itself is a constitutional amendment — it added Articles XIII C and XIII D to the California Constitution — not merely an initiative statute. The Legislature's authority to enact implementing statutes for a constitutional amendment is broader than its authority to amend an initiative statute. The 1997 Proposition 218 Omnibus Implementation Act (Gov. Code §§ 53750 et seq.) was itself a post-enactment legislative action that courts have treated as valid implementing legislation. (*Beutz v. County of Riverside*, 184 Cal.App.4th 1516 (2010); *Barratt American, Inc. v. City of San Diego*, 117 Cal.App.4th 809 (2004).) Because sections 53759.1 and 53759.2 do not amend the constitutional text of Articles XIII C or XIII D themselves, but rather add new procedural implementing requirements, the Article II, section 10(c) amendment limitation is not applicable. The Legislature may fill procedural gaps in constitutional implementation statutes without voter approval, provided it does not contradict the constitutional mandate, as is the case here.

The McNeill Objection raises due process concerns, stating he would “have no opportunity to respond to staff responses, submit testimony or evidence, or question witness[es]....” Section 53759.1 incorporates notice protections designed to satisfy due process: the agency must include a “prominently displayed statement” in the constitutional notice, warning ratepayers that failure to timely object will bar any right to challenge the fee through a legal proceeding, and must set forth all substantive and procedural requirements for submitting an objection. These built-in notice requirements address some due process concerns about waiving legal rights through inaction. Moreover, as quoted above, the District prominently included instructions and requirements in its Notice, satisfying any due process requirements.

The statutes promote judicial economy, encourages agencies like the District to build thorough records, and reduces or avoids litigation. Courts regularly review agency actions on the basis of an administrative records in analogous administrative law contexts, such as the California Environmental Quality Act. The statutes preserve exceptions for standing, affirmative defenses, completeness of the record, and explaining record evidence.

The McNeill Objection confuses due process procedures in a quasi-legislative or legislative process, with those in an adjudicatory or quasi-adjudicatory process. The District’s proposed water rate increase will be generally applicable to all District water users if it is adopted by the Board of Directors. “Generally speaking, a legislative action is the formulation of a rule to be applied to all future cases, while an adjudicatory act involves the actual application of such a rule to a specific set of existing facts.’ [citations.]” (*Dominey v. Dept. of Personnel Administration* (1988) 205 Cal.App.3d 729, 736-737, citing *Strumsky v. San Diego County Employees Retirement Assn.* (1974) 11 Cal.3d 28, 35, fn. 2; *Horn v. County of Ventura* (1979) 24 Cal.3d 605.) In a quasi-legislative or legislative process, there is no right to call or cross-examine witnesses. (*Western Oil & Gas Ass’n v. Air Resources Board*, (1984) 37 Cal.3d 502, 528; *Bi-Metallic Inv. Co. v. State Bd. of Equalization* (1915) 239 U.S. 441.) A Proposition 218 hearing allows protestants to be heard, but it does not extend to calling or cross-examining witnesses. And the McNeill Objection itself – which contains forty (40) pages of materials – demonstrates that protestants may submit evidence through the protest procedure. The protest procedure does not violate due process.

The McNeill Objection also states that Government Code sections 53759.1 and 52759.2 are inconsistent with Government Code section 53759.¹ Government Code section 53759 subdivision (c) states, “This section does not apply to any fee or charge for water or sewer service for which another statute establishes a specific time and procedure for bringing a

¹ The Objections refer to Government Code section 537759, which is presumably a typographical error that is intended to reference Government Code section 53759.

judicial action or proceeding to attack, review, set aside, void or annul a fee or charge of that type.” Even assuming, *arguendo*, that Government Code section 53759 conflicts with sections 53759.1 and 52759.2, section 53759(c) makes clear that sections 53759.1 and 52759.2 are controlling. The McNeill Objection’s assertion that these provisions are in “direct conflict with the existing litigation procedure” set forth in section 53759 is without merit.

Moreover, there the statutory scheme does not conflict. While the McNeill Objection argues that a challenge under section 53759 is an *in rem* action pursuant to the validation authorities of Code of Civil Procedure section 860, standing and exhaustion of administrative remedy requirements apply in validation proceedings notwithstanding such actions are *in rem*. Statutory exhaustion requirements, such as those in sections 53759.1 and 53759.2, are consistent with section 53769 and the validation authorities of Code of Civil Procedure section 860 et seq. There is no conflict between Government Code section 53579, and sections 53759.1 and 53759.2.

(c) Claim Regarding Fraud and the Lake Wildwood Treatment Plant Upgrade

The McNeill Objection claims that the District’s COS Study is “tainted by fraud” because the District, in exercising its discretion concerning operations and maintenance of its water system, elected to defer approximately \$27 million in projected new capital expense to a future potential rate increase.

Civil Code section 1710 establishes four categories of actional deceit, none of which are at issue or even alleged to be at issue by the McNeill Objection. It appears the McNeill Objection chose to just use the word “fraud” without having any factual or legal basis underpinning its use. While the District’s conduct is per se not fraudulent (see discussion below), California’s Government Claims Act provides absolute tort immunity for misrepresentation under Government Code section 818.8.

To avoid large swings in projected future rate increases, the District, as is customary amongst water providers, utilized a ten-year capital improvement cost projection. The COS Study at Table 4 (Capital Improvement Cost (Future \$)) shows forecasted capital improvement projects over a ten-year period, from 2026 through 2035. The “Lake Wildwood System” is listed as having relatively minor annual capital costs from 2026 through 2030, with large projected increases of approximately \$13.6 million in both 2032 and 2034.

The District is only proposing a 5-year schedule of potential rate changes. The large projected Lake Wildwood Treatment Plant expenses in 2032 and 2033 are beyond the proposed 5-year rate schedule. Those large projected future expenses are not included in

or otherwise driving the revenue requirements to satisfy the District's cost of service needs during the 5-year rate schedule. The large future projected capital expenses in 2032 and 2033 were purposely delayed beyond the proposed 5-year rate schedule to avoid a more significant increase in water rates as part of this rate setting process. Instead, the District for this 5-year rate setting process is proposing minimal capital expenditures for Lake Wildwood Treatment Plant to keep it functioning until the larger capital project, funded by a separate future rate setting process under Proposition 218, occurs.

(d) Uniform Rate Methodology

The McNeill Objection contends that "The uniform price NID charges is promoted as 'fair' because every parcel owner pays the same rate." Instead, the McNeill Objection advocates for adjustment in rates based on "zones in the district."

Zonal pricing is a practice some (not all) public agencies utilize in adopting a rate structure under Proposition 218. The concept works in public agencies with disbursed service areas, or different sources of water. For example, a large city may charge varying water rates for different zones based on source of supply (treated surface water versus groundwater), or to account for the city's varying electric costs for pumping water to different elevations.

In contrast, the District and many other public agencies utilize a "postage stamp" rate where the price for water is uniform throughout the District regardless of the specific location of water use. While the McNeill Objection is correct that the District explored a zonal pricing structure in 2020, that analysis was never adopted or implemented by the District. Rather, the postage stamp rate structure has always been used by the District and applies well under its circumstances. Thus, under this approach, the price for rice water is the same regardless of whether the landowner is located at the top of a water distribution system or at the end of that system.

The District was formed in 1921 with a water service territory generally limited to Nevada County. In 1926, portions of Placer County were added to the District's service area. As part of these formation actions, the District acquired valuable water rights, an existing water distribution system (canals, laterals, weirs, gates, etc.), and other assets. The District largely formed as a unit, with each acre of land within the jurisdictional boundaries of the District benefiting from its formation and acquisition of assets. Since the 1920s, the District has operated in an integrated and interrelated manner for the equal benefit of all landowners and customers. For example, the District's water rights and properties are held in trust for the benefit of all District customers. (Water Code § 22437 ["The title to all property acquired by a district is held in trust for its uses and purposes. The district may hold, use, acquire, manage, sell, or lease the property as provided in this division."].) The

District's water supply forms a common pool of water that is equitably distributed to all customers regardless of geographic location. (See Water Code §§ 22250 et seq.) The District's development of the Yuba-Bear Hydroelectric Project in the 1960s was secured through the future revenues of all District customers and today the revenue from hydroelectric generation benefits all customers.

The postage stamp rate, as historically utilized and as proposed in the current Proposition 218 process, more closely aligns with the formation of the District, its integrated operations, and its acquisition of assets benefitting all parcels within the District's jurisdictional boundaries. Moreover, to maintain and preserve the District's assets, including its valuable water rights, the California Constitution requires that water be put to "beneficial use to the fullest extent of which they are capable, and that the waste and unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare." (Cal. Const., Art. X, § 2.) The entire District service area, not just the small area used to serve the parcels identified in the McNeill Objection, must be maintained to ensure reasonable beneficial use of water. Otherwise, the District risks jeopardizing its water rights.

Proposition 218 does not require the District to use zonal pricing. The law requires that water rates be reasonably related to the cost of providing service, but it does not require utilities to create separate geographic rate zones unless there are clear and measurable differences in the cost of serving those areas.

The District's water system operates as an integrated system with shared water supplies, treatment facilities, pipelines, staffing, maintenance operations, and capital infrastructure. Most of the District's costs are incurred on a system-wide basis to provide reliable service to all customers, rather than being tied to specific neighborhoods or geographic zones. Many utility costs are fixed and cannot reasonably be assigned to individual zones with precision. For that reason, California law allows agencies to use reasonable system-wide rate methodologies when supported by a professional cost-of-service study.

The District's COS Study evaluated how costs are incurred throughout the system and concluded that uniform system-wide rates appropriately reflect the shared nature of the District's operations and infrastructure. Based on the District's analysis, the proposed rates comply with Proposition 218 because they are based on the proportional cost of providing water service across the integrated utility system.

Other Comments Addressed

None.

Conclusion and Reservation of Rights

Regarding the McNeill Objection, in exercising its legislative discretion, the District determines pursuant to subdivision (d)(1) of Government Code section 53759.1 that clarifications set forth in this response are warranted. These clarifications add to the analyses, including the COS Study, the District relied upon in proposing the water rate changes under Proposition 218. These clarifications do not warrant any changes to the actual water rate increases proposed by the District. Additionally, pursuant to subdivision (d)(4) of Government Code section 53759.1 the District elects to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the McNeill Objection.

36. Wahler Enterprises Objection

Procedural Requirements

The Wahler Enterprises Objection was timely received prior to the District's May 11, 2026, deadline to exhaust administrative remedies and utilized the District's Proposition 218 written objection form.

Substantive Requirements

The Wahler Enterprises Objection does not comply with the District's substantive requirements for properly submitting a written objection. The District's Notice stated to "exhaust administrative remedies, you must do the following: (1) obtain a written objection form and complete all portions of the form..." Additionally, the District's written objection form states that "(1) Each part of this form must be filled out completely" and "(3) generalized objections are insufficient. To satisfy this exhaustion of administrative remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding." The Wahler Enterprises Objection fails to meet these substantive requirements. For example, section 1 does not cite to any provision of law that would form the basis of the Wahler Enterprises Objection. Rather, it expresses policy rationale for why the proposed rate increase should not be adopted.

The Wahler Enterprises Objection form was modified such that it does not contain question 2 or any response to question 2: "Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above." Thus, the District was not afforded opportunity to receive legal complaints and analysis about its proposed rate change as required to exhaust administrative remedies.

Other Comments Addressed

None.

Conclusion and Reservation of Rights

Both the District's Proposition 218 Notice and its written objection form state that "[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement". The District finds and determines that the Wahler Enterprises Objection does not comply with the District's substantive requirements for properly filing a written objection. Consequently, Wahler Enterprises is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Wahler Enterprises Objection.

37. Brown Objection

Procedural Requirements

The District received an "Objection to Rate Increase". The Brown Objection was received prior to the District's May 11, 2026, deadline for written objections. However, the Brown Objection did not use the District's written objection form.

Substantive Requirements

The Brown Objection does not comply with the District's substantive requirements for properly submitting a written objection. The District's Notice stated to "exhaust administrative remedies, you must do the following: (1) obtain a written objection form and complete all portions of the form...." Additionally, the District's written objection form states that "(1) Each part of this form must be filled out completely" and "(3) generalized objections are insufficient. To satisfy this exhaustion of administrative remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding."

The Brown Objection did not use the District's written objection form. Nor does the Brown correspondence articulate with specificity any legal arguments for why the District's proposed rate change violates the law. It only states the "proposed rates may violate

Proposition 218”. The Brown Objection does not advance legal argument for why the proposed rate change should not proceed.

Other Comments Addressed

None.

Conclusion and Reservation of Rights

Both the District’s Proposition 218 Notice and its written objection form state that “[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement”. The District finds and determines that the Brown Objection does not comply with the District’s procedural and substantive requirements for properly filing a written objection. Consequently, Brown is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

The District notes, however, that the Brown Objection may have been intended as a written protest, despite using the term “Objection”. Following several requests of the District’s Board of Directors, the Brown Objection states “I request that this protest be counted toward the Proposition 218 majority protest requirement.” The District will consider the Brown Objection as a written protest to the proposed rates to be considered at the protest hearing.

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Brown Objection.

38. Ecosystem Investment Partners Objection

Procedural Requirements

The Ecosystem Investment Partners Objection was emailed to several District email addresses at 4:55 p.m. on May 11, 2026; the mailed copy of the objection was received by the District on May 13, 2026. The District’s Notice requires that protest forms be submitted in mail or hand delivery (not email) by the May 11, 2026 deadline:

Submit the completed written objection in a timely manner, no later than 5:00 p.m. on May 11, 2026, to 1036 West Main Street, Grass Valley, CA 95945 or by hand delivery during normal business hours at the same address.

Mailed objection forms must be received (not postmarked) by 5:00 p.m. on May 11, 2026. Failure to object in writing in a timely manner bars any right to challenge the rates through a legal proceeding. Late-filed, non-compliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement.

The District finds that the Ecosystem Investment Partners Objection was untimely as it was received by mail after the District's deadline.

Substantive Requirements

The District's written objection form states that "Generalized objections are insufficient" and "objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding." The District's written objection form, question 2, requires objecting parties to "Describe, with reference to your property and usage of water services, how the proposed rates violate the provisions of law you cited above." The Ecosystem Investment Partners Objection does not answer the question or provide any legal reasoning for why the proposed rates are alleged to be unlawful. Rather, it describes the landowner's property and conservation values and contains policy rationale, not legal argument, for how the proposed rate change will "hinder the property owner's preservation activities."

The claim is made that "capital improvements provide general system reliability and public safety benefits, funding them through targeted ratepayer charges may also implicate the prohibition on fees for general government services." However, the argument is not advanced and there is no legal citation or legal reasoning for the District to consider.

Similarly, the Objection states "if the rate increases exceed the actual cost of providing water service or are structured to recover costs unrelated to current serv [sic]." The argument is not advanced and there is no legal citation or legal reasoning for the District to consider.

(a) Proportionality

The Ecosystem Investment Partners Objection asserts that dam spillway repairs should be allocated through a "uniform service-based fee" because "high-volume users like EIP and Ellis Cattle Co. are being required to bear a disproportionate share of costs."

The rates charged to the District's customers are proportional to the cost of service provided to each customer. The COS Study demonstrates that the revenue requirement for each of the District's customer classes is proportional to the cost to serve each class. The raw water and treated water rate structures for each class collect the proportional costs that do not vary with water use in the fixed charge and the costs that do vary with use in the

volumetric charge. This structure ensures that the rate revenue collected from each customer is proportional to the cost of serving that customer.

Other Comments Addressed

None.

Conclusion and Reservation of Rights

Both the District's Proposition 218 Notice and its written objection form state that "[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement". The District finds and determines that the Ecosystem Investment Partners Objection does not comply with the District's procedural and substantive requirements for properly filing a written objection.

Consequently, Ecosystem Investment Partners is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

The District will consider the Ecosystem Investment Partners Objection as a written protest to the proposed rates to be considered at the protest hearing.

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Ecosystem Investment Partners Objection.

39. Robinson Objection

Procedural Requirements

The Robinson Objection utilizes the District's written objection form. However, it was received by the District on May 14, 2026, after the District's May 11, 2026, deadline for receipt of written objections.

Substantive Requirements

The Robinson Objection does not comply with the District's substantive requirements for properly submitting a written objection. The District's Notice stated to "exhaust administrative remedies, you must do the following: (1) obtain a written objection form and complete all portions of the form...." Additionally, the District's written objection form states that "(1) Each part of this form must be filled out completely" and "(3) generalized

objections are insufficient. To satisfy this exhaustion of administrative remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding.”

Robinson did not complete sections 2 and 3 of the District’s written objection form. In addition, for question 1, the Robinson Objection advances policy, not legal arguments, for why the proposed rate increase should not proceed.

Other Comments Addressed

None.

Conclusion and Reservation of Rights

Both the District’s Proposition 218 Notice and its written objection form state that “[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement”. The District finds and determines that the Robinson Objection does not comply with the District’s procedural and substantive requirements for properly filing a written objection. Consequently, Robinson is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

The District will consider the Robinson Objection as a written protest to the proposed rates to be considered at the protest hearing.

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Robinson Objection.

40. Valentine Objection

Procedural Requirements

The Valentine Objection utilizes the District’s written objection form. However, it was received by the District on May 18, 2026, after the District’s May 11, 2026, deadline for receipt of written objections.

Substantive Requirements

The Valentine Objection does not comply with the District’s substantive requirements for properly submitting a written objection. The District’s Notice stated to “exhaust

administrative remedies, you must do the following: (1) obtain a written objection form and complete all portions of the form....” Additionally, the District’s written objection form states that “(1) Each part of this form must be filled out completely” and “(3) generalized objections are insufficient. To satisfy this exhaustion of administrative remedies requirement, objecting parties must present the exact issue(s) that they intend to pursue in a judicial action or proceeding.”

The Valentine Objection did not cite to, or make any legal argument, for why the proposed rate increase should not proceed. The Valentine Objection advances policy, not legal arguments, for why the proposed rate increase should not proceed.

Other Comments Addressed

None.

Conclusion and Reservation of Rights

Both the District’s Proposition 218 Notice and its written objection form state that “[l]ate-filed, noncompliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement”. The District finds and determines that the Valentine Objection does not comply with the District’s procedural and substantive requirements for properly filing a written objection. Consequently, Valentine is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b).

The District will consider the Valentine Objection as a written protest to the proposed rates to be considered at the protest hearing.

In exercising its legislative discretion, the District determines pursuant to subdivision (d)(4) of Government Code section 53759.1 to proceed with the protest hearing required under section 6 of Article XIII D of the California Constitution.

The District reserves all rights, claims, and defenses in the event of litigation concerning the Valentine Objection.

41. All Other Objections

The District’s written objection deadline was the close of business on May 11, 2026. If the District receives objections after this deadline that are not already addressed herein, the District deems them untimely and will not be considered as satisfying the exhaustion of administrative remedies requirement.

Similarly, if the District receives amendments to any written objection after its May 11, 2026, deadline, the amended objections will be considered untimely and will not be considered as satisfying the exhaustion of administrative remedies requirement.

Oral objections, including those that may be communicated at the District's May 27, 2026, protest hearing, will not be considered as satisfying the exhaustion of administrative remedies requirement.

Any person submitting a late-filed objection, a late-amended objection, or an oral objection is prohibited from bringing judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for new, increased, or extended fees under Government Code section 53759.1, subdivision (b). The District reserves all rights, claims and defenses in the event of litigation concerning any such objections.