

Nevada Irrigation District
Board of Directors

MINUTES

August 6, 2026

The Board of Directors of the Nevada Irrigation District convened in special session at the District's main office located at 1036 W. Main Street, Grass Valley, on the 6th day of August 2026, at 9 a.m.

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

Staff members present included Jennifer Hanson, General Manager; Greg Jones, Assistant General Manager; Chip Close, Director of Water Operations; Gabe Aronow, Director of Engineering; Steve Prosser, Director of Maintenance; Sandra Dunlap, Director of Finance; Naomi Schmitt, Director of Human Resources; Dustin Cooper, District Counsel; and Joanne Phillips, Administrative Analyst.

GENERAL ORDERS

WATER SERVICE RATE SCHEDULE, 2027

Jennifer Hanson, General Manager, presented the item.

Board Discussion:

- Requested clarification pertaining to the Cost Benefit Analysis regarding infrastructure improvements before approval
- Confirmed the District is looking for ways to save money
- Capital Improvement Project priority scoring
- Requested clarification concerning the implementation in Section C of staff report
- Rate schedule for 2027
- Annexations in process
- Concerns over 85 folks under Railroad Commission Order
- Subsidies
- Proposing a 6% rate increase for 2027
- Verified the cap increased rate per year through Prop 218 is 12.5%, with inflation at 4%
- Last increase was in 2021
- Cost of Service supporting the District is fiscally sound
- Communicating with customers
- Pushing for grants
- Changing irrigation
- High water users
- Pressure to give up \$33 million

August 6, 2026

- 9% is a compromise – does not reflect cost of service study
- 10% water rates in 2017/2018
- Timing of annexations
- RCO Orders
- What a 6% increase would look like

Public Comment:

- Lily Marie Mora, member of the public
 - o Thanked staff and the Board for listening and lowering the proposed rate for 2027 from 12.5% to 9%
 - o Regarding the Agriculture Water Efficiency Stakeholder Committee:
 - Requested meetings be ongoing and that those committee members be invited to all budget discussions
 - Suggested having Mark DiMartini on the committee and shared a little about him
 - o Student interns
 - o Youth NID Board members – like there is on the school board
 - o Community coming together
 - o Encouraged NID to provide education to the public of the water system, as the majority of folks do not understand the severity of the problem
 - o Resiliency Project
 - o Holding 2 budget workshops
 - o Public meetings
 - o Stopping negative discussions
- Ronda Pascoe, trailer park owner
 - o Helping to prepare seniors on limited budgets and going back to work
 - o Asking NID to come to the Park to let residents know what is happening
 - o Farm bureaus
- Walt Abbey, member of the public
 - o Appreciates farm community
 - o Acknowledges rising costs are a part of doing business
 - o Respects all the work staff and the Board does and said that quality of the water we have is exceptional
 - o Shared his experience with rising costs as a businessperson, and has had to make changes to his own business plan
 - o Spoke about the importance of being civil and working together
 - o There have been no rate increases for 5 years
 - o The proposed increase for 2027 is 9%, but the cost of living and CPI for that 5-year period has gone up 14%
 - o The Board also saved rate payers \$33 million and should be appreciated
 - o Work groups being created – shared experience from when he was at the hospital as the rehab manager, and their committee called Best Practice, and encouraged that type of work
 - o Thanked the Board for their time
 - o Emphasized the importance of civility and working together

- Carl McCosker, Vice President of the Nevada County Farm Bureau
 - o Shared that he came straight from working in the field
 - o Has learned a lot during this process
 - o Shared euphemisms learned from his grandpa
 - o Trying to understand where we are and the need for the rate to increase
 - o NID says there have been no rate increases for 5 years, so reviewed a bill from a Farm Bureau member, and found the following:
 - No water rate increases over the past 5 years
 - Service charges increased 45% from 2021-2026
 - Voiced concerns about a 10% increase per year over past 5 years between service charges and removal of the 5% early payment discount
 - o Asked if the Board was aware and if they have considered this information as part of the rate increase being asked for now.

Director Bierwagen responded that service fees are not subject to the Prop 218 process. Clarified the Board is here to discuss 2027 water rates, and that a fee analysis is coming soon.

Director Fowler thanked Mr. McCosker for his comments, adding that bills have gone up due to service fees and that water rates have not increased.

Jennifer Hanson, General Manager, clarified that service fees, which are charged for a variety of service calls and box rotations, are reviewed and set by the Board every year, and are calculated for recovery cost to actually perform that service.

The Board engaged in a robust conversation regarding service calls, box rotations and fees.

- Mark Henwood, rancher in Yuba County
 - o Provided some history regarding the District's purchase of Excelsior Water and Power Company in 1926, which included land in Nevada and Placer County and the Railroad Commission was involved in the approval
 - o The Railroad Commission issued an order and approved the purchase subject to
 - Continue to serve the out of district customers of Excelsior on an ongoing basis
 - Limitation on the rates that the District can charge these customers
 - o His property is approx. 935 acres in Yuba County, which has been irrigated by NID since at least 1926
 - o For 50 years have been paying 125% of raw water rates (includes 25% for estimated for non-payment of property tax)
 - o Shared opinions from 1977 and 1988 received from District Counsel on the District's obligation
 - o Voiced concerns about how the proposed rates would negatively impact their operations and result in a 400% increase

August 6, 2026

- Urged the District to separate out the RCO customers from other out of District raw water customers and treat them non-discriminately, charging in the same fashion as before, charging the in-District water rates and adding to that what they are not paying in property taxes
- Asked if Bartle Wells was aware of the RCO properties
- Inquired what he should tell his family
- Spoke about Hydro revenue vs Water Revenue

The Board asked some clarifying questions regarding:

- Acronym
- Maps
- Annexation

Jennifer Hanson, General Manager, stated that these are related to some complex legal issues. She spoke with Mr. Henwood and has pulled the information. An item will be coming to the Board in the near future to discuss it in closed session.

Jackson Minasian, District Counsel, provided clarification regarding Mr. Henwood's comments, including legal problems omitted from his presentation.

- Anonymous Member of the public (no name provided)
 - Spoke about the water usage from out of District treated water users
 - Treated water users buy less water, and there are more treated water customers to help share the cost
 - Appreciates the Board and Staff listening to his comment
 - Spoke about finding a solution and believes the District can do that
 - Suggested bringing more water users into the District to help make rates more tolerable
 - Said the increases do not seem fair and equitable
 - Reminded the Board that they are voting on a 271% increase on 1 miner's inch for out of District customers, and 494% over 5 years

Jennifer Hanson, General Manager, added that staff has been developing a solid annexation plan and looks forward to getting started before irrigation season.

- Anonymous member of the public (no name provided)
 - Suggested that farmers should receive a better rate because they feed the community
 - Inquired why NID does not have a low income program like PG&E's Customer Care Discount for low income customers

Jennifer Hanson, General Manager, responded that the District does have a Low Income Rate Assistance Program, and information is available on the District's website.

- Tyler Blagg, member of the public and Farm Bureau member
 - Reminding the Board that all users are important, even the top 50 water users

August 6, 2026

- Asked if Board members understand flood irrigation, fire breaks and habitat
- Spoke about addressing issues outside of the meeting
- Inquired why raw water in a ditch cost more than treated water

Jennifer Hanson, General Manager responded that it is because of volumes of water.

- Looking at different bills from a variety of raw water users
 - Needs help to understand why the percentage of increase is so high

Jennifer Hanson, General Manager, offered to look at the bills in question since they would need to be looked at.

- Looking at profits and cutting costs
- Asked what NID is afraid of
- Wants the Board to understand that the community needs them and people are getting loud because they are passionate about it
- Transparency and suggested providing a phone number to reach Board members on the website in addition to their email addresses
- Appreciates the Board's time and for listening

Brief Board response:

- Afraid of the system failing
- Agree that every customer and each class of user is important
- Agriculture Water Efficiency Stakeholder Committee
- Transparency and the ability to easily contact members of the Board
- Confirmed the District is not a "for profit" organization
- Needing and welcoming more participation from the public
- Looking into Prop 4
- Jim Drew, Nevada County Farm Bureau and family has been here since the 1850's
 - Three Farm Bureau members on the NID Board
 - Expressed feeling like statements have fallen on deaf ears
 - Going from 12% to 9% is huge
 - No rate increases for 5 years and disappointed that nothing has happened
 - Had ways to increase water storage here and now that is no longer happening
 - Spoke about Sites Reservoir
 - Need water storage in the county
 - Thanked the Board for listening to and continuing to work with the public
 - Shared his brother, John Drew, was an NID Board Member for many years
 - Commented on his and NID's Facebook posts
 - Looking for other funding sources

Director Johansen commented about the Centennial Reservoir, modeling done and increasing storage.

- Laura Barhydt, Nevada County Farm Bureau

August 6, 2026

- Thanked everyone
 - Does not always agree
 - Will have to cut down on use, which reduces the District's revenue
 - Asked the Board to think of ranchers like her when making these decisions
- David Galino, Nevada County Farm Bureau
- Thanked the Board for their efforts
 - Knows there has not been a rate increase, but his ledger shows he has paid 45% more since 2020
 - Spoke about conservation
 - Costs go up – rates do not have to reduce costs
 - Has been on this property for 49 years, everything is the same
 - He appreciates everyone's efforts to get to a palatable result

Director Heck made amotion to adopted Resolution 2026-30 – Adopting New Water Service Rate Schedule, as amended a to include Rates are for “only” 2027 and to attach the rate schedule. M/S/C Heck/Johansen, unanimously approved.

MEETING ADJOURNED at 11:12 a.m. The Board is scheduled to reconvene in regular session on Wednesday, August 26, 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