Nevada Irrigation District

POLICY MANUAL

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Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: **Purpose of Board Policies**
POLICY NUMBER: **1000**

1000.1 It is the intent of the Board of Directors of the Nevada Irrigation District to maintain a Policy Manual. Contained therein shall be a comprehensive listing of the Board's current policies, enacted by the Board from time to time. The Policy Manual will serve as a resource for Directors, staff and members of the public in determining the manner in which matters of District business are to be conducted. The Policy Manual will be located on the District's web site.

1000.2 If any policy or portion of any policy contained within the Policy Manual is in conflict with any law, or with any duly enacted regulation of an agency exercising jurisdiction over Nevada Irrigation District, then such law or regulation shall prevail.

Adopted: March 11, 2015 via Resolution No. 2015-06
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Adoption/Amendment of Policies
POLICY NUMBER: 1010

1010.1 Consideration by the Board of Directors to adopt a new policy or to amend an existing policy may be initiated by any Director or the General Manager. The proposed adoption or amendment shall be initiated by a Director or the General Manager by submitting a written draft of the proposed new or amended policy to the Board Chairperson and the General Manager by way of the District office, and requesting that the item be included for consideration on the agenda for consideration by a Board committee and/or the full Board of Directors, as appropriate.

1010.2 Adoption of a new policy or amendment of an existing policy shall be accomplished at a regular meeting of the Board of Directors.

1010.3 Copies of the proposed new or amended policy shall be included in the agenda-information packet for any meeting in which they are scheduled for consideration (listed on the agenda). A copy of the proposed new or amended policy(ies) shall be made available to each Director for review at least 72 hours, per the Brown Act, prior to any meeting at which the policy(ies) are to be considered.

Adopted: March 11, 2015 via Resolution No. 2015-06
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Conflict of Interest
POLICY NUMBER: 1020

1020.1 The Political Reform Act, Government Code Section 81000 et seq. requires State and Local Government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. Section 18730) which contains the terms of a standard conflict of interest code. It can be incorporated by reference and may be amended by the Fair Political Practices Commission after public notice and hearings to conform to amendments in the Political Reform Act. Therefore, the terms of 2 Cal. Code of Regs. Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission, including an Appendix A in which members of the Board of Directors and employees are designated, and in which disclosure categories are set forth have been adopted by the Board as the Conflict of Interest Code for Nevada Irrigation District.

1020.2 Designated employees shall file statements of economic interests with the Board Secretary of the Nevada Irrigation District, pursuant to the District's Conflict of Interest Code approved by the Fair Political Practices Commission and reviewed on a biennial basis.

Adopted: July 24, 2013 via Resolution No. 2013-29
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Conflict of Interest for Design Build Projects
POLICY NUMBER: 1030

1030.1 Purpose and Authority

The purpose of this policy is to ensure a fair and open competitive process for the District's design-build (DB) and progressive design-build (PDB) projects. This policy establishes guidelines for identifying and managing organizational conflicts of interest in accordance with California Public Contract Code sections 22162(c) and 22171.5.

1030.2 Definitions

1030.2.1 **"Proposer"** means any individual, partnership, corporation, or joint venture (including all prime contractors, architects, engineers, and subcontractors at any tier) submitting a statement of qualifications or a proposal for a District design-build project.

1030.2.2 **"Organizational Conflict of Interest"** occurs when, because of existing or planned activities or relationships, a Proposer is unable or potentially unable to render impartial assistance to the District; the Proposer's objectivity is or might be impaired; or the Proposer has an unfair competitive advantage

1030.3 Prohibited Participation

A Proposer shall generally not be allowed to participate in a design-build project or join a design-build team if any of the following apply:

1030.3.1 **Bridging Services:** The Proposer has provided "bridging" services, preliminary design services, or performance specifications for the specific project.

1030.3.2 **Procurement Management:** The Proposer has assisted the District in managing the project procurement, including preparing Request for Proposal (RFP) language, evaluation criteria, or "ground rules".

1030.3.3 **Project Oversight:** The Proposer is under contract with another stakeholder to perform oversight on the project after the contract is awarded.

1030.3.4 **Access to Nonpublic Data:** The Proposer has had access to nonpublic data or "inside" information through prior work for the District that provides an unfair advantage over other teams.

1030.4 Mandatory Disclosure Requirements

1030.4.1 Disclosure Form: Every Proposer must submit a Disclosure of Potential Conflict of Interest Form with its proposal. To avoid "influencing" the selection process, this form shall be submitted separately from the technical proposal and shall not be provided to the selection committee members during technical ranking.

1030.4.2 Breadth of Disclosure: Proposers must disclose all relevant facts relating to past, present, or planned interests of their team (including key personnel and sub-consultants) that could be viewed as a conflict.

1030.4.3 Affiliated Firms: If multiple Proposers on different teams belong to the same parent company, they must describe the specific protocols used to avoid conflicts during the bid phase.

1030.4.4 Continuing Duty: Proposers have a continuing duty to monitor for and report any conflicts discovered after the contract is awarded.

1030.5 Conflict Resolution and Mitigation

1030.5.1 Mitigation Plans: A potential conflict does not automatically disqualify a Proposer. The Proposer may submit a plan to avoid, neutralize, or mitigate the conflict (e.g., through "firewalls" or personnel substitutions).

1030.5.2 District Discretion: NID staff, in consultation with legal counsel, will review all disclosures. The District reserves the sole and absolute discretion to determine if a conflict is adequately mitigated or if disqualification is necessary.

1030.6 Remedies for Non-Disclosure

The information provided in a COI disclosure is a material representation. If a Proposer fails to disclose a known conflict, or provides false or misleading information, the District reserves the right to:

1. Disqualify the Proposer from the project;
2. Terminate any resulting contract for default; and
3. Seek reimbursement for costs incurred due to the termination.

1030.7 Any violation of this policy will be brought to the Board of Directors for input on remedy of the violation.

Adopted: May 13, 2026 via Resolution No. 2026-22
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Public Records Act Requests
POLICY NUMBER: 1050

The purpose of this policy is to clarify the process by which the District will respond to requests for records under the Public Records Act. The California Public Records Act (Government Code Section 6250, et seq.) provides the public with access to non-exempt records held by public agencies.

1050.1 "Public records" includes any writing containing information relating to the conduct of the public's business prepared, owned, used, or retained by the District, regardless of physical form or characteristics. "Writing" means any handwriting, typewriting, printing, photostating, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof, and any record thereby created, regardless of the manner in which the record has been stored (California Government Code Section 6252).

1050.2 Unless exempt under the California Public Records Act, public records are open to inspection at all times during the office hours of the District (Monday through Friday, 8 a.m. to 5 p.m.), and every person has a right to inspect any public record. If a portion of the record is exempt, any reasonably segregable portion of a record shall be available for inspection by any person requesting the record after deletion of the portions that are exempted by law.

1050.3 When a member of the public requests to inspect a public record or obtain a copy of a public record, the District will assist the member of the public in making a focused and effective request that reasonably describes an identifiable record or records. To facilitate this process, a Public Records Act Request Form is available on the District's website (nidwater.com) and at the Business Center. Use of the form is voluntary.

The Board Secretary is authorized to update and modify the Form as necessary, consistent with State law and Board policy.

1050.4 The District, upon a request for a copy of records, shall, within 10 days from receipt of the request, determine whether the request, in whole or in part, seeks copies of disclosable public records in the possession of the District and shall promptly notify the person making the request of the determination and the reasons therefor. Any extension of this time period for response will be in accordance with California Government Code Section 6253. Disclosable records will be produced for inspection or copying on reasonable notice.

Except with respect to public records exempt from disclosure by express provisions of law, the District, upon a request for copies of records that reasonably describe an identifiable record or records, shall make the records promptly available to any person upon payment of fees covering direct costs of duplication, or a statutory fee, if applicable. Upon request, an exact copy shall be provided, unless it is impractical to do so.

1050.5 Unless otherwise prohibited by law, any information that constitutes an identifiable public record not exempt from disclosure pursuant to this chapter that is in an electronic format shall be made available in an electronic format when requested.

Adopted: June 12, 2013 by Resolution No. 2013-19
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Records Retention
POLICY NUMBER: 1060

1060.1 Purpose. To manage a program for the records of the Nevada Irrigation District that will identify, maintain, safeguard, and dispose of records in the normal course of business; to ensure prompt and accurate retrieval of records; and to ensure compliance with legal and regulatory requirements.

1060.2 Scope. The Records Retention Schedule applies to all records of the Nevada Irrigation District, and is available through the Board Secretary's office.

1060.3 Program Responsibilities. The Board Secretary as Records Manager administers, coordinates, monitors, and interprets this policy. Any perceived difference between this written policy and the Records Retention Schedule is to be resolved by the Board Secretary. Except as expressly provided by the Board, the Board Secretary shall have the authority to amend the Records Retention Schedule to provide for disposal of records which the Board Secretary interprets as subject to the Records Retention Schedule. All Departments shall comply with and implement this policy.

1060.4 Electronic Documents. The Records Retention Schedule applies to electronic documents and data, including emails transmitted and received for District projects, e-mail headers, summaries, addresses associated with e-mails and attached files or text. Most casual e-mails are considered "transitory" and can be discarded as their purpose is served (lunch appointments, etc.).

1060.5 General Policy. Pursuant to provisions of Government Code Sections 60200 through 60203, Water Code Section 21403, and the guidelines prepared by the State Controller's office and the Controller's Advisory Committee for Special Districts, the following shall govern the retention and disposal of records of the Nevada Irrigation District.

1060.5.1 Duplicate records, papers, and documents may be destroyed at any time without the necessity of Board authorization or transfer to an electronic file or media.

1060.5.2 Originals of records, papers, and documents, not otherwise governed by this Records Retention Schedule and more than two years old, that were prepared or received in any manner other than pursuant to State or Federal statute, may be destroyed upon Board authorization without the necessity of transfer to an electronic file or media.

1060.5.3 In no instances are records, papers, or documents to be destroyed where there is a continuing need for records for matters such as pending litigation, special projects, etc. This includes all records which relate to a matter for which the statute of limitations has not run on any potential legal or administrative action arising therefrom.

1060.5.4 Accounting Records – Except as provided for in the Records Retention Schedule, no accounting records are to be destroyed unless there is a permanent file of audit reports for the inclusive period of the records, and such audit reports must contain an unqualified opinion and have been prepared in accordance with requirements of Federal, State, and District regulations.

1060.5.5 Payroll and Personnel Records – Personnel folder documents pertaining to each employee may be kept as hard copy in the authorized and locked file cabinets provided for these folders. At any time the file may be transferred to an electronic file or media and the originals destroyed.

1060.5.6 Minutes of the Board of Directors meetings – Maintained permanently.

1060.5.7 Long Term Debt – Records concerning long-term debt shall be maintained for the term of the debt plus three years after final payment.

1060.5.7.1 Records of proceedings for the authorization of long-term debt, bonds, warrants, loans, etc., after issuance or execution may be destroyed if transferred to an electronic file or media.

1060.5.7.2 Terms and conditions of bonds, warrants, and other long-term agreements should be retained until final payment, and thereafter may be destroyed in less than ten years if transferred to an electronic file or media.

1060.5.7.3 Paid bonds, warrant certificates and interest coupons may be destroyed after six months if detailed payment records are kept for ten years.

1060.5.8 Construction Records – Construction records, such as accepted bids, correspondence, change orders, etc., should not be kept in excess of ten years from substantial completion of work unless they pertain to a project which includes a guarantee or grant and, in that event, they should be kept for the life of the guarantee or grant plus ten years. As-built plans and specifications for any public facility or works should be retained for the life of the facility.

1060.5.9 Environmental Documents – California Environmental Quality Act (CEQA) records shall be kept permanently. CEQA records include reports and minutes of public meetings or other scoping meetings with interested parties during the CEQA process, including pre-project meetings, during project implementation, and post-project meetings.

1060.5.10 Contracts – Except as provided in the Records Retention Schedule, contracts should be kept for their life, plus ten years.

1060.5.11 Property Records – Property records should be kept as long as the District retains an interest in the property.

1060.5.12 Public Records Act Requests – Records subject to any pending request made pursuant to the California Public Records Act shall not be destroyed, until the request has been granted or two years have elapsed since the District provided written notice to the requester that the request has been denied.

1060.5.13 Vital Records – Vital Records shall not be destroyed. They may be transferred to electronic file or media in accordance with the Records Retention Schedule.

1060.5.14 Records Retention Schedule – All records, the disposal of which are not provided for in this written policy, are to be disposed of pursuant to the Records Retention Schedule.

1060.6 Adherence to these procedures will help to assure acceptance of the District's Records Retention Schedule for legal purposes.

Adopted: February 11, 2015 via Resolution No. 2015-05
Revised: May 10, 2017 via Resolution No 2017-11
Revised: June 28, 2017 via Resolution No. 2017-17
Revised: June 11, 2025 via Resolution No. 2025-33

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Contributions / Donations – Requests by Non-Profit / Community Organizations
POLICY NUMBER: 1070 – This policy is suspended until reserves are appropriately funded.

The purpose of this policy is to provide direction to the General Manager and the Board of Directors for handling requests for contributions and/or donations to non-profit / community organizations. It is important for the District to be involved in the various communities it serves. The District may fulfill requests for contributions to non-profit / community organizations when the organization can show their direct relationship to watershed health, water quality, agriculture or natural resources.

1070.1 The General Manager shall have the discretion to approve requests for contributions up to $500.

1070.2 The Board of Directors shall have the discretion to approve requests for contributions of $501 or more.

1070.4 Contributions and donations are not to exceed a maximum annual amount of $7,500.

Adopted: October 13, 2010 via Resolution No. 2010-56
Revised: July 24, 2019 vial Resolution No. 2019-24
Revised: March 23, 2022 via Resolution No. 2022-16

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Informational Mailings – Requests by Outside Entities
POLICY NUMBER: 1075

The purpose of this policy is to provide direction to the General Manager and the Board of Directors for handling requests to include informational flyers, pamphlets and/or brochures in the District's mailing of utility billing invoices and newsletters. The mission of the District is to provide a dependable, quality water supply, strive to be good stewards of the watersheds and conserve the available resources. While it is important for the District to be involved in the various communities it serves, it is also important for the District to maintain a neutral, non-partisan, non-political point of view. It is the position of the District to only include official District information in the mailings of billing invoices, newsletters or other informational items. At no time will the District include informational flyers, pamphlets and/or brochures from outside entities.

Adopted: May 22, 2013 via Resolution No. 2013-12
Revised: March 23, 2022 via Resolution No. 2022-16

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: **Water Service Rules and Regulations**
POLICY NUMBER: **3000**

The District's Water Service Rules and Regulations are located on the District's website (nidwater.com).

Adopted March 11, 2015 via Resolution No. 2015-06
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Investments
POLICY NUMBER: 3035

3035.1 It is the policy of the Nevada Irrigation District to invest public funds in a manner which will provide the highest investment return consistent with preserving the maximum security while meeting the daily cash flow demands of the District and conforming to state and local statutes governing investment of public funds.

3035.2 Scope

This investment policy applies to all moneys (surplus financial assets) of the District. These moneys are accounted in the monthly financial reports and the annual comprehensive financial report of District financial activities.

3035.2.1 Exceptions

Three exceptions exist regarding investment of: bond reserve funds, grant funds. Bond reserve and grant funds will be invested in accordance with the statutory provisions governing the issuance of the bond(s) or grant(s), or the actual bond or grant documents, as applicable. Investment of District pension trust funds is governed by California Government Code 53125 – 53224. Investment of post-employment health benefit trust funds are governed by California Government code 53620 – 53622.

3035.2.2 Pooling of Funds

With the exception of cash in restricted and special funds, the District will consolidate cash balances from all funds to the extent practicable in order to maximize investment earnings and minimize fees.

3035.3 Prudence

The standard of prudence to be used by the Board of Directors, Treasurer, and all those engaged in the management of District moneys shall be the Prudent Investor Standard (California Government Code 53600.3) which shall be applied in the context of managing all aspects of the overall portfolio. Investments shall be made with the care, skill, prudence and diligence, under circumstances then prevailing, including the general economic conditions and the anticipated needs of the District, which persons of prudence, discretion and intelligence acting in a like capacity and familiarity with those matters would use in the investment of moneys

of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

It is the District's intent, at the time of purchase, to hold all investments until maturity. However, investments may be sold prior to maturity for cash flow purposes or to improve the quality, liquidity, or return potential of the portfolio.

3035.4 Objectives

The primary objectives, listed in order of priority, of the investment activities are:

3035.4.1 Safety

Safety of principal is the foremost objective of the District's investment program. Investments will be executed in a manner that seeks to ensure preservation of capital in the overall portfolio. In attaining this objective, the District will strive to mitigate credit risk and interest rate risk.

3035.4.1.1 Credit Risk

The District will minimize credit risk, the risk of loss due to the failure of the security issuer/backer, by: (a) limiting investments to those allowed by this policy; (b) pre-qualifying financial institutions, broker/dealers, intermediaries and advisors; and (c) diversifying the investment portfolio by a variety of securities offering independent returns and financial institutions.

3035.4.1.2 Interest Rate Risk

The District will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by: structuring the investment portfolio so that securities meet the cash flow requirements thereby avoiding, to the extent possible, the need to sell securities on the open market prior to maturity; and investing operating funds in shorter-term securities.

3035.4.2 Liquidity

The District's investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements which might be reasonably anticipated.

3035.4.3 Return on Investment

The investment portfolio will be designed to attain an acceptable rate of return, taking into account the investment risk constraints and cash flow requirements.

3035.5 Delegation of Authority

Authority to manage the District's investment program is derived from the California Government Code, commencing with Section 53600. Management responsibility for the investment program is hereby delegated, pursuant to Section 53607 of the Government Code, to the District Treasurer, who shall establish written procedures for the operation of the investment program consistent with this investment policy. This responsibility includes authority to select Brokers, establish safekeeping accounts, enter into wire transfer agreements, banking service contracts, and collateral/depository agreements that are consistent with and subject to this Policy. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. This delegation shall be subject to annual renewal in accordance with Section 53607.

The District may engage the services of one or more external investment managers to assist in the management of the District's investment portfolio in a manner consistent with the District's objectives. Such external managers may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such managers must be registered under the Investment Advisors Act of 1940.

3035.6 Investment Procedures

The Treasurer will establish written investment procedures for the operation of the investment program consistent with this policy. The procedures should include reference to: safekeeping, wire transfer agreements, banking service contracts and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the established procedures.

3035.7 Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program or impairs their ability to make impartial investment decisions. The Treasurer and Deputy Treasurer(s) must file applicable annual financial disclosures as required by the Fair Political Practices Commission (FPPC) and/or the District's Conflict of Interest Code.

3035.8 Authorized Financial Dealers and Institutions

The District shall transact business only with banks, associations, and with broker/dealers licensed by the State of California. The broker/dealers should be primary government dealers regularly reporting to the New York Federal Reserve Bank. Exceptions will be made only upon written authorization by the Treasurer. Investment staff shall investigate dealers who wish to do business with the District to determine if they are adequately capitalized, have pending legal action against the firm or the individual broker and make markets in the securities appropriate to the District's needs. The District's Treasurer, in his/her discretion, may require that any broker/dealer complete and file an annual financial disclosure form consistent with the District's conflict of interest policy.

The District Treasurer shall annually send a copy of the current investment policy to all broker/dealers approved to do business with the District. Confirmation of receipt of this policy shall be considered evidence that the dealer understands the District's investment policies and intends to sell the District only appropriate investments authorized by this investment policy.

If the District has contracted with an investment advisor to provide investment services, the investment advisor may use their own list of approved issuers, brokers/dealers and financial institutions to conduct transactions on the District's behalf.

3035.9 Authorized and Suitable Investments

Investment of District funds is governed by the California Government Code Sections commencing with 53600 in which the following investments are authorized. A security purchased in accordance with this Policy shall not have a forward settlement date exceeding 45 days from the time of investment.

Investment Type	Percentage or Amount	Maximum Maturity
U.S. Treasury Bonds/Notes/Bills	0 to 100%	5 Years
U.S. Government Agency Securities and Instrumentality's of Government-Sponsored Corporations including mortgage passthrough securities, collateralized mortgage obligations, and mortgage-backed securities	0 to 100%	5 Years
Supranational Securities must be rated "AA" or equivalent or higher	0 to 30%	5 years
Bankers' Acceptances	0 to 40%	180 Days
Commercial Paper must be rated P-1 (Moody's), A-1 (S&P Global)	0 to 25%	397 Days
Negotiable Certificates of Deposit	0 to 30%	5 Years
Local Agency Investment Fund (LAIF)	$0 to $75,000,000	Upon Demand
Public Funds Checking or Savings Account	0 to 100%	Upon Demand
State of California Bonds/Notes	0 to 30%	5 Years
California Local Agency Bonds/Notes	0 to 30%	5 Years
Outside California State Bonds/Notes	0 to 30%	5 Years
Medium Term Corporate Notes must be rated "A" or equivalent or higher	0 to 30%	5 Years
Mutual Funds/Money Market Funds	0 to 15%	Upon Demand
Mortgage/Pass-Through and Asset-Backed Security must be rated "AA" or equivalent or higher	0 to 20%	5 Years

Shares of beneficial interest issued by a joint powers authority	0% to 100%	Upon Demand

3035.10 Prohibited Investments

In accordance with the provisions of California Government Code Sections 53601.6 and 53631.5, the District shall not invest in inverse floaters, range notes, or mortgage-derived interest-only strips. The District is also prohibited from investing in any security that could result in zero- or negative-interest accrual if held to maturity with the exception of a security issued by, or backed by, the United States government during periods of negative market interest rates.

Any State of California legislative action that further restricts allowable maturities, investment types or percentage allocations will be effective upon enactment and deemed incorporated into the District's Investment Policy and supersedes any and all previous applicable language. If the District is holding an investment that is subsequently prohibited by a legislative change, and provided such action is allowable under the applicable legislation, the District may hold that investment if it is deemed prudent by the Treasurer until the maturity date to avoid an unnecessary loss.

3035.11 Diversification and Maximum Maturities

The District will diversify its investments by security type and institution. With the exception of U. S. Treasury securities, U. S. Agency Obligations and authorized pools (e.g. LAIF), no more than 5% of the District's total investment portfolio will be invested in a single security type or with a single financial institution. The diversification of the portfolio will be dependent upon current and future cash flow requirements.

To the extent possible, the District will strive to match its investment maturities with anticipated cash flow requirements. The District will not directly invest in securities with a maturity greater than 5 years unless pursuant to 3077.2.1 Exceptions. For purposes of compliance with this section, an investment's term or remaining maturity shall be measured from the settlement date to final maturity.

3035.12 Investment Pools/Mutual Funds

The Treasurer shall have a thorough understanding of the operational areas listed below for each pool and/or fund prior to investing and on a regular basis:

- Authorized investments
- Interest calculations/distribution
- Fee schedule, when/how assessed
- Frequency of statements
- Safeguarding of investments
- Deposit/withdrawal limitations
- Investment Policy and objectives
- Investment limitations
- Eligibility for holding bond proceeds
- Treatment of gains and losses
- Settlement process
- Utilization of reserves by fund

3035.13 Collateralization

Collateral is required for investments in certificates of deposit, repurchase agreements and reverse repurchase agreements. In order to reduce market risk, the collateral level will be at least 110% of market value of principal and accrued interest.

The only securities acceptable as collateral shall be direct obligations which are fully guaranteed as to principal and interest by the United States Government or any agency or government sponsored enterprise of the United States.

3035.14 Safekeeping and Custody

To protect against fraud or embezzlement or losses caused by collapse of an individual securities dealer, all securities owned by the District shall be held in safekeeping by a third-party custodian, acting as agent for the District under the terms of a trust or custody agreement executed by the Treasurer. All security transactions will settle delivery vs. payment (DVP) through the District's safekeeping agent. Securities purchased from brokers/dealers shall be held in third party safekeeping by the trust department of the District's main bank, or by another third-party trustee designated by the Treasurer. Securities held in custody for the District shall be independently audited annually to verify investment holdings.

3035.15 Investment Earnings Allocation and Marking to Market

Investment earnings that are collected from investments authorized in this policy will be allocated monthly to the various program areas based upon their respective participation and in accordance with generally accepted accounting principles.

The market value of the portfolio will be calculated at least quarterly, with a statement of market value issued. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the GFOA Recommended Practice on "Mark-To-Market Practices for State and Local Government Investment Portfolios and Investment Pools."

3035.16 Reporting and Internal Control

In accordance with California Government Code Section 53646(b), the Treasurer may issue a quarterly report within 45 days following the end of the quarter to the General Manager and Board of Directors showing the type of investment, issuer and/or institution, date of maturity, amount of investment, current market value for all securities, rate of interest, and other relevant data that may be required. The quarterly report shall list any contract authorized by the Treasurer under the authority delegated under Section 3035.5 of the Investment Policy. The quarterly report shall certify compliance of the investment portfolio with the Investment Policy and shall include a statement denoting the ability of the District to meet its pool expenditure requirements for the next six months. The quarterly report shall further report any instance where the Treasurer determined any investment of the investment portfolio might have deviated from the District's Investment Policy and the actions taken by the Treasurer as a result of such determination.

The Treasurer shall also, in accordance with Government Code 53607, issue a monthly report of transactions to invest or to reinvest funds of the District, and to sell or exchange securities

so purchased.

The annual audit will include an independent review by the external auditor to confirm proper internal controls exist. The District's ACFR will report, on an annual basis, those components that demonstrate compliance with the Investment Policy.

3035.17 Performance Standards

Investment performance is monitored and evaluated by the Treasurer. The investment portfolio shall be designed to attain a market average rate of return through budgetary and economic cycles, taking into account the investment risk constraints and cash flow needs. The specific investment performance objective for the portfolio shall be to earn a total rate of return over a market cycle which is approximately equal to a market benchmark index.

3035.18 Investment Policy Adoption, Revision and Legislative Changes

The Investment Policy will be adopted by resolution of the District's Board of Directors. The policy will be reviewed and updated as needed for BOD approval when economic conditions warrant or legislative changes necessitate.

3035.19 Glossary of Cash Management Terms

Accrued Interest: Interest earned but not yet received.

Agencies: Federal agency securities and/or Government-sponsored enterprises.

Annual Comprehensive Financial Report (ACFR): The official annual report for the District which includes statements prepared in conformity with Generally Accepted Accounting Principles (GAAP). It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.
Asked: The price at which securities are offered.

Banker's Acceptance (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Bid: The price offered by a buyer of securities.

Bond: A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Broker: A person assisting in the buying and selling of investments for a commission.

Corporate Notes- Medium Term Notes: Debt instrument issued by a private corporation, as distinct from one issued by a government agency or a municipality.

Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a certificate; large-denomination CD's are typically negotiable.

Commercial Paper: Short term obligations with maturities up to 397 days that are issued by banks, corporations and other borrowers to investors with temporarily idle cash.

Collateral: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also securities pledged by a bank to secure public money deposits.

Coupon: The annual rate of interest on a debt security that a bond issuer promises to pay the bondholder on the bond's face (or par) value.

Dealer: A person or firm acting as a principal in a securities transaction, buying and selling for his own account.

Discount: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

Diversification: Dividing investment funds among a variety of securities offering independent returns.

Federal Agency Securities: Securities issued by agencies of the Federal Government such as Federal Farm Credit Bank (FFCB) and the Tennessee Valley Authority (TVA), Federal National Mortgage Association (FNMA) that are not general obligations of the U.S. treasury but are sponsored by the government and therefore have high safety ratings.

Liquidity: The ability to buy or sell an asset quickly and in large volume without substantially affecting the asset's price.

Local Agency Investment Fund (LAIF): The California pool of local agency assets, which is managed by the State Treasurer. Limits apply to each agency's deposit of general fund reserves; however ,no limits on amount of deposit apply to bond proceeds. Funds in this pool are considered very liquid.

Market Value: Current market price of a security- as indicated by the latest trade recorded.

Mark to the Market: The adjustment of the valuation of a security or portfolio to reflect current market values.

Maturity: The date upon which the principal or stated value of an investment becomes due and payable.

Money Market: The market in which short term debt instruments (bills, commercial paper, bankers' acceptances) are issued and traded.

Mortgage Pass-Through Obligations: a government guaranteed security that represents pooled debt obligations repackaged as shares, that passes income from homeowner's principal and interest payments through a government agency or bank to investors.

Negotiable Certificates of Deposit: A large denomination time deposit with a specific maturity evidenced by a certificate. These are traded like other fixed income securities.

Portfolio: A collection of securities held by an investor.

Premium: The amount by which a bond sells above its face (par) value.

Repurchase Agreements: Agreement between a seller and a buyer, usually of government securities, whereby the seller agrees to repurchase the securities at an agreed upon price and at a stated time. The security buyer in effect lends cash money to the security seller for the period of the agreement and the terms of the agreement are structured to compensate the security buyer for this transaction. Similarly, reverse repurchase agreements are an agreement where a dealer agrees to buy the securities and the investor agrees to buy them back on a specific date.

Safekeeping: A service rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

Secondary Market: Exchanges and over-the-counter markets where securities are bought and sold subsequent to original issuance, which took place in the primary market. Proceeds of secondary market sales accrue to the selling dealers and investors, not to the companies that originally issued the securities.

Securities and Exchange Commission (SEC): The Federal Agency created by Congress to protect investors in security transactions by administering securities legislation.

Settlement Date: The date by which an executed order must be settled, either by a buyer paying for the securities with cash or by a seller delivering the securities and receiving the proceeds of the sale for them.

Treasury Bills: A non-interest-bearing discount security issued by the U.S. Treasury to finance national debt. Most bills are issued to mature in three (3), six (6), or twelve (12) months.

Treasury Bonds: Medium-term interest-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two (2) to ten (10) years.

Yield: The rate of return on an investment expressed as a percentage that takes into account the total of annual interest payments, the purchase price, the redemption value and the amount of time remaining until maturity.

Adopted: March 11, 2015 via Resolution No. 2015-06
Revised: November 13, 2019 via Resolution No. 2019-30
December 9, 2020 via Resolution No. 2020-29
March 23, 2022 via Resolution No. 2022-15
January 25, 2023 via Resolution No. 2023-05
January 24, 2024 via Resolution No. 2024-05
January 22, 2025 via Resolution No. 2025-04
January 14, 2026 via Resolution No.2026-01

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Reserves
POLICY NUMBER: 3040

3040.1 PURPOSE OF RESERVES

3040.1.1 The purpose of the Nevada Irrigation District's (District) Reserve Policy is to ensure that the District will, at all times, have sufficient funding available to meet its operating, capital, and debt service cost obligations. Reserves will be managed to allow the District to fund ongoing operations and maintenance, as well as costs consistent with the annually updated Capital Improvement Program and other long-term plans, while avoiding significant rate fluctuations due to changes in cash flow requirements.

Reserves also support the District's creditworthiness and borrowing capacity. Bond investors and rating agencies generally evaluate liquidity, debt-service coverage, financial policies, and available reserves when assessing an agency. Strong financial reserves can therefore contribute to better credit ratings and potentially lower borrowing costs, ultimately benefiting customers. The Reserves Policy covers all reserve funds of the District, unless specifically required by external statute and loan covenants.

Two times per year, reserves shall be reported, analyzed, and presented to the Board of Directors during the annual budget process and the mid-year budget adjustment. Any reserve balances below the levels stated in this policy must be approved by the Board and identified in the adopting resolution for the annual budget.

3040.2 TYPES OF RESERVES

3040.2.1 There are three major types of reserves: Legally Restricted Reserves, Unrestricted Designated Reserves, and Unrestricted Undesignated Reserves (also referred to as available fund balance). Legally Restricted Reserves have restrictions imposed by law, bond covenants, or other contractual obligations. Unrestricted Designated Reserves are set aside for a specific purpose as determined by the Board of Directors. Unrestricted Undesignated Reserves are the remaining cash balances and can be utilized if appropriated by the Board of Directors. Staff calculates reserve

balances and presents them to the Board of Directors during the annual budget cycle.

3040.3 RESTRICTED RESERVES

3040.3.1 The Debt Service Reserve is governed by debt covenants for the District's debt. The trustee holds these reserves during the term of the debt and uses them if the District cannot meet its required debt service obligation. These reserves will be used to make the final debt service payments in accordance with debt covenants. Accrued interest earnings on this reserve balance shall be calculated according to debt covenants.

3040.3.2 Bond/Loan/Fiduciary Proceeds Reserve shall be established when the District acts as fiduciary holding proceeds for specific debt/loan or improvement district. These reserves will be used for specific project purposes in accordance with debt issuance obligations.

3040.4 UNRESTRICTED DESIGNATED RESERVES

3040.4.1 Operating Reserves may be used to fund unplanned and unforeseen expenditures related to Water Fund 10, Recreation Fund 30, and Hydroelectric Fund 50. The reserve also ensures sufficient liquidity to meet cash-on-hand needs.

Fund 10 and 50 Operating Reserve minimums are established to be 6 months of annual budgeted expenditures. Fund 30 and 70 Operating Reserve minimums are established to be 3 months of annual budgeted expenditures.

Operating Reserves shall be funded from revenue received by each operating fund or by budgeted transfers. Operating Reserves shall receive funding prior to all other reserves.

3040.4.2 Capital Reserves are established to accumulate sufficient reserve funds necessary to ensure timely acquisition, replacement, and upgrade of the District's infrastructure and capital assets. This reserve is established for each Capital Fund (Water Capital Fund 15, Recreation Capital Fund 35, and Hydroelectric Capital Fund 55).

The minimum reserve levels are as follows:

- Water Capital Fund 15: Target reserve set at 50% of the total combined five-year depreciation expense from audited financials.
- Hydroelectric Capital Fund 55: Capital Reserve target set at the five-year average cost of capital program. Hydroelectric Capital Fund 55 FERC Reserve is set at $35 million. Hydroelectric Capital Fund 55 Power Purchase Expiration Reserve is set at $15 million.
- Recreation Capital Fund 30: Target reserve set at 50% of the total combined five-year depreciation expense from audited financials.

Capital Reserves shall be funded from budgeted transfers.

3040.4.3 Insurance and Catastrophic Occurrence Reserves are established to help: a) pay for claims in excess of insurance coverage limits, and b) provide immediate funds in case of a catastrophic occurrence. This reserve shall have a minimum reserve balance of $5,000,000 and a maximum balance of $10,000,000.

This reserve can be funded by Water Fund 10 and/or Hydroelectric Fund 50. Any events that require the use of reserve funds shall be replenished by the specific Department responsible for use of these funds.

Insurance and Catastrophic Occurrence Reserves shall be funded from revenue received by each operating fund or by budgeted transfers.

3040.4.4 Accrued Leave Reserve estimates the annual payout for accrued vacation, sick leave, and compensatory time on record as of the last day of each budget year. Each Department (Water, Hydroelectric, Recreation) shall include this reserve in its operating fund in an amount equal to 30% of the current portion liability associated with employees in that Department. The current portion estimates the expected accrued leave expense for the fiscal year.

Accrued Leave Reserves shall be funded from revenue received by each operating fund or by budgeted transfers.

3040.5 UNRESTRICTED UNDESIGNATED RESERVES

3040.5.1 The amount of cash fund balance remaining in each fund. Use of these funds shall be appropriated by the Board of Directors.

Adopted: June 26, 2013 via Resolution No. 2013-24
Revised: March 11, 2015 via Resolution No. 2015-06
Revised: August 24, 2016 via Resolution No. 2016-31
Revised: November 9, 2016 via Resolution No. 2016-43
Revised: February 28, 2018 via Resolution No. 2018-06
Revised: July 24, 2019 via Resolution No. 2019-24
Revised October 14, 2026, via Resolution No. 2026-38

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Debt Management Policy
POLICY NUMBER: 3050

3050.1 Purpose

The Debt Management policy shall comply with Government Code Section 8855 and provide operating guidelines for all major debt transactions of the District, including land-secured Community Facility Districts (CFDs) and Assessment Districts (Ads), along with conduit financing. The debt management policy addresses the following objectives:

- Guides the Board and management in debt issuance decisions considering impact to fiscal budgets and long-term goals
- Identifies the type of Debt the District issues
- Identifies the purpose for which the proceeds may be used
- Insures the proper use of bond proceeds in accordance with the District's internal controls and financial reporting structure, continuous disclosure laws
- Protects and enhances the District's Bond rating

3050.2 Debt Issuance Goals & Considerations

The District shall use debt for financing, refunding, or advance refunding for specific capital projects identified in official statements. No debt proceeds shall be issued to finance operations. Debt will be used only in those cases where public interest and economic efficiency favor debt over cash (pay-as-you-go) financing. The following issues will be a consideration during debt issuance.

Pay as You Go (Cash)

- Should the choice of expenditure made by current residents be imposed on future ones
- Will there be sufficient debt capacity for future projects following an increase in outstanding debt
- Are current reserves sufficient to finance projects and in compliance with reserve policy
- Are current market conditions conducive to financing from reserves or borrowing
- In all inflationary economies, the cost of borrowing is higher

Pay as You Use (Debt)

- Is there sufficient capacity of the community to service debt from current revenue
- Does debt repayment schedules demonstrate the community's ability to pay
- Will there be sufficient net present value savings in interest expense
- Is the term of the debt consistent with the asset's useful life
- During period of low interest rates, debt financing will enjoy the lowest possible cost

- Prudent use of debt financing, enhances investments in reserves and meets unforeseen events

3050.3 Type of Debt Issued

Long-Term Debt:

Long-Term Capital projects will be financing primarily with long-term debt. This will allow payment of the facility or equipment over their useful life and thus matching the benefit horizon with the bond amortization period. Debt maybe used in special circumstances for other than long-term capital projects, only after careful policy evaluation by the Board and management. Cash financing of capital projects can be from current resources, depending upon the specific projects and annual budget constraints.

Short-Term Debt:

- Bond Anticipation Notes (BANs) may be issued to cash flow the project pending permanent financing during the construction period of a project or facility. The BANs shall not mature more than 3 years from the date of issuance. BANs shall mature within 6 months after substantial completion of the financed facility.
- Tax and Revenue Anticipation Notes (TRANs) may be issued only to meet actual cash flow needs and shall never exceed 10 percent of projected budget resources.
- Lines of Credit may be considered as an alternative to other short-term borrowing options.

Lease vs Purchase Debt:

Leases, including certificates of participation, may be considered as an alternative to direct purchases. Lease debt will not be issued for items, individually or when aggregated, that cost less than $10,000 or that have a useful life of less than 3 years. Long-term building, facility or equipment leases should not be used when the present value of purchasing is less. When analyzing the lease vs buy transaction, the discount rate to equate the future lease payments to the present is the District's Water Rules & Regulations 10.20.01 Surcharge Modifier.

Variable Rate Debt:

The District shall consider variable rate debt only in the following circumstances:

- High Interest rates: Interest rates are above historic average trends;
- Variable Revenue Stream: The revenue stream for repayment is variable, and is anticipated to move in the same direction as market-generated variable interest rates, or the dedication of revenues allows capacity for variability;
- Adequate Safeguards against Risk: Financing structure and budgetary safeguards are in place to prevent adverse impacts from interest rate shifts; such structures could include, but are not limited to, interest rate caps;
- Administrative Analysis: A report from the Finance Manager and General Manager shall be forwarded to the Board evaluating and quantifying the risks and returns involved in the variable rate financing and recommending variable rate as the lowest cost option.

Federal, State, Banks or Other Loan Programs:

To the extent, it benefits the District; the District may participate in federal, state, banks or other loan programs. The Finance Manager shall evaluate the requirement of these programs to determine if the District is well served by employing them.
For purposes of this Policy, the District shall treat and report these obligations in a manner consistent with other similar debt instruments. To the extent required by the loans or other outstanding debt agreements, the District shall include the financial requirements of these obligations when determining additional bond test, coverage requirement, etc.

Swaps, Foreign Markets:

The District will not issue any foreign denominated debt nor engage in any interest rate swaps, unless such transactions have been first thoroughly evaluated and the risk exposure from such transactions is quantified and presented to the Board for review.

Formation of Improvement Districts (CFDs, ADs):

In accordance with the Improvement Bond Act, Mello-Roos Facilities Act and applicable California Government Codes, the District may use land-secured financing through the formation of Improvement Districts. The District shall select, retain, employ, and be responsible for, in its sole discretion, any consultants necessary for the formation of a special district, review of the financing, and the issuance and administration of bonds, including but not limited to the underwriter(s) and underwriters' counsel; bond counsel; financial advisor; special tax consultant; engineers; appraiser; district administrator, market absorption study consultant; or any other consultant deemed necessary by the District in its judgment to complete the legal proceedings; and financial analysis for issuance of bonds.

The cost reimbursement schedule shall be submitted to a developer/applicant for all costs and expenses incurred by District in employing such consultants. An applicant/developer may retain its own consultants for its own benefit, but will work through those consultants hired by the District. If the developer/applicant retains its own consultants, all costs associated therewith shall be borne by the developer/applicant.

No firm may serve in more than one capacity as design engineer or special tax consultant on the same District pursuant to California Government Code. Similarly, no firm may serve as a financial advisor or bond counsel during the planning stages for a district or conduit project and subsequently as underwriter or disclosure counsel for the bonds of the district or project. All proposed projects within the proposed district or project area, together with the infrastructure and public facilities, must be consistent with the District's Plans, zoning classifications, and the California Environmental Quality Act (CEQA). All property within the proposed district must possess land use determinations or zoning classifications of sufficient certainty, and facility requirements of sufficient specialty that each parcel can be adequately assessed.

3050.4 Debt Issuance and Long-term Planning

All debt issuance will be forecasted using the District's most recent 5-Year financial forecast, 5-Year Capital Improvement Plan (CIP) and consistent with the adopted Proposition 218 rate setting report. The forecast will contain the debt service ratio (DSC) ratio and appropriate liquidity metrics.

3050.5 Financial Reporting & Internal Controls

The Finance Department will develop and maintain a central system for all debt related records. At a minimum, this repository will include all official statements, bid documents, ordinances, indentures, leases, etc. for all District debt. To the extent that official transcripts incorporate these documents, possession of a transcript will suffice. The Finance Department will collect all available documents for outstanding debt and will develop a standard procedure for archiving transcripts for any new debt.

In order to comply with CDIAC rules and regulations promulgated pursuant to SB 1029, the General Manager, Finance Department and the District's designated project manager will share responsibility to assure that all bond proceed disbursements are made only after each request for disbursements is substantiated with appropriate invoices, requisitions and other supporting document. The bond proceeds shall be managed and accounted for in accordance with its governing documents.

The District shall comply with Government Code Section 5852.1 by disclosing specified good faith estimates in a public meeting prior to the authorization of the issuance of Debt. Pursuant to Government Code section 8855(k), the District will submit annual debt transparency reports for any debt for which it has submitted a report of final sale on or after January 21, 2017 every year until the later date on which the debt is no longer outstanding and the proceeds have been fully spent.

Rebate Policy, Certifications:

It will be the policy of the District to accurately account for all interest earnings on investment of debt proceeds. The Finance Department shall maintain a system of reporting interest earnings, which relate to Internal Revenue Code of 1986 as amended, rebate, yield limits, and arbitrage. The District's policy shall be to maximize the interest earning on all funds while minimizing rebates to the Federal Government. These records will be designed to ensure that the District complies with all debt covenants, State and Federal laws.

The Finance Department shall gather information, perform forecast and ensure rating agencies have sufficient analysis to certify bond ratings. All official bond certifications shall be announced to the Board to gain an understanding of the District's continuous borrowing cost.

3050.6 Bond Credit Rating

The District shall use the following ratios, standards and limits to guide its maintenance of credit quality. The District will consider the use of credit enhancements on a case-by-case basis, evaluating the economic benefit versus cost for each case. Only when a clearly demonstrable savings can be shown shall an enhancement be considered. The District will consider each of the following enhancements as alternatives by evaluating the cost and benefit of such enhancements.

- Bond Insurance: The District shall have the authority to purchase bond insurance when such purchase is deemed prudent and advantageous. The predominant determination shall be based on such insurance being less costly than the present value of the difference in the interest on the bonds insured versus uninsured.

- Debt Service Reserves: A reserve fund equal to the lesser of ten percent (10%) of the original principal amount of the bonds, maximum annual debt service or one-hundred-and-twenty-five percent (125%) of average annual debt service (the "Reserve Requirement") can be recommended from the proceeds of

each series of bonds, subject to federal tax regulations, if such is deemed necessary. The District shall have the authority to purchase reserve equivalents when such purchase is deemed prudent and advantageous. Such equivalents shall be evaluated in comparison to cash funding of reserves on a net present value basis (i.e., the use of a reserve fund surety).

- Letters of Credit: The District shall have the authority to enter into a letter-of-credit agreement when such an agreement is deemed prudent and advantageous.

3050.7 Policy for Disclosure Procedures

Purpose:

The purpose of these Disclosure Procedures (the "Disclosure Procedures") is to memorialize and communicate key principles and procedures in connection with obligations, including notes, bonds and certificates of participation, issued by the District so as to ensure that the District continues to comply with all applicable disclosure obligations and requirements under the federal securities laws.

Background:

The District from time to time issues certificates of participation, revenue bonds, notes or other obligations (collectively, "Obligations") in order to fund or refund capital investments, other long-term programs and working capital needs. Such Obligations include those Obligations issued by the Nevada Irrigation District Joint Powers Authority (the "Authority") on behalf of the District. In offering Obligations to the public, and at other times when the District makes certain reports, the District must comply with the "anti-fraud rules" of federal securities laws. ("Anti-fraud rules" refers to Section 17 of the Securities Act of 1933 and Section 10(b) of the Securities and Exchange Act of 1934, and regulations adopted by the Securities and Exchange Commission under those Acts, particularly "Rule 10b-5" under the 1934 Act.)

The core requirement of these rules is that investors and potential investors in Obligations must be provided with all "material" information relating to the offered Obligations. The information provided to investors and potential investors must not contain any material misstatements, and the District must not omit material information which would be necessary to provide to investors a complete and transparent description of the Obligations and the District's financial condition. In the context of the sale of securities, a fact is generally considered to be "material" if there is a substantial likelihood that a reasonable investor would consider it to be important in determining whether or not to purchase the securities being offered or alter the total mix of available information.

When the District or the Authority issues Obligations, the two central disclosure documents which are prepared are a preliminary official statement ("POS") and a final official statement ("OS", and collectively with the POS, "Official Statement"). The Official Statement generally consists of (i) the forepart (which describes the specific transaction including maturity dates, interest rates, redemption provisions, the specific type of financing, the leased premises (in certificate of participation financings) and other matters particular to the financing, (ii) a section which provides information on the District, including its financial condition as well as certain operating information ("District Section"), and (iii) various other appendices, including the District's audited financial report, form of the proposed legal opinion, and form of continuing disclosure undertaking. Investors use the Official Statement as one of their primary resources for making informed investment decisions regarding the Obligations.

Disclosure Process:

When the District determines to issue Obligations directly or through the Authority, the Finance Manager requests the involved departments to commence preparation of the portions of the Official Statement (including particularly the District Section) for which they are responsible. While the general format and content of the Official Statement does not normally change substantially from offering to offering, except as necessary to reflect major events, the Finance Manager is responsible for reviewing and preparing or updating certain portions of the District Section which are within their particular area of knowledge. Once the Official Statement has been substantially updated, the entire Official Statement is shared with the General Manager for review and input. Additionally, all participants in the disclosure process are separately responsible for reviewing the entire Official Statement.

Members of the financing team, including the Bond Counsel and the District's municipal advisor (the "Municipal Advisor") with respect to the proposed Obligations, assist staff in determining the materiality of any particular item, and in the development of specific language in the District Section. Members of the financing team also assist the District in the development of a "big picture" overview of the District's financial condition, included in the District section. This overview highlights particular areas of concern. Bond Counsel has a confidential, attorney-client relationship with officials and staff of the District and the Authority.

The Finance Manager or a member of the financing team at the direction thereof schedules one or more meetings or conference calls of the financing team (which includes District officials, Bond Counsel, the District's Municipal Advisor, the underwriter of the Obligations, and the underwriter's counsel), and new drafts of the forepart of the Official Statement and the District Section are circulated and discussed. Such communications may occur via electronic means rather than by meetings or conference calls. During this part of the process, there is substantial contact among District staff and other members of the financing team to discuss issues which may arise determine the materiality of particular items and ascertain the prominence in which the items should be disclosed.

Prior to distributing a POS to potential investors, there is typically a formal conference call which includes District officials involved in the preparation of the POS, members of the financing team and the underwriters and the underwriter's counsel, during which the POS is reviewed in its entirety to obtain final comments and to allow the underwriters to ask questions of the District's senior officials. This is referred to as a "due diligence" meeting.

A substantially final form of the POS is provided to the Authority and District Boards of Directors in advance of approval to afford the Boards of Directors an opportunity to review the POS, ask questions and make comments. The substantially final form of the POS is approved by the Boards of Directors which generally authorizes certain senior staff to make additional corrections, changes and updates to the POS in consultation with General Counsel and Bond Counsel.

At the time the POS is posted for review by potential investors, senior District and Authority officials execute certificates deeming certain portions of the POS complete (except for certain pricing terms) as required by SEC Rule 15c2-12.

Between the posting of the POS for review by potential investors and delivery of the final OS to the underwriter for redelivery to actual investors in the Obligations, any changes and developments will have been incorporated into the POS, including particularly the District Section, if required. If necessary to reflect developments following publication of the POS or OS, as applicable, supplements will be prepared and published.

In connection with the closing of the transaction, one or more senior District and Authority officials execute certificates stating that certain portions of the OS, as of the date of each OS and as of the date of closing, does not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements contained in the OS in light of the circumstances under which they were made, not misleading. General Counsel to the District and to the Authority also provides opinion letters advising the underwriters that information contained in the section of the OS relating to the District and the Authority, as applicable, and its operations (or specified portions thereof) as of its date did not, and as of the date of the closing, does not contain any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. General Counsel to the District and to the Authority does not opine on any financial, statistical, economic or demographic data or forecasts, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, and certain other customary matters.

District Section:

The information contained in the District Section is developed by personnel under the direction of the Finance Manager, with the assistance of the financing team. In certain circumstances, additional officials will be involved, as necessary. The following principles govern the work of the respective staffs that contribute information to the District Section:

- District staff involved in the disclosure process is responsible for being familiar with its responsibilities under federal securities laws as described above.

- District staff involved in the disclosure process should err on the side of raising issues when preparing or reviewing information for disclosure. Officials and staff are encouraged to consult General Counsel, Bond Counsel or members of the financing team if there are questions regarding whether an issue is material or not.

- Care should be taken not to shortcut or eliminate any steps outlined in the Disclosure Procedures on an ad hoc basis. However, the Disclosure Procedures are not necessarily intended to be a rigid list of procedural requirements, but instead to provide guidelines for disclosure review. If warranted, based on experience during financings or because of additional SEC pronouncements or other reasons, the District should consider revisions to the Disclosure Procedures.

- The process of updating the District Section from transaction to transaction should not be viewed as being limited to updating tables and numerical information. While it is not anticipated that there will be major changes in the form and content of the District Section at the time of each update, everyone involved in the process should consider the need for revisions in the form, content and tone of the sections for which they are responsible at the time of each update.

- The District must make sure that the staff involved in the disclosure process is of sufficient seniority such that it is reasonable to believe that, collectively, they are in possession of material information relating to the District, its operations and its finances.

Distribution and Training:

The Disclosure Procedures shall be provided to all members of senior staff and any other member of the District staff that is involved in the District's disclosure obligations and shall be provided to the members of the Board of the District and the members of the Board of Directors of the Authority.
Periodic training for the staff involved in the preparation of the Official Statement (including the District Section) is coordinated by the finance team and the Finance Manager. These training sessions are provided to assist staff members involved in identifying relevant disclosure information to be included in the District Section. The training sessions also provide an overview of federal laws relating to disclosure, situations in which disclosure rules apply, the purpose of the Official Statement and the District Section, a description of previous SEC enforcement actions and a discussion of recent developments in the area of municipal disclosure. Attendees at the training sessions are provided the opportunity to ask questions of finance team members, including Bond Counsel concerning disclosure obligations and are encouraged to contact members of the finance team at any time if they have questions.

Annual Continuing Disclosure Requirements

In connection with the issuance or execution and delivery of Obligations, the District has entered into a number of contractual agreements ("Continuing Disclosure Certificates") to provide annual reports related to its financial condition (including its audited financial statements) as well as notice of certain events relating to the Obligations specified in the Continuing Disclosure Certificates. The District must comply with the specific requirements of each Continuing Disclosure Certificate. The District's Continuing Disclosure Certificates generally require that the annual reports be filed within 270 days after the end of the District's fiscal year, and event notices are generally required to be filed within 10 days of their occurrence.

Specific events which require "enumerated event" notices are set forth in each particular Continuing Disclosure Certificate.

The Finance Manager shall be responsible for preparing and filing the annual reports and enumerated event notices required pursuant to the Continuing Disclosure Certificates and for other secondary market disclosures as described under the caption "Secondary Market Disclosure." Particular care shall be paid to the timely filing of any changes in credit ratings on Obligations (including changes resulting from changes in the credit ratings of insurers of particular Obligations).

The General Counsel or the General Manager or Executive Director of the Authority (the "Executive Director") will provide written notice to the District Board and the Authority Board of Directors of any receipt by the District or the Authority of any default, event of acceleration, termination event, modification of terms (only if material or may reflect financial difficulties), or other similar events (collectively, a "Potentially Reportable Event") under any agreement or obligation to which the District is a party and which may be a "financial obligation" as discussed below. Such written notice should be provided by General Counsel or the General Manager or Executive Director to the District Board and the Authority Board of Directors as soon as the General Counsel or the General Manager or Executive Director is placed on written notice by District staff, Authority staff, consultants, or external parties of such event or receives written notice of such event. The General Manager or Executive Director, with the assistance of Bond Counsel, will determine and notify the District Board and the Authority Board of Directors whether notice of such Potentially Reportable Event is required to be filed on the Electronic Municipal Market Access ("EMMA") pursuant to the disclosure requirements of SEC Rule 15c2-12 (the "Rule"). If filing on EMMA is required, the filing is due within 10 business days of such Potentially Reportable Event to comply with the continuing disclosure undertaking for the various debt obligations of the District.

The General Counsel or the General Manager or Executive Director will report to the District Board and the Authority Board regarding the execution by the District of any agreement or other obligation which might constitute a "financial obligation" for purposes of Rule. Amendments to existing District agreements or obligations with "financial obligation," which relate to covenants, events of default, remedies, priority rights, or other similar terms, should be reported to the District Board and the Authority Board as soon as the General Counsel or the General Manager or Executive Director is placed on written notice by District staff, Authority staff, consultants, or external parties of such event or receives a written notice of such amendment requests. The General Manager will determine, in consultation with the General Counsel and with the assistance of Bond Counsel, whether such agreement or other obligation constitutes a material "financial obligation" for purposes of Rule 15c2-12. If such agreement or other obligation is determined to be a material "financial obligation" or a material amendment to a "financial obligation" described above, notice thereof would be required to be filed on EMMA within 10 business days of execution or incurrence. The types of agreements or other obligations which could constitute "financial obligations" and which could need to be reported on EMMA include:

1. Bank loans or other obligations which are privately placed;
2. State or federal loans;
3. Commercial paper or other short-term indebtedness for which no offering document has been filed on EMMA;
4. Letters of credit, surety policies or other credit enhancement with respect to the District's or the Authority's publicly offered debt;
5. Letters of credit, including letters of credit which are provided to third parties to secure the District's obligation to pay or perform (an example of this is a standby letter of credit delivered to secure the District's obligations for performance under a mitigation agreement);
6. Capital leases for property, facilities, fleet or equipment; and
7. Agreements which guarantee the payment or performance obligations of a third party (regardless of whether the agreements constitute guarantees under California law).

Types of agreements which could be a "financial obligation" under the Rule include:

1. Payment agreements which obligate the District to pay a share of another public agency's debt service (for example, an agreement with a joint powers agency whereby the District agrees to pay a share of the joint powers agency's bonds, notes or other obligations); and
2. Service contracts with a public agency or a private party pursuant to which the District is obligated to pay a share of such public agency or private party's debt service obligation (for example, certain types of P3 arrangements).

Types of agreements which may be a "financial obligation" subject to the Rule include:

1. Any agreement the payments under which are not characterized as an operation and maintenance expenses for accounting purposes if such agreement could be characterized as the borrowing of money.

The General Manager will continue to work with the General Counsel and Bond Counsel to refine the definition of financial obligation going forward based on future SEC guidance.

Secondary Market Disclosure

On February 7, 2020, the SEC released a staff legal bulletin (the "Bulletin") concerning secondary market disclosure in the municipal bond market. The Bulletin included SEC staff views on a variety of matters, including but not limited to, the applicability of the federal securities law to public agency websites, reports delivered to governmental and institutional bodies and statements made by public officials including elected board members. Documents, reports and other written statements of the District or the Authority which contains current financial and operational conditions of the District and the Authority will be included in a section of the District's website appropriately identified. The District, the Authority and its Bond Counsel have reviewed the Bulletin and have incorporated certain SEC staff recommendations into these Disclosure Procedures and into disclosure training for staff and Board members. The Bulletin requires District and Authority staff review. The District, the Authority and its Bond Counsel will be cognizant of those reviews and will consider whether those reviews require the District and the Authority to make secondary market disclosures.

Adopted: August 12, 2020 via Resolution No. 2020-19

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Procurement
POLICY NUMBER: 3080

3080.1 Purpose

In accordance with California Water Code, the District has authority to procure the necessary goods and services to operate. As an irrigation district, competitive bidding is legally required when the District constructs works "paid for with the proceeds of the sale of bonds or a limited assessment" . (Cal. Public Contract Code § 20561.). While procurement may not always be awarded to the lowest responsible bidder, unless required by law, the District desires The purpose of Policy 3080 is to establish a set of guidelines and to standardize the procedures for purchasing goods and services for the District that provide a fair, open, and competitive process that avoids conflicts of interest, collusion and favoritism.

3080.2 Administrator

General Manager or identified designee shall administer the Procurement Policy, negotiate and approve term contracts, and purchase products and services required. The provisions of this policy, as well as any applicable state or federal laws, shall apply to (1) the purchase of equipment, supplies, products, or materials, (2) the procurement of services, (3) the procurement of professional services, and (4) construction projects undertaken by the District. The principles below shall also apply:

A. Fair Competition. District employees must discharge their duties impartially to assure fair and open competition for District business by responsible vendors. District employees shall treat all vendors equally and fairly, with equal information given to each entity that participates in the procurement process.

B. Conflicts of Interest. No Board of Directors, employee, officer, or agent of the District may participate in the selection, award, or administration of a contract if they have a real or apparent conflict of interest. A conflict of interest includes any circumstances under which the Board of Director, employee, officer, or agent, or any member of their immediate family, their partner, or an organization that employs or is about to employ any of those parties, has a financial interest in or a tangible personal benefit from a vendor considered for a contract or purchase.

C. Economical Approach. All procurements must be undertaken in a manner that will avoid the acquisition of unnecessary or duplicative items, which may include consideration of consolidating or breaking out procurements, lease alternatives, and other appropriate analysis to determine the most economical approach, subject to the limits of applicable law, including prohibitions against bid-splitting.

D. Oversight. Staff must maintain oversight over its procurements to ensure that vendors perform in accordance with the terms, conditions, and specifications of the contracts or purchase orders.

E. Specifications. All procurement solicitations should incorporate a clear and accurate description of the technical requirements or functions of the goods or services to be procured. However, such descriptions should not be drafted to unduly restrict competition among qualified vendors.

3080.3 Definitions For the purpose of this policy, the following definitions shall apply:

A. “Change Order” means any change to an approved and executed contract or task order. A change order can modify the scope of work, the time for completion, or the total contract budget authorization. When determining approval authority, the original contract and subsequent change orders are evaluated as a single purchase or procurement.

B. “Contract” means any agreement to do or not to do a certain thing or to provide goods or services. “Contract and agreement” are synonymous. The term “Contract” includes, among other things, a purchase order, a contract for services, a professional service agreement, and an addendum or change order. Purchases and the procurement of services shall use standard contracts approved by the General Manager and/or Legal Counsel. Special contracts shall be used when the goods or services are of a unique or specialized nature that is not compatible with a standard form of Contract.

C. “Cost” means the amount charged under a Contract and does not include sales tax, use tax, delivery charges, shipping, and/or handling.

D. "Emergency" means a sudden, unexpected occurrence, involving a clear and imminent danger, demanding immediate action to prevent or mitigate loss of, or damage to, life, health, property, or essential public services. "Emergency" includes such occurrences as fire, flood, earthquake, or other soil or geologic movements, as well as such occurrences as riot, accident, or sabotage.

E. “General Services” means any work performed or services rendered by an independent contractor, not otherwise qualifying as a consultant or professional service, with or without furnishing materials or supplies. This may include the services of a licensed contractor, janitor, landscaper, arborist, machinist, painter, or other work typically rendered by an independent consultant or contractor. General Services typically covers maintenance or repair work that does not require engineering plans and specifications. The emphasis is also on physical, rather than professional/intellectual capabilities. General Services do not include large construction projects, utility services, insurance services, professional services, services rendered by District employees, or another governmental agency, or contractual services which are in their nature unique or not subject to competition.

F. "Goods” means any tangible commodities or items such as supplies, parts, materials, equipment, or building. On some occasions, goods may be purchased to supply a contractor engaged in work for the District.

G. "Professional Services" mean work performed by architectural, landscape architectural, information technology, engineering, environmental, land surveying, construction project management, and specialized professional services such as financial, economic, accounting, legal, (or administrative matters) lobbying firms, and by other specially trained persons. The selection of persons or firms to provide such professional services shall be based on demonstrated competence and the professional qualifications necessary for the satisfactory performance of the services required.

H. "Public Entity" means the state, county, city, district, public authority, public agency, municipal corporation, or any other political subdivision or public corporation in the state of California.

I. "Real Property" means fixed property, principally land and buildings.

J. "Responsible Bidder" means a bidder who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform a public works contract.

K. "Surplus Property" means any personal or real property owned by the District that is determined no longer useful.

3080.4 Exempt Contracts

Notwithstanding any other provision of law, the following contracts shall not be subject to this chapter:

A. Annual Membership Dues. Membership dues for professional and civic organizations to which the District is a member may charge an annual or other term membership fee. Such contracts may be entered into and/or membership fees paid at the direction of the General Manager, provided there is adequate funding allocated in the District's Annual Budget.

B. Utility payments. Payment of utilities including electrical, gas, sewage, solid waste, phone, cable, etc.

C. Other Contracts. Such other contracts as the Board of Directors or the General Manager, in their discretion, finds by resolution or documented by memorandum are not susceptible to the contracting procedures set forth in this Policy, provided that nothing herein shall relieve the District from any contracting procedures required by state or federal law. The General Manager may only waive the requirements for a contract or purchase to comply with these contracting procedures for purchases or contracts that are equal to or less than $100,000.

D. Non-Discretionary Purchases. Purchase/payments that are not readily adaptable to the open market and competitive selection process. Non-discretionary purchases do not require the issuance of a purchase order, and payments more than the General Manager's authorization limit do not require Board approval if the Annual Budget provides for an appropriation for the item. Examples of non-discretionary purchases include but are not limited to:

a. Bank charges and fees
b. Debt Service payments
c. Employee reimbursements
d. Insurance claims and premiums
e. Medical reimbursement payments
f. Payroll related taxes
g. Pension and OPEB Payments
h. Travel expenses
i. Water purchase
j. One-time fees and permits

3080.5 Emergency Purchases

In case of "Emergency", the General Manager may procure any items or services deemed necessary to preserve life or property without the Board's prior authorization and with waiver of applicable bidding requirements. In the event an emergency procurement is deemed necessary, and the amount of the purchase exceeds the General Manager's authority, the General Manager shall notify the Board members via telephone or email of the emergency procurement and shall thereafter report the incident to the Board of Directors in a regular Board of Director's meeting.

3080.6 Inventory Purchases

Inventory is the District's goods and products that are kept in stock so they are available when needed for use. Examples of items commonly kept on inventory are water meters, treated and raw water system components, lumber, hardware paint, tools, treatment chemicals, and facility materials. When inventory is purchased, the items shall be posted as an asset to the appropriate fund's balance sheet and then expensed to the appropriate operational budget when the item is issued for use. All inventory shall be counted at least one time per year. Inventory purchases that exceed $15,000 for one transaction will be direct expenses at the time of purchase.

3080.7 Piggyback and Cooperative Procurements

The District may enter purchase contracts based on a piggyback contract or a cooperative agreement contract without bidding if the conditions of this subsection are met. A piggyback contract is an agreement that has been competitively awarded by a separate public entity that contains language or legal authority, allowing other public entities to utilize the agreement without the need to secure separate quotes or formally bid. A cooperative agreement is a contract between a vendor and several entities (private and/or public) that requires membership in the association.

To participate in either one of these types of procurements, the following requirements need to be met: the contract is the result of competitive bidding, the contract is not expired, the purchase meets the District's specifications for the good or service, and the purchase is of equal or better value.

Purchase authorization levels still apply per this policy.

3080.8 Bidding and Quote Requirements

Quote, proposal, and bidding requirements are indicated in authorization tables included in this policy based on the type of purchase or procurement. Below are the specific requirements that shall be followed for each type of procedure:

A. Informal Quotes or Bids. Verbal or written solicitation of quotes or bids. Documentation of all quotes shall be maintained; verbal quotes shall be documented in writing by staff. A minimum of three quotes is preferred. If three quotes are not obtained due to a lack of vendors, service providers, or contractors not providing the goods or service, less than three quotes may be accepted. The lowest quote or bid

should be selected for the procurement of goods, general services, or construction unless there is an overriding reason to select a higher-cost bid or quote. Examples of overriding consideration include schedule for completion, or better-quality product or service. The General Manager shall make the determination to select a higher-cost bid or quote and the justification shall be documented.

B. Formal Quotes or Bids. A written scope of work, products, or services should be submitted to prospective vendors, service providers, or contractors. Quotes or bids shall be submitted to the District in writing. The lowest quote or bid should be selected for procurement unless there is an overriding reason to select a higher-cost bid. Examples of overriding consideration include schedule for completion, or better-quality product or service. The General Manager shall make the determination to select a higher-cost bid or quote and the justification shall be documented. A minimum of three vendors, service providers, or consultants shall be solicited for bids.

C. Request for Proposal (RFP). This is a selection process established for the selection of consultants, contractors, or vendors to provide an identified service. The selection process includes an evaluation of the proposed project team's qualifications, understanding of services required, demonstrated ability to complete the required scope of work, experience completing similar work, and any other criterion deemed helpful for the selection of the most qualified consultant, vendor, or contractor. Cost is typically a secondary criterion to the qualification-based criteria. A minimum of three service providers or consultants shall be solicited for proposals.

D. Request for Qualification (RFQ). This is a selection process utilized to qualify vendors, consultants, or contractors for On-Call Contracts, complex professional services, construction projects, or Design Build projects. The primary difference between the RFP and RFQ process is that the RFQ is usually the pre-qualification stage of the procurement process. The selection process shall include an evaluation of the proposed project team's qualifications, demonstrated ability to provide similar services, and any other criteria that is determined to be helpful for the selection of the most qualified consultant, vendor, or contractor.

E. Sole Source. Sole Source purchasing of goods or execution of a contract for services with one vendor or service provider without requesting and/or obtaining informal or formal bids from multiple vendors or service providers is allowed when the procurement is in the best interest of the District. Typically, Sole Source procurement applies to those items or services that are only provided by one consultant, contractor, or vendor or when the item to be purchased needs to match existing equipment or parts that the District owns. Sole source contracts may also be awarded to consultants that have a high level of knowledge of the District's infrastructure, operations, or regulatory requirements and experience working with the District. All Sole Source purchases must have documentation that substantiates that it is in the District's best interest to not obtain multiple bids, proposals, or quotes.

3080.9 Contract Requirements

Contracts are legally binding agreements that the District utilizes for the procurement of goods and services. The authorization tables for the purchases of goods, general services, professional services, and construction identify the type of contract required (if any) for each authorization level. Allowable contract types are summarized below:

A. Purchase Order. A purchase order is a legal document used by the District and sent to a supplier for an order. The purchase order specifies the items, quantities, prices, and terms for a purchase from the vendor.

B. Standard Contract. This contract type is typically used for General Services or Professional Services. The contract cannot be modified without approval from the General Manager.

C. Abbreviated Contract. This contract is utilized for lower-cost purchases or services. The contract cannot be modified without approval from the General Manager.

D. Construction Contract. Either a standard construction contract or an abbreviated construction contract are used for all construction projects.

E. On-Call Contract. A contract with a defined term and total contract authorization that only commits to pay for services if they are used and authorized by the issuance of a Task Order. On-Call Contracts shall have an initial contract term of three years or less and may include the option to extend the contract term by up to three additional years. On-Call Contracts may be utilized for Professional Services, General Services, and contractor-provided emergency services, such as unforeseen emergency repairs.

F. Vendor Contract. From time-to-time vendors or service providers may require the use of their contract. Use of such contracts shall be approved by the General Manager with the concurrence of General Counsel.

G. Modifications to any standard District contract shall be approved by the General Manager with the concurrence of General Counsel.

3080.10 Purchase of Goods, General Services, or Professional Services

Purchases and/or procurement of Goods, General Services, or Professional Services shall comply with the requirements set forth in the authorization table below and other requirements contained in this policy.

Contract Amount	Approval Authority	Bid or Quote Type	Contract Type*	Change Order Authorization
Less than $5,000	Supervisor, Buyer, Senior Storekeeper, Assistant Superintendent	None	None	10% of total contract amount
$5,001 to $25,000	Superintendent, IT Administrator, Controller, Purchasing Supervisor, Senior Engineer	Informal Quote or Bid	Purchase Order or Abbreviated Contract	10% of total contract amount
$25,001 to $50,000	Department Head, Assistant General Manager	Formal Quote, Bid, RFP, RFQ	Standard or Abbreviated Contract or On-Call Contract	10% of total contract amount

$50,0001 to $100,000	General Manager	Formal Quote, Bid, RFP, RFQ	Standard Contract or On-Call Contract	10% of total contract amount
$100,001 and greater	Board of Directors	Formal Quote, Bid, RFP, RFQ	Standard Contract or On-Call Contract	As approved by Board action

*The purchase of manufactured goods may be completed with a purchase order under any authorization level if approved by the General Manager.

3080.11 Procurement of Construction Services

Construction projects are generally related to the erection, construction, alteration, or improvement of any public structure, building, road, or other public improvements of any kind. Notwithstanding anything to the contrary in this Policy, the District is a California Irrigation District and is not mandated by State law to competitively bid any purchases, including those for public works projects and/or capital expenditures. The District is free to enter into non-bid contracts for public works, to purchase materials, services, and supplies, to contract for design-build work, to utilize job-order contracting, and to enter into cooperative purchasing arrangements for the design, construction, and maintenance of public works, or undertake any other form of contracting determined to be in the District's best interest, except as otherwise expressly restricted by law. District, as a matter of policy, will procure construction services in compliance with the requirements set forth in the authorization table below and other requirements contained in this policy.

Contract Amount	**Approval Authority**	**Bid or Quote Type**	**Contract Type***	**Change Order Authorization**
Less than $50,000	Department Head, Assistant General Manager	Informal Bid	Standard or Abbreviated Construction Contract	10% of total contract amount
$50,0001 to $100,000	General Manager	Informal Bid	Standard or Abbreviated Construction Contract	10% of total contract amount
$100,001 to $4,000,000	Board of Directors	Formal Bid through Approved Qualified Contractor Process	Standard Construction Contract	As approved by Board action
$4,000,001 and greater	Board of Directors	Competitive Sealed Bid Process	Standard Construction Contract	As approved by Board action

3080.12 Approved Qualified Contractors

By November 1st of each odd year, staff shall solicit a statement of qualifications from interested contractors, which will be evaluated to develop the Approved Qualified Contractor List. The contractors

that are included on the Approved Qualified Contractors List will receive an invitation to bid on construction projects that are estimated to cost between $100,001 and $4,000,000. The District may, but is not required to, allow contractors to apply to be on the Approved Qualified Contractor List at other times of the year outside of the stated timeframe.

To be eligible for consideration for placement on the Approved Qualified Contractors List, contractors shall submit a statement of qualifications and a pre-qualification questionnaire that will be evaluated by the District. Information that will generally be required is summarized below:

A. Contractor information and professional licenses.

B. Insurance information and certificates.

C. Description of organizational structure.

D. Summary of company and staff experience.

E. Evaluation of financial standing and bonding capacity.

F. Bonding capacity and history.

G. Project references.

H. Any other information the District deems necessary to evaluate contractor qualifications.

Once the statement of qualifications and evaluation questionnaire are complete and an evaluation of each submittal is completed by staff, those contractors deemed to be qualified by staff will be placed on the Approved Qualified Contractor List. The District reserves the right to disqualify Contractors from the Approved Qualified Contractor List at the time of eligibility consideration and at any future date. Any Contractor that is disqualified will be notified by the District and able to appeal the disqualification by submitting a written notice of appeal to the General Manager within 14 days of receiving the notice of disqualification. The General Manager will evaluate the appeal and determine whether the disqualification will be overruled within 14 days of receiving the appeal. Contractor's that are disqualified may participate in the Approved Qualified Contractor process during the next solicitation of a statement of qualifications from interested contractors. The Approved Qualified Contractor List will be valid for two years, starting on January 1st of each even year and expiring on December 31st of each odd year.

To procure construction services, staff will provide a bid package (plans, specifications, and estimate) to each of the contractors on the list Approved Qualified Contractor List with an invitation to provide a sealed bid on the project. Whether the District will award the contract to the lowest responsive bidder, and other criteria, will be set forth in the invitation to bid. In circumstances in which the District formally solicits bids or proposals and receives only one responsive bid or proposal, the District may negotiate with and award the contract to the sole bidder/proposer. The District may use alternative procurement, including a competitive sealed bid process for any project deemed necessary if the prequalified contractor pool is inadequate.

3080.13 Construction Services Greater than $4,000,001

For the procurement of construction services greater than $4,000,001 – A competitive sealed bid (formal bid) process shall proceed as described below:

A. The District shall solicit bids through the issuance of an Invitation and Public Notice to bid. The Invitation to Bid and the Public Notice shall be issued for a minimum of 15 calendar days prior to the bid opening.

B. Bids shall be submitted to the District and be identified as bids on the sealed envelope. Bids shall be opened publicly in the presence of one or more witnesses and no earlier than the time designated for the bid opening.

C. Bids received at or prior to the time set for bid opening shall be unconditionally accepted without alteration or correction.

D. The invitation to bid will set forth the basis upon which the contract will be awarded, including to the lowest responsible bidder who submits a responsive bid and other criteria. The District may waive any informality, irregularity, immaterial defects, or technicalities in any response.

E. Subject to any provisions of federal or state granting authorities to the contrary, correction or withdrawal of inadvertently erroneous bids before or after bid opening or cancellation of awards or contracts based on such bid mistakes shall be in accordance with this section. Mistakes discovered before bid opening may be modified or withdrawn by written notice received in the office designated in the invitation for bids prior to the time set for bid opening. After bid opening, no corrections to the bid or provisions shall be permitted, but in lieu of bid correction, a low bidder alleging a material mistake of fact may be permitted to withdraw its bid if: (a) the mistake is clearly evident on the face of the bid document, or (b) the bidder submits evidence that clearly and convincingly demonstrates that a mistake was made. All decisions to permit the correction or withdrawal of bids shall be supported by a written determination made by the District. The District may reject all bids and re-advertise for bids in its discretion, including when the bids exceed the budgeted amount for the work, to avoid a bid protest, or for other appropriate reasons.

3080.14 Construction Services Design Build for Projects over $100,000

Design-build is a project delivery method in which the District contracts with a single entity for both design and construction. The design-build contract is based on the District's "program," which will be developed to provide a statement of project requirements. The District will solicit proposals from qualified design-build teams (including contractor and architect/engineer) based on the program and may select the successful design-build team based on low bid, "best value," or other criteria. The selected design-build entity will complete the project design and prepare construction documents. Once the District has approved the design, the design-build contractor will build the project. The design-build contractor is responsible for its design documents and cannot seek additional time and/or money for defects in its own design documents. The Board shall approve design-build contracts and approve an authorized contract contingency amount for change orders.

3080.15 Federal, state, or grant-funded projects.

Any procurement made pursuant to a federal, state, or grant award or subject to reimbursement, in whole or in part, must comply with the requirement stated in the funded award and the applicable federal or state procurement requirements. In the event of any conflict between federal, state, or grant requirements, the most stringent requirement must be used.

3080.16 Surplus Property

Pursuant to Water Code section 22500, the District's Board of Directors must determine by resolution that any property of the District is no longer necessary for District purposes and, in such event, the District may sell or lease the property for valuable consideration. After adopting the resolution declaring surplus property, Department Directors shall forward the surplus property to the Purchasing Department who will secure items.

A. Surplus Property Valued at Less than $100,000. Surplus property of a single item within this estimated market value will be disposed of using the most advantageous method determined by the General Manager, including auction, direct sale, or other appropriate sale or lease options.

B. $100,000 and Greater. Surplus property of a single item within this estimated market value will be submitted to the Board of Directors for approval for disposal. Disposal method will be described in the resolution of surplus and may be by sealed bid, auction, online auction, remarketing service provider, or direct sale may require a formal appraisal, and must comply with all federal and state requirements.

Disposal of real property must comply with Board Policy and all applicable legal requirements, including Surplus Real Property Laws (Government Code § 54220 et seq.).

Adopted: April 24, 2013, via Resolution No. 2013-11
Revised: April 13, 2016, via Resolution No. 2016-14
Revised: June 27, 2018, via Resolution No. 2018-15
Revised: April 10, 2024, via Resolution No. 2024-11

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Expenditure Reimbursement
POLICY NUMBER: 3085

3085.1 Purpose. The purpose of this policy is to prescribe the manner in which District employees and Directors may be reimbursed for expenditures related to District business.

3085.2 Scope. This policy applies to all employees and members of the Board of Directors and is intended to result in no personal gain or loss to an employee or director.

3085.3 Implementation. Whenever District employees or Directors desire to be reimbursed for out-of-pocket expenses for item(s) or service(s) appropriately relating to District business, and not exceeding $100, they shall submit their requests on a reimbursement form to the Department Manager. Requests in excess of $100 must be submitted to the General Manager. Included on the reimbursement form will be an explanation of the District-related purpose for the expenditure(s), and receipts evidencing each expense shall be attached.

3085.3.1 The Department Head will review and approve reimbursement requests. Reimbursement requests by the Finance Manager will be reviewed and approved by the General Manager. Reimbursement requests by the General Manager will be reviewed and approved by the Finance Manager.

3085.3.2 All expenses must be reasonable and necessary, and employees and Directors are encouraged to exercise prudence in all expenditures.

3085.3.3 The most economical mode and class of transportation reasonably consistent with scheduling requirements will be used. In the event a more expensive class of transportation is used, the reimbursable amount will be limited to the cost of the most economical class of transportation available. Reimbursement for use of personal vehicles will be at the applicable IRS-approved rate.

3085.3.4 Expenditures for food and lodging will be moderate and reasonable.

3085.4 Disclosure. Pursuant to Government Code, the amounts of reimbursements to employees and Directors shall be reported once a year in January of each year following the end of the calendar year for the preceding calendar year. The statement of reimbursement shall be accumulated by the establishment of a file with the title "Reimbursements, Name of Employee or Director," and periodically, records shall be inserted in regard to the amounts of reimbursement. Annually a form shall be completed and filed with

the Board by the Accounting Department and an item included on the January agenda making it clear that those records are available for public review and are being rendered to the Board at its January meeting for review.

3085.5 Personal Vehicle Use – Emergency Call-Out. Whenever District employees are required to use their personal vehicles to commute from home to-and-from the designated reporting assignments for any of the following reasons, such commuting shall be reimbursed in accordance with 3085.3.3 above:

a) Call back to work a second time in one work day, when a District vehicle is not provided
b) Call out to work on a weekend, holiday, or approved time off, where a District vehicle is not provided
c) After hours call out duty, when a District vehicle is not provided

3085.6 Travel and Employee Reimbursements

3085.6.1 Meals: When the District requires an employee to work on his/her non-workdays or outside of his/her regular hours on workdays, and the employee has not been given sufficient notice to enable him/her to prepare meals, the District will provide meals at the normal times therefore, insofar as it is possible for the District to do so. The reasonable cost of such meals and a reasonable length of time necessarily taken to consume the meal will be at the District's expense.

If the District requires an employee to perform work for two (2) hours beyond regular work hours, it will provide that employee with a meal and with meals at intervals thereafter of four (4) hours, but no more than six (6) hours, as long as the work continues insofar as it is possible for the District to do so. The reasonable length of time to consume the meal and the cost of same will be at the District's expense. The supervisor in charge may dismiss the employee just after two (2) hours, in which case the employee would only be entitled to one-half (1/2) hour pay in lieu of a meal, or a meal without payment for the time to consume it.

3085.6.2 Authority for Travel Expenses The Travel Request Form, which may be obtained from the department's Management Assistant, must be submitted for all travel and training requests, first to the Department Manager and then to the Human Resources office. Government Services Administration (GSA) meal rates (which include taxes and gratuity) may be utilized with prior written authorization.

A Travel Expense Summary Form, itemized receipts and a copy of the approved Travel Request Form must accompany all requests for reimbursement.

3085.6.3 Meal Reimbursement Allowances: The General Services Administration (GSA) per diem rates for the San Francisco Area will be used when a District employee is required to be away from his/her primary work site for the purpose of training, education, conference attendance or any other District business. Work site is defined as the location[s], facility or facilities where the majority of the employee's work is performed.

A District Claim for Reimbursement of Expenses and/or Compensation Form and itemized receipts of actual expenditures must accompany all requests for reimbursement, in addition to Department Manager authorization. Unusual expenses incurred may be considered for reimbursement above the per diem amounts if itemized receipts are provided. The

Department Manager or General Manager shall provide authorization for the reimbursement of these expenses, when appropriate.

3085.6.4 Incidental Expenses: The employee may request reimbursement for out-of-pocket additional expenses such as tips, taxi fares, etc. Whenever possible, receipts should be submitted with the request for reimbursement on a District claim form.

3085.6.5 Other Expenses:

3085.6.5.1 The District will reimburse an employee for any money expended directly on behalf of the District, including filing fees in connection with legal documents which are authorized by a Department Manager or General Manager.

3085.6.5.2 Whenever the District requires an employee to install and/or maintain a telephone or internet service in his/her home, the expense of the new installation, if any, and the basic monthly charge will be paid by the District.

3085.6.5.3 Employees who are assigned to temporary work at such distance from their established workplace such that it is impractical for them to return thereto or to their regular place of abode will be allowed actual personal expenses for board and lodging at places to be designated by the District. The time spent by such employees in traveling to such temporary job at its beginning and from such job at its conclusion and any reasonable expenses incurred thereby will be paid by the District.

Adopted: June 25, 2014 via Resolution No. 2014-40
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Budget Policy
POLICY NUMBER: 3100

3100.1 Purpose

The purpose of this policy is to establish an internal control framework for guiding decision-making processes related to the annual operating and capital budgets which serve as the foundation for the Nevada Irrigation District's financial planning and control.

3100.2 Administrator

The Finance Department is responsible for the implementation and administration of this policy.

3100.3 Definitions

For the purpose of this policy, the following definitions shall apply:

Budget amendment is an increase or decrease in the total revenue or expenditure appropriation for any fund and must be approved by the Board of Directors.

Budget transfer is an appropriation adjustment that does not increase or decrease the overall revenue or expenditure budget for any fund.

Ongoing expenses are expenses that are expected to continue from year to year. Staff salaries and benefits are an example of ongoing expenses.

Ongoing revenues are revenues that can be expected to continue from year to year.

3100.4 Budget Development and Review

- The Board of Directors will adopt a budget calendar annually prior to March 31st.
- The Board of Directors will adopt a structurally balanced budget prior to January 1st of each year. A structurally balanced budget has the following two important qualities:
  - Ongoing expenses should be covered by ongoing revenues.
  - One-time or short-term revenues will be used to fund one-time or short-term expenses.
- The budget will include the following three components:
  - Projected revenue for the coming fiscal year.
  - Projected operating expenditures for the coming fiscal year
  . Capital projects for the next five fiscal years.
- The budget will be developed based upon the strategic priorities identified by the Board of Directors.
- The budget will be developed by verifying or conservatively projecting revenues and expenditures for the coming fiscal year. The Finance Department will document all assumptions for revenue and expenditure forecasts each year.

- The budget will be developed in a manner which maintains the level of reserves identified in the District's Reserve Policy (Number 3040).
- The budget will be developed consistent with the provisions of the District's Capital Asset Policy (Number 11090).
- All budgeted expenditures must be made consistent with the provisions of the District's Procurement Policy (Number 3080).
- Maintenance and replacement funding will be prioritized each year to ensure that capital facilities and equipment are sufficiently maintained to avoid service disruptions.
- Prior to adoption of the budget, the Board of Directors will conduct workshops to receive public input on the proposed annual expenditure plan and five-year capital improvement program.
- The General Manager will submit to the Board of Directors a quarterly budget status report providing information on revenues, expenditures, and capital projects.
- Unexpended budget appropriations will lapse at the end of each fiscal year.

3100.5 Budget Transfers

- The General Manager may authorize the transfer of budget appropriations within a fund and may delegate to the Finance Director authority for approval of budget transfers within a fund up to $25,000.
- The General Manager may not transfer budget appropriations between funds or capital improvement projects, from an approved capital improvement project to an operational fund or from an operational fund to a capital improvement project.
- All budget transfers must be initiated by completion of a budget amendment request form or by a resolution adopted by the Board of Directors.

3100.6 Budget Amendments

- The Board of Directors must approve the transfer of any budget appropriations between funds or capital improvement projects, from an approved capital improvement project to an operational fund or from an operational fund to a capital improvement project.
- The Board of Directors must approve any budget amendments that increase or decrease the overall appropriation of revenue or expenditures.
- Any addition of full-time equivalent (FTE) positions to the Annual Budget must be approved by the Board of Directors.
- All budget amendments must be initiated by a resolution adopted by the Board of Directors.

3100.7 Policy Adoption and Review

This policy will be adopted by resolution of the Board of Directors. The policy will be reviewed at least every five years with any modifications approved by the Board of Directors.

Adopted: February 11, 2015 via Resolution No. 2015-05
Revised: September 12, 2018 vis resolution No. 2018-22
Revised: February 24, 2021 via Resolution No. 2021-04
Revised: April 13, 2022 via Resolution No. 2022-19
Revised: June 28, 2023 via Resolution No. 2023-32

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: On-Road / Off-Road Vehicle and Equipment Idling
POLICY NUMBER: 3150

3150.1 The purpose of the On-Road / Off-Road vehicle and equipment idling policy is to reduce the amount of emissions generated by gas and diesel powered vehicles and equipment during operation. This policy is to comply with the California Air Resources Board on-road/off-road emission reduction regulation.

3150.1.1 This policy shall apply to all District vehicles, construction equipment and portable equipment, excluding emergency generators. District vehicles and equipment include, but are not limited to, gas and diesel, light duty, medium duty and heavy duty vehicles, tractors, backhoes, excavators, loaders, chippers, air compressors, forklifts and portable pumps.

3150.1.2 The operator of any District on-road or off-road vehicle, construction equipment or portable equipment shall not allow the vehicle or equipment to idle for any consecutive five (5) minute period at any time. Any vehicle or equipment must be turned off in the event the vehicle or equipment could be in idle for a five (5) minute period or more and restarted only when ready to resume normal operation.

Adopted: September 9, 2009 via Resolution No. 2010-56
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: District Installed Pipeline Reimbursement
POLICY NUMBER: 3175

The purpose of this policy is to define procedures to recover certain costs of treated water pipelines installed by the District from parcels requesting service that can be served directly from the pipeline. Recoverable "costs" include costs of installation, design, inspection of the pipeline, as well as District staff time, legal costs, purchase of easements, CEQA costs, and restoration allocable to the installation of the pipeline. Parcel owner's connecting to these District installed pipelines with a permanent water service will pay a lump sum fee to the District as reimbursement for the parcel owner's share of the costs of the distribution pipeline.

3175.1 The policy applies to any pipeline installed with District funds and applies to customers, including customers served under a variance that have a permanent water service connected to the pipeline.

3175.2 Reimbursement will apply to all District installed distribution and transmission pipelines to which the connection is made.

3175.3 The District has standardized its distribution mains as 8-inch diameter pipe size, the costs of which shall be recovered under this policy.

3175.4 If the District constructs facilities of greater than 8 inch diameter for transmission purposes, costs allocated to an 8 inch waterline will be separated by using a ratio of interior cross sectional area of the pipelines. If upsizing is required for fire flow needs of the immediate area served, the upsizing costs shall be reimbursed by the parcel owners of that area.

3175.5 The reimbursement will be based on a lump sum cost of the project to the parcel owner. The lump sum cost for a waterline will be based on the Districts construction costs for the project divided by the number of parcels currently and/or anticipated to be connected to the pipeline. The District will map potential parcels that could be served by the existing line including any variances. If historical costs are not available, the District will map the potential parcels including variances on either side of the pipeline for 1000 feet in each direction of the requesting property. The 2000 LF of frontage will be multiplied by an estimated dollar per foot cost to provide a lump sum for the construction of this reach of pipeline. Estimates will be based on the average of the actual cost of four (4) similar District constructed pipelines, inflated to present values, using ENR CCI. The number of existing and anticipated parcels will be divided into the calculated cost for construction to obtain a per parcel cost. The Districts engineering department will generate a memorandum of costs which will be reviewed by the Districts Director of Finance and the General

Manager. Please note: A parcel is defined as any lot in which the water main extends half way across the property.

3175.6 If there is a variance parcel, the parcel owner will pay the per lot cost as outlined in 3175.5. A Temporary Service Line (TSL) applicant will not be required to pay this fee, however the applicant will be required to pay all other TSL fees. If the TSL service is ultimately determined to be permanent, the reimbursement for the pipeline extension shall be deducted from the TSL paid, before refunding the TSL parcel owner.

3175.7 Every year after construction of a pipeline installed by the District, the reimbursement (per parcel costs) for the 8 inch pipe will be adjusted in accordance with the Engineering News Report Construction Cost Index (ENR CCI) for the previous year.

3175.8 The pipeline reimbursement fee shall remain in effect until the pipeline is replaced; thereafter, the reimbursement fee will be based on the costs of replacement.

Adopted: June 26, 2013 via Resolution No. 2013-23
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Claims Against the District
POLICY NUMBER: 3200

The purpose of this policy is to provide guidance for processing property damage and personal injury claims against the District, and to authorize settlement of claims.

3200.1 Process
The Assistant General Manager shall receive and investigate all claims against the District Claims in excess of the District insurance deductible shall be forwarded to the insurance company, as soon as practical. The District staff will not consider a claim of an amount in excess of the insurance deductible, including the cost of investigation, without prior written approval of the District's insurance company. Claims for personal injury/wrongful death shall not be investigated by the District staff but shall be immediately forwarded to the District's insurance company.

3200.2 The General Manager and the Assistant General Manager shall have the authority to settle damage claims which have been deemed appropriate for settlement up to $10,000.

3200.3 Claims which have been deemed appropriate for settlement in the amount of more than $10,001 shall be submitted to the Board of Directors for its consideration during a closed session of a regular or special meeting.

3200.4 Rejection of Claims.
Claims that are not deemed appropriate for settlement shall be rejected by the General Manager and/or the Assistant General Manager.

Adopted: October 12, 2016 via Resolution No. 2016-34
Revised: March 23, 2022 via Resolution No. 2022-16
Revised: July 27, 2022 via Resolution No. 2022-45
Revised: October 25, 2023 via Resolution No. 2023-47

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Sustainability
POLICY NUMBER: 3250

The purpose of this Policy is to outline the District's objective to be socially, environmentally, and economically sustainable through implementation in a fiscally responsible manner of actions, practices, and projects intended to reduce greenhouse gas emissions.

3250.1 Scope. This Policy shall encompass all District business lines. Where possible, this policy will factor into the District's procurement of goods and services.

3250.2 Staff shall identify appropriate metrics to measure and demonstrate sustainability and report on the practices used to enhance sustainability to the Board of Directors at least once annually.

Adopted: January 23, 2019 via Resolution No. 2019-05
Revised: February 24, 2021 via Resolution No. 2021-04

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Employee Training
POLICY NUMBER: 3275

3275.1 The District may require employees to attend job related training. Employees will be expected to attend and complete the assigned training.

3275.2 Where training is required by the District, expenses incurred by an employee that have been approved in advance by the Department Manager or General Manager will be approved as follows:

- Expenses of $3,000 or less, including all meals, transportation, lodging and training costs, require the prior approval of the employee's Department Manager.
- Expenses exceeding $3,000, including all meals, transportation, lodging and training costs, require the prior approval of the General Manager.

3275.3 Employee attending required training will be paid their standard daily rate of pay, as determined by their current work schedule, for training, plus travel time.

3275.4 If a meal is not provided with the training, employee will be paid meal allowances in accordance with the current Internal Revenue Service (IRS)regulations.

3275.5 District vehicles shall be used to commute to training. If the Department Manager determines that using a District vehicle is not practical, mileage reimbursement will be paid in accordance with the then current IRS rates.

3275.6 Nothing shall preclude an employee from requesting training. In the case of an employee request, the specific training course must be pre-approved by the employee's Department Manager.

3275.7 Continuing Education Units (CEUs) necessary to maintain a certification or license that is required by job descriptions shall be considered Employee Training, pursuant to this policy.

Adopted: June 25, 2014 via Resolution No. 2014-40
Revised: October 25, 2017 via Resolution No. 2017-32
Revised: October 12, 2022 via Resolution No. 2022-52
Revised: March 26, 2025 via Resolution No. 2025-24

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Artificial Intelligence (Ai) Usage Policy
POLICY NUMBER: 3300

3300.1 Purpose

This policy establishes clear expectations for the ethical, responsible, and secure use of artificial intelligence (AI) technologies within the organization. AI tools are intended to improve operational efficiency, enhance service delivery, and support informed decision-making. Their use shall also protect against risks such as bias, misinformation, and privacy violations.

3300.2 Scope

This policy applies to all employees, contractors, and third-party vendors who use AI technologies on behalf of Nevada Irrigation District (NID). It covers all forms of AI, including generative AI, machine learning systems, and predictive analytics tools, whether hosted internally or accessed through external providers.

3300.3 Policy Principles for AI Use

AI technologies shall be used in alignment with organizational values and all applicable laws and regulations. The following principles guide their use:

- **3300.3.1** Ethical Use: AI is expected to enhance productivity and innovation and must not be used for any harmful or malicious purposes.;
- **3300.3.2** Human Oversight: Human oversight, review and approval shall be maintained with every AI requested output or decision before it is executed;
- **3300.3.3** Transparency: Stakeholders shall be informed when AI tools are used to create or assist with work products when appropriate;
- **3300.3.4** Accountability: Appropriate employees are responsible for validating the accuracy, appropriateness, and compliance of AI-generated outputs.

3300.4 Data Privacy and Security

- **3300.4.1** Prohibited Data: Do not enter personally identifiable information (PII), protected health information (PHI), or any confidential, restricted, personal, proprietary or other sensitive data of any kind into AI systems. Confidential data that is owned or not by the District and shared (copied, typed, interfaced, etc.) with AI platforms, without performing a due diligence and compliance review, is prohibited and may violate state and/or federal law.
- **3300.4.2** Compliance: All AI use shall comply with NID's data privacy requirements and applicable regulations.
- **3300.4.3** Public Records: AI prompts and outputs may be subject to public records requests and shall be treated accordingly.

3300.5 Acceptable Use

Employees are permitted to use AI for work-related purposes, including but not limited to:

3300.5.1 Providing support to customers by answering questions and providing information;

3300.5.2 For research purposes, such as generating new ideas or for general knowledge, meant to enhance your understanding of a work-related topic, in a similar manner to a general internet search, as part of an information gathering activity;

3300.5.3 Creating and reviewing content such as articles, reports, and documents or to fine tune verbiage for a letter, email, or other document;

3300.5.4 Improving internal processes and workflows;

3300.5.5 Other legitimate business purposes as approved by your manager.

3300.6 Prohibited Uses

The following activities are not permitted:

3300.6.1 Real-time or covert biometric identification without consent;

3300.6.2 Transcribing or analyzing calls or other recorded conversations without consent;

3300.6.3 Relying on automated decision-making without human review;

3300.6.4 Generating biased, discriminatory, or misleading content.

3300.6.5 Using AI to evaluate candidates, promotions, vendors, healthcare, benefits, or any process that may exclude options;

3300.6.6 Entering confidential or sensitive organizational information into AI tools without prior legal authorization;

3300.6.7 Using AI to replace the work or required review of licensed professionals, including legal, engineering, surveying, or similar services.

3300.7 Responsibilities

3300.7.1 Employees: Employees shall use AI responsibly, verify accuracy, and report issues. If AI-generated content is found to be owned by another party, its use must cease immediately and be reported to District Counsel.

3300.7.2 Supervisors: Provide training, guidance, and oversight to ensure compliance with this policy.

3300.7.3 Third-Party Vendors: Shall comply with all contractual requirements related to AI use, data protection, and information security.

3300.8 Risk Management

3300.8.1 Pre-Implementation Review: All AI technologies shall undergo a review to evaluate security, compliance, and ethical considerations before deployment.

3300.8.2 Monitoring: AI tools will be periodically assessed for accuracy, bias, and ongoing compliance.

3300.8.3 Incident Response: All AI-related issues or incidents shall be reported to your supervisor and addressed promptly.

3300.9 Training and Awareness

NID will provide ongoing training to ensure employees understand the ethical, legal, and operational aspects of AI use.

3300.10 Oversight

The Assistant General Manager, in coordination with Human Resources and the General Manager, is responsible for implementing, evaluating, and updating this policy.

3300.11 Accountability

All employees are required to read, understand, and comply with the Artificial Intelligence (AI) Usage Policy. Because AI technologies evolve rapidly, employees shall periodically review the policy to stay current with updates.

By acknowledging receipt of this policy, employees agree to adhere to its requirements.

Adopted: August 26, 2026 via Resolution No. 2026-31
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Code of Ethics
POLICY NUMBER: 4010

4010.1 The NID Board of Directors is committed to providing excellence in legislative leadership that results in the provision of the highest quality services to its constituents and to complying with State laws including AB 1234 (Salinas) approved in 2006 (copy attached as reference).

In order to assist in meeting these goals among members of the Board of Directors and District staff, the following rules shall be observed.

4010.1.1 The dignity, style, values and opinions of each Director shall be respected.

4010.1.2 Responsiveness and attentive listening in communication is encouraged.

4010.1.3 When a Director believes he/she may have a conflict of interest, the legal counsel shall be requested to make a determination if one exists or not, and the Director should refrain from the discussion and action until such determination has been made.

4010.1.4 The primary responsibility of the Board of Directors is the formulation and evaluation of policies, goals, and objectives to be pursued by the District in carrying out its mission, and in gauging the success of the District in meeting the Board's directives. Routine matters concerning the operational aspects of the District are to be delegated to professional staff members of the District.

4010.1.5 Directors should commit themselves to the highest form of professionalism. They should emphasize the positive and avoid negative forms of interaction.

4010.1.6 Directors should commit themselves to focusing on issues. The presentation of the opinions of others should be encouraged. Cliques and voting blocks based on personalities rather than issues should be avoided.

4010.1.7 Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and opinions, but without being disagreeable. Once the Board of Directors takes action, Directors should commit to supporting said action without creating barriers to the implementation of said action.

4010.1.8 Directors should practice the following procedures:

4010.1.8.1 In seeking clarification on informational items, Directors may individually communicate with the District's staff to obtain

information needed to supplement, upgrade, or enhance their knowledge to improve legislative decision-making.

4010.1.8.2 The District staff cannot fix what is not known; therefore, when receiving complaints from residents and property owners of the District, said complaints should be referred to the General Manager for evaluation and response.

4010.1.8.3 Questions or concerns about safety or hazards, including observations of such conditions existing at District job sites, should be reported to the General Manager for appropriate action by staff. Emergency situations should be dealt with immediately by notifying appropriate authorities, including the District staff.

4010.1.8.4 In presenting items for discussion at Board meetings, see Policy #5020.

4010.1.8.5 In seeking clarification for policy-related concerns, especially those involving personnel, legal action, land acquisition and development, finances, and programming, said concerns should be referred directly to the General Manager who will refer them to appropriate staff or counsel.

4010.1.9 If approached by District employees or members of the public concerning District policy, Directors should direct inquiries to the appropriate department manager or the General Manager.

4010.2 The work of the District is a team effort. All individuals should work together in the collaborative process, assisting each other in carrying out the mission of the District.

4010.2.1 As the elected member of the governing body of the District, Directors are expected to routinely receive comments and questions from constituents regarding the operations and policies of the District. When responding to constituent requests and concerns, Directors should be courteous in responding to individuals in a positive manner and should refer their questions and comments through appropriate channels to responsible management personnel.

4010.2.2 Directors should develop and maintain a working relationship with the General Manager wherein current issues, concerns and District projects can be discussed comfortably and openly.

4010.2.3 Directors possess no individual authority but function only as a part of the legislative body of the District. Any issue meriting Board consideration that is addressed to an individual Board member should be brought to the attention of the General Manager so that it can be presented to and considered by the full Board.

Adopted: August 13, 2008 via Resolution No. 2008-55

Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Attendance at Meetings
POLICY NUMBER: 4020

4020.1 Members of the Board of Directors shall attend all regular and special meetings of the Board unless there is good cause for absence.

Adopted: August 13, 2008 via Resolution No. 2008-55
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Board President
POLICY NUMBER: 4040

4040.1 The President of the Board of Directors shall serve as chairperson at all Board meetings. He/she shall have the same rights as the other members of the Board in voting, introducing motions, resolutions and ordinances and any discussion of questions that follow said actions.

4040.2 In the absence of the President, the Vice President of the Board of Directors shall serve as chairperson over all meetings of the Board. If the President and Vice President of the Board are both absent, the remaining members present shall select one of themselves to act as chairperson of the meeting.

Adopted: August 13, 2008 via Resolution No. 2008-55
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Members of the Board of Directors
POLICY NUMBER: 4050

4050.1 Directors shall thoroughly prepare themselves to discuss agenda items at meetings of the Board of Directors. To improve the productivity of Board meetings, staff should be consulted prior to the meeting to clarify any questions or to provide further materials that may be needed.

4050.1.1 Information exchanged before meetings shall be distributed through the Secretary to the Board, to ensure all Directors and staff will receive all information being distributed.

4050.1.2 Copies of information exchanged before meetings shall be made available to the public at the time of distribution, with copies available for those in attendance, and shall also be provided to anyone not present upon their request.

4050.2 Directors shall at all times conduct themselves with courtesy to each other, to staff, and to members of the audience present at Board meetings.

4050.3 Directors shall defer to the chairperson for conduct of meetings of the Board, but shall be free to question and discuss items on the agenda. All comments should be concise and confined to the matter being discussed by the Board.

4050.4 An Action Item shall be any action which the Board of Directors takes itself, or any action which the Board of Directors expressly directs be taken by the General Manager. Minutes shall be the written record of all Action Items taken by the Board of Directors, including the recommended action of the item, and the voting record of the Board of Directors on the item. Modifications to minutes of the meetings that have occurred in the past should be avoided.

4050.5 Directors shall recuse themselves from participating in the discussion or vote on any item where they have a personal interest or bias that prevents them from evaluating the facts and from making an objective decision or where they have a financial conflict of interest. In those circumstances, the minutes shall reflect that the Director so abstained from discussion and the vote. Unless such circumstances exist, however, Directors should affirmatively participate and vote as part of the Board's decision-making responsibilities. Directors recusing themselves from participating in the discussion or action due to a financial conflict of interest should announce the nature of the conflict and should leave the Board meeting room until the item has been concluded.

4050.6 Requests by individual Directors for substantive information and/or research from District staff will be channeled through the General Manager. Information so produced shall be provided to all Directors.

Adopted: August 13, 2008 via Resolution No. 2008-55
Revised: May 10, 2017 via Resolution No. 2017-11
March 23, 2023 via Resolution No. 2022-17

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Basis of Authority
POLICY NUMBER: 4070

4070.1 The Board of Directors is the unit of authority within the District. Apart from his/her normal function as a part of this unit, Directors have no individual authority. As individuals, Directors may not commit the District to any policy, act, or expenditure.

4070.2 Directors do not represent any fractional segment of the community, but are, rather, a part of the body that represents and acts for the community as a whole.

Adopted: June 9, 2010 by Resolution No. 2010-43
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Membership in Associations
POLICY NUMBER: 4080

4080.1 The Board of Directors may ordinarily hold membership in and attend meetings of such national, state, and local associations as may exist which have applicability to the functions of the District, and shall look upon such memberships as an opportunity for in-service training.

4080.2 The Board of Directors may maintain membership in the California Special Districts Association, the Association of California Water Agencies, and other similar and/or appropriate associations, and shall ensure that annual dues are paid when due.

4080.2.1 At the first regular Board meeting in January, each year, a member of the Board shall be selected to represent the District in accordance with said association's constitution/bylaws, if applicable, and another member of the Board or staff member shall at the same time be selected to serve as an alternate for the representation.

Adopted: June 9, 2010 by Resolution No. 2010-43
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Ethics Training
POLICY NUMBER: 4095

Pursuant to Government Code Sections 53234 through 53235.2, all directors and designated executive staff of NID shall receive two hours of training in general ethics principles and ethics laws relevant to public service within one year of election or appointment to the board of directors and at least once every two years thereafter.

4095.1 This policy shall also apply to all staff members that the board of directors designates and to members of all commissions, committees and other bodies that are subject to the Ralph M. Brown Open Meeting Act.

4095.1.1 This policy shall apply to the following executive staff positions: General Manager, Assistant General Manager, Board Secretary, and all department heads.

4095.2 All ethics training shall be provided by entities whose curriculum has been approved by the California Attorney General and the Fair Political Practices Commission.

4095.3 Directors shall obtain proof of participation after completing the ethics training. Applicable costs for attending the training will be reimbursed by the District.

4095.3.1 District staff shall maintain records indicating both the dates that directors completed the ethics training and the name of the entity that provided the training. These records shall be maintained for at least five years after directors receive the training, and are public records subject to disclosure under the California Public Records Act.

4095.4 District staff shall provide the board of directors with information on available training that meets the requirements of this policy at least once every year.

4095.5 Ethics training may consist of either a training course or a set of self-study materials with tests, and may be taken at home, in person or online.

4095.6 Any director of NID that serves on the board of another agency is only required to take the training once every two years.

Adopted: June 9, 2010 by Resolution No. 2010-43
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Board Meetings
POLICY NUMBER: 5010

5010.1 Regular meetings of the Board of Directors shall be held on the second (2nd) and forth (4th) Wednesday of each calendar month commencing at 9:00 a.m. in the Board Meeting Room at the NID Business Center, 1036 West Main Street, Grass Valley, California. The frequency, date, time and place of regular Board meetings may be reconsidered annually at the annual organizational meeting of the Board. Regular meetings of the Board are subject to cancellation by direction of the President or Vice President (or by action of the Board at a prior meeting) when it reasonably appears that insufficient business, or conflicting schedules of Board members, render such meeting unnecessary or infeasible.

5010.2 Special meetings of the Board of Directors may be called by the Board President or by a majority of the Board.

5010.2.1 All Directors shall be notified of the special Board meeting and the purpose or purposes for which it is called. Said notification shall be in writing prepared by the Secretary of the Board, and received by them at least 24 hours prior to the meeting. The presence of a Board member at the Special Meeting shall be deemed an acknowledgment by that Board member that adequate notice was provided.

5010.2.2 Newspapers of general circulation in the District, radio stations and television stations, organizations, and property owners shall be notified by a mailing unless the special meeting is called less than one week in advance, in which case notice, including business to be transacted, will be given by telephone, facsimile or e-mail during business hours as soon after the meeting is scheduled as practicable.

5010.2.3 An agenda for the special meeting describing the matters to be considered shall be prepared and shall be delivered and posted with the notice of the special meeting to those specified above, no later than 24 hours before the convening of the meeting.

5010.2.4 Only those items of business listed in the call for the special meeting shall be considered by the Board at any special meeting, and no items may be added to the posted agenda

5010.3 Emergency Meetings. In the event of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, the Board of Directors may hold an emergency special meeting without complying with the 24-hour notice required in 5010.2.1, above.

An emergency situation means a crippling disaster which severely impairs public health, safety, or both, as determined by a majority of the Board.

5010.3.1 Newspapers of general circulation in the District, radio stations and television stations which have requested notice of special meetings in accordance with the Ralph M. Brown Act (California Government Code §54950 through §54926) shall be notified by at least one hour prior to the emergency meeting. In the event that telephone services are not functioning, the notice requirement of one hour is waived, but the Board, or its designee, shall notify such newspapers, radio stations, or television stations of that an emergency special meeting was held, and report any action taken by the Board, as soon after the meeting as possible.

5010.32 Section 54956.5 (c) of the Government Code allows a closed session during an emergency meeting.

5010.4 Adjourned Meetings. A majority vote by the Board of Directors may adjourn any Board meeting at any place in the agenda to a time and place specified in the order of adjournment, except that if no Directors are present at any regular or adjourned regular meeting, the General Manager or the Secretary may declare the meeting adjourned to a stated time and place, and he/she shall cause a written notice of adjournment to be given to those specified in 5010.2.2 above.

5010.5 Annual Organizational Meeting. The Board of Directors shall hold an annual organizational meeting at its first regular meeting in December. At this meeting the Board will elect a President and Vice President from among its members to serve during the coming calendar year. In addition the Board of Directors will appoint the Board's Secretary (pursuant to Water Code Sections 21375 and 21376).

5010.6 The Chairperson of the meetings described herein may adjust the order in which an item appearing on the posted agenda, other than a Special Order, shall be considered for discussion and/or action by the Board.

5010.7 The Secretary and the General Manager shall ensure that an appropriate number of copies of information is available for the audience at meetings of the Board of Directors, and that physical facilities for said meetings are functional and appropriate.

Adopted: October 13, 2010 via Resolution No. 2010-56
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Board Meeting Agenda
POLICY NUMBER: 5020

5020.1 The General Manager, in consultation with the Board President, shall prepare an agenda meeting the requirements of the Ralph M. Brown Act for each regular and special meeting of the Board of Directors. Absent approval of the General Manager, the agenda will be "closed" to the addition of new items at noon on Tuesday the week preceding the regular meeting of the Board of Directors. Any Director may request for consideration that the General Manager and Board President place an item on the agenda in accordance with 5020.2, no later than noon on the Monday prior to the closing of the Agenda.

5020.2 Any member of the public may request during Public Comment on Items Not on the Agenda (Policy No. 5020.5.3) that a matter directly related to District business be considered for placement on a future agenda of a meeting of the Board of Directors. Requests that are advanced by any Director may, at the discretion of the Board President, be subject to the following conditions:

5020.2.1 The requested Item must be put into writing and provided together with supporting documents and information. Supporting documents and information includes, but is not limited to, the proposed agenda item description, an introductory memorandum to the Board of Directors, any PowerPoint or other presentation material, and other documents and information necessary to fully inform the Board of Directors of the proposed action.

5020.2.2 No matter which is authorized for consideration by the Board in closed session will be accepted under this policy;

5020.2.3 The Board of Directors may place limitations on the total time to be devoted to a public request issue at any meeting, and may limit the time allowed for any one person to speak on the issue at the meeting.

5020.3 This policy does not prevent the Board from taking public comment at regular meetings of the Board on matters which are not on the agenda which a member of the public may wish to bring before the Board. However, the Board shall not discuss or take action on such matters at that meeting.

5020.4 At least 72 hours prior to the time of all regular meetings, an agenda, which includes all matters on which there may be discussion and/or action by the Board, shall be posted conspicuously for public review at the District office. The agenda shall also post the agenda on the District's website for public information. All information made available to the Board of Directors (except confidential information allowed by State law per legal counsel authority) shall be available for public review at

the time it is made available to the Board.

5020.4.1 The agenda for a special meeting shall be posted in the same location at least 24 hours before the meeting.

5020.5 NID Board Agendas for regular meetings shall be in the following format:

5020.5.1 **STANDING ORDERS:** Standing orders shall include the Call to Order, Roll Call, the Pledge of Allegiance and any introductions.

5020.5.2 **SPECIAL ORDERS:** Special Orders are those items of business which are set for consideration at a specific time during the meeting. Special Orders interrupt pending business at the time fixed unless this rule is suspended by motion adopted by the Board. Board hearings shall be designated Special Orders for the times fixed therefore by the Board of Directors. If a special time on the agenda is needed for the appearance of a person or persons, the Board Secretary shall set the appointment.

5020.5.3 **PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA:** Members of the public shall be allowed to address the Board of Directors on items which are of interest to the public and which are within the jurisdiction of the Board, but which are not on the posted agenda; however, no action shall be taken on any item not appearing on the agenda unless otherwise authorized by the Board pursuant to Government Code Section 54954.3. The Board may limit public comment time.

5020.5.4 **INFORMATIONAL ITEMS:** Included in this section of the Board agenda will be informational updates on department activities with no Board action. Items in this section will generally be included in the Agenda packet and will not be presented by staff. Board members may ask brief clarifying questions of staff. The item will be agendized at a future meeting if there are detailed questions or if Directors seek additional information.

5020.5.5 **WORKSHOP:** The workshop agenda item will be used when staff or the Board wish to discuss, with the assistance of the public, specific topics and items of interest to the District. No action will be taken as part of the workshop agenda item.

5020.5.6 **CONSENT AGENDA:** The Consent Agenda consists of those items which are routine and/or should not be discussed; i.e., certain claims. The following items, if presented to the Board, would typically appear on the Consent Agenda:

Minutes
Acceptance of Routine Easements
Statement of Investment Policy
Treasurer's Quarterly Report of Investments
Advanced recommendations from the appropriate Committee
Other routine items of a non controversial nature: Annual Disclosure of Reimbursement to Employees and Directors and Declaration Regarding Receipt of Honoraria of Gifts
Variances recommended for approval by the Variance Committee

The Consent Agenda would be approved by one motion of the Board adopting the Consent Agenda and authorizing the appropriate and necessary actions. Should any member of the Board or public wish to discuss any item appearing thereon, the Board member should request that the item be removed from the Consent Agenda. At the direction of the President, the item will be removed and discussed immediately after the approval of the Consent Agenda, or as soon thereafter as practicable.

5020.5.7 **GENERAL ORDERS:** General Orders include those items of regular District business which have not been referred to a Board committee and which will be presented to the Board with a recommendation or for consideration by the General Manager or District staff. Recommendations are included on the first page of the staff report, wherein the Board is asked to consider a form of action, such as a request to award, approve, adopt, receive and file or provide direction as appropriate.

5020.5.8 **GENERAL MANAGER'S REPORT:** The Manager will provide a report on current activities within the District of interest to the public and the Board. Items to be discussed by the General Manager will be conditions of current water supply and water sales, legislative or regulatory items of interest not yet requiring action, and public affairs activities occurring within the District directly or indirectly involving District operations.

5020.5.9 **BOARD OF DIRECTORS ITEMS/REPORTS:** Directors may provide brief reports on meetings, conferences, and seminars attended by the Directors of interest to the District and the public. Directors may also report on community comments and activities of interest.

5020.5.10 **PUBLIC COMMENT ON ANY ITEM TO BE CONSIDERED IN CLOSED SESSION**

5020.5.11 **CLOSED SESSION:** Closed Session may be held as set forth in the Government Code.

5020.5.12 **ADJOURN**

5020.6 Preparing NID Board Agendas

5020.6.1 The agenda for the regular meetings of the Board of Directors is mailed on or before Wednesday the week prior to the Board of Directors meetings, which are held on the second and fourth Wednesdays of each month. To allow sufficient time for preparation and assembly of the agenda, all agenda items must be given to the Board Secretary no later than noon on Tuesday the week preceding the meeting.

5020.6.2 A copy of the Board of Directors Meeting agenda and Board Committee Meeting agendas will be available for public review at the display cases located in the Board Room Lobby, the Business Center Lobby and at the East Annex on or before the Thursday preceding the meeting. A public review copy of the agenda packet also will be available in the Board Room Lobby on the day of the meeting.

5020.6.3 All Staff Reports to the Board shall be submitted to the Board Secretary prior to noon on Tuesday the week preceding meeting. Staff Reports shall give a concise description of the subject matter and the specific action requested of the Board.

5020.6.4 When necessary, Department heads are to complete a budget transfer/amendment form and submit it with the Staff Report to the Board Secretary.

5020.6.5 The Agenda may include notices pertaining to District Policies, in effort to promote the District's commitment of providing a safe and violence-free workplace and to minimize disruptions in the Boardroom.

Adopted: October 13, 2010 via Resolution No. 2010-56
Revised: December 13, 2017 via Resolution No. 2017-34
Revised: January 9, 2019 via Resolution No. 2019-02
Revised: February 24, 2021 via Resolution No. 2021-04

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Board Meeting Conduct
POLICY NUMBER: 5030

5030.1 Meetings of the Board of Directors shall be chaired by the President in a manner consistent with the policies of the District. Policy No. 5070, "Rules of Order for Board and Committee Meetings", shall be used as a general guideline for meeting protocol. In the absence of the President, the Vice President shall chair the meeting. In the absence of the President and Vice President, the remaining members of the Board shall select one of their members to chair the meeting.

5030.2 All Board meetings shall commence at the time stated on the agenda.

5030.3 The conduct of meetings shall, to the fullest possible extent, enable Directors to:

5030.3.1 Consider problems to be solved, weigh evidence related thereto, and make informed decisions intended to solve the problems; and,

5030.3.2 Receive, consider and take any required action in response to reports of District operations.

5030.4 Provisions for permitting any individual or group to address the Board concerning any item on the agenda of a special meeting, or to address the Board at a regular meeting on any agenda item or non-agendized matter that lies within the jurisdiction of the Board of Directors, shall, subject to modification as may be determined to be necessary by the chairperson, be as follows:

5030.4.1 Three minutes may be allotted to each speaker and a maximum of 20 minutes to each subject matter.

5030.4.2 No disruptive conduct shall be permitted at any Board meeting. Persistence in disruptive conduct shall be grounds for summary termination, by the Chairperson, of that person's privilege of address.

5030.5 Disruption of any of the meetings of the Board of Directors shall not be permitted. Disruptive conduct includes the use of personal electronic devices, such as cell phones, tablets or other electronic devices. If the chairperson determines that disruption of any meeting of the Board is occurring, he/she may order the disrupting parties out of the room and subsequently conduct the Board's business without them present.

5030.5.1 After clearing the room of disruptive individuals, the President may permit those persons who, in his/her opinion, were not responsible for the willful disruption to remain in the meeting room.

5030.5.2 Duly accredited representatives of the news media shall be permitted to remain in the meeting provided they did not participate in the disruptive activity.

Adopted: October 13, 2010 via Resolution No. 2010-56

Revised: January 22, 2020 via Resolution No. 2020-03

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Board Actions and Decisions
POLICY NUMBER: 5040

5040.1 Actions by the Board of Directors are generally limited to the areas of policy and regulation development, identification of strategic direction and priorities, financial oversight, representation of the constituency, and selection and oversight of the General Manager. Specific actions by the Board of Directors may include but are not limited to the following:

- Adoption or rejection of regulations or policies;
- Adoption or rejection of a resolution;
- Adoption or rejection of an ordinance;
- Approval of the annual budget (operating and capital) and staffing levels;
- Approval of new or substantially revised job specifications;
- Approval or termination of General Manager's employment agreement;
- Direction and approval of District's Mission, Vision, and Strategic Priorities, and provide high-level oversight of implementation of those items;
- Approval of all rates and fees;
- Approval of all real property purchase and disposal;
- Any other action dictated to be completed by the Board through policy or State law. (Examples include: Contract Authority, approval of Urban Water Management Plan and Raw Water Management Plan)

5040.2 Action can only be taken by the vote of the majority of the Board of Directors and must be in compliance with California Government Code 54950, the Ralph M. Brown Act. Three (3) Directors represent a quorum for the conduct of business.

5040.2.1 A member abstaining in a vote is considered as absent for that vote. A member abstaining due to a conflict of interest does not count towards a quorum. Refer to Policy 4050 regarding when Directors should recuse themselves from participating in the discussion or vote.

5040.2.1.1 Example: If three of five Directors are present at a meeting, a quorum exists and business can be conducted. However, if one of three Directors comprising the quorum abstains on a particular action and the other two cast "aye" votes, no action is taken because a "majority of the Board" did not vote in favor of the action.

5040.2.1.2 Example: If an action is proposed requiring a two-thirds vote and two Directors abstain, the proposed action cannot be approved because four of the five Directors would have to vote in favor of the action.

5040.2.1.3 Example: If a vacancy exists on the Board and a vote is taken to appoint an individual to fill said vacancy, three Directors must vote in favor of the appointment for it to be approved. If two of the four Directors present abstain, the appointment is not approved.

5040.3 The Board may give directions that are not formal action. Such directions do not require formal procedural process. Such directions include the Board's directives and instructions to the General Manager.

5040.3.1 The President shall determine by consensus a Board directive and shall state it for clarification. Should any two Directors challenge the statement of the President, a voice vote may be requested.

5040.3.2 A formal motion may be made to place a disputed directive on a future agenda for Board consideration, or to take some other action (such as refer the matter to the General Manager for review and recommendation, etc.).

5040.3.3 Direction by consensus on items not on the agenda cannot be given for those items that require formal action; for example: approval of new policy, procurement or contracting, budget amendments, and any other item identified in the Policy Manual to require formal action and is limited to matters that appear on the agenda for the Board meeting during which said informal action is taken.

Adopted: November 10, 2010 via Resolution No. 2010-61
Revised: April 22, 2022 via Resolution No. 2022-25

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Minutes of Board Meetings
POLICY NUMBER: 5060

5060.1 The Secretary or Deputy Secretary of the Board of Directors shall keep brief summary minutes of all regular and special meetings of the Board.

5060.1.1 Copies of a meeting's minutes will be distributed to Directors as part of the information packet for the subsequent meeting as soon as practical, at which time the Board will consider approving the minutes as presented or with modifications. Once approved by the Board, the official minutes shall be kept in a fireproof vault or in a fire-resistant, locked cabinet, and will be posted on the District's web site for a period of one year then available to the public upon request.

5060.1.2 Video recordings of regular and special meetings of the Board of Directors will be made. Video recordings will be posted to the District's web site. Retention of video and supporting materials will align with the District's standard retention policy.

Audio recordings may be substituted in the rare event a video recording cannot be produced due to instances such as power outages or lack of internet connection.

5060.1.3 Motions, resolutions or ordinances shall be recorded in the minutes as having passed or failed and individual votes will be recorded unless the action was unanimous. All resolutions and ordinances adopted by the Board shall be numbered consecutively, starting new at the beginning of each year. In addition to other information that the Board may deem to be of importance, the following information (if relevant) shall be included in each meeting's minutes:

Date, place and type of each meeting;
Directors present and absent by name;
Management staff present by name;
Call to order;
Time and name of late arriving Directors;
Time and name of early departing Directors;
Names of Directors absent during any agenda item upon which action was taken;
Record of public comment regarding matters not on the agenda to include names of commentators, and brief topic on which they are commenting on;
Approval of the minutes or modified minutes of preceding meetings;
Approval of financial reports;
Ratify the issuance of warrants by receiving and filing the check registers

Action information as to each subject of the Board's deliberation;
Brief summary of unified Board comments reached by Board consensus or by vote
Record of the vote of each Director on every action item for which the vote was not unanimous;
Resolutions and ordinances described as to their substantive content and sequential numbering;
Record of all contracts and agreements, and their amendment, approved by the Board;
Approval of the annual budget;
Approval of all policies, rules and/or regulations;
Approval of all dispositions of District assets;
Approval of all purchases of District assets; and,
Time of meeting's adjournment.

5060.2 The Secretary of the Board of Directors will not record or keep minutes of closed session discussions.

Adopted: November 10, 2010 via Resolution No. 2010-61
Revised: October 12, 2016 via Resolution No. 2016-35
May 10 , 2017 via Resolution No. 2017-11
June 28, 2017 via Resolution No. 2017-17
March 23, 2022 via Resolution No. 2022-17

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Rules of Order for Board and Committee Meetings
POLICY NUMBER: 5070

5070.1 General.

5070.1.1 Action items shall be brought before and considered by the Board by motion in accordance with this policy. These rules of order are intended to be informal and applied flexibly. The Board prefers a flexible form of meeting and, therefore, does not conduct its meetings under formalized rules - Robert's Rules of Order.

5070.1.1.1 If a Director believes order is not being maintained or procedures are not adequate, then he/she should raise a point of order - not requiring a second - to the Chairperson. If the ruling of the Chairperson is not satisfactory to the Director, then it may be appealed to the Board. A majority of the Board will govern and determine the point of order.

5070.2 Obtaining the Floor.

5070.2.1 Any Director desiring to speak should address the Chairperson and, upon recognition by the Chairperson, may address the subject under discussion.

5070.3 Motions.

5070.3.1 Any Director, including the Chairperson, may make or second a motion. A motion shall be brought and considered as follows:

5070.3.1.1 A Director makes a motion; another Director seconds the motion; and the Chairperson states the motion.

5070.3.2 Once the motion has been stated by the Chairperson, it is open to discussion and debate. After the matter has been fully debated, and after the public in attendance has had an opportunity to comment, the Chairperson will call for the vote.

5070.3.2.1 If the public in attendance has had an opportunity to comment on the proposed action, any Director may move to immediately bring the question being debated

to a vote, suspending any further debate. The motion must be made, seconded, and approved by a majority vote of the Board.

5070.4 Secondary Motions. Ordinarily, only one motion can be considered at a time and a motion must be disposed of before any other motions or business is considered. There are a few exceptions to this general rule, though, where a secondary motion concerning the main motion may be made and considered before voting on the main motion.

5070.4.1 Motion to Amend. A main motion may be amended before it is voted on, either by the consent of the Directors who moved and seconded, or by a new motion and second.

5070.4.2 Motion to Table. A main motion may be indefinitely tabled before it is voted on by motion made to table, which is then seconded and approved by a majority vote of the Board.

5070.4.3 Motion to Postpone. A main motion may be postponed to a certain time by a motion to postpone, which is then seconded and approved by a majority vote of the Board.

5070.4.4 Motion to Refer to Committee. A main motion may be referred to a Board committee for further study and recommendation by a motion to refer to committee, which is then seconded and approved by a majority vote of the Board.

5070.4.5 Motion to Close Debate and Vote Immediately. As provided above, any Director may move to close debate and immediately vote on a main motion.

5070.5 Decorum.

5070.5.1 The Chairperson shall take whatever actions are necessary and appropriate to preserve order and decorum during Board meetings, including public hearings. The Chairperson may eject any person or persons making personal, impertinent or slanderous remarks, refusing to abide by a request from the Chairperson, or otherwise disrupting the meeting or hearing.

5070.5.2 The Chairperson may also declare a short recess any time during any meeting.

5070.6 Amendment of Rules of Order.

5070.6.1 By motion made, seconded and approved by a majority vote, the Board may, at its discretion and at any meeting: a) temporarily suspend these rules in whole or in part; b) amend these rules in whole or in part; or, c) both.

5070.6.2 The Chairperson may rearrange items (matter) on the agenda as necessary.

Adopted: November 10, 2010 via Resolution No. 2010-61
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Ad Hoc Committees
POLICY NUMBER: 5300

5300.1 Purpose: To establish the roles and responsibilities of the District's Ad Hoc committees. At the discretion of the Board, an Ad Hoc Committee may be formed to address a specific issue within the purview of District business. Ad Hoc Committees are committees determined to be necessary by a majority of the Board. An Ad Hoc Committee does not have continuing subject matter jurisdiction, does not have a meeting schedule fixed by formal action of the Board, and is advisory to the full Board in nature. Ad Hoc committees generally serve a single or limited purpose, are not perpetual, and they are dissolved when their specific task is completed. In general, Ad Hoc Committees are not subject to the Brown Act.

5300.2 Assignment: The Board President will prepare the assignments to any Ad Hoc Committee. Ad Hoc committees shall include two members of the Board of Directors, as appointed by the Board President.

5300.3 Types of Committees: Ad Hoc committees may be formed from time to time to address topics such as water rate development, labor, legal settlement, and other limited purposes related to District business.

5300.4 Committee meetings: Ad Hoc Committee meetings will be scheduled as necessary when directed by a majority of the Board, the Board President, and/or the General Manager. Meetings will be open to public participation as determined by the Board President and/or the General Manager. Meetings that are determined to be open to the public will be noticed in accordance with the Brown Act standards in order to maximize public transparency. Meetings that are not open to the public are those meetings that are confidential in nature (for example, labor negotiations or related to the settlement of legal issues) and need not be noticed.

5300.5 Meeting Minutes: Ad Hoc Committee meeting minutes shall be prepared for all public meetings.

Adopted: April 27, 2022, via Resolution No. 2022-20

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Development Standards
POLICY NUMBER: 6000

The District's Development Standards are located on the District's website (nidwater.com).

Adopted March 11, 2015 via Resolution No. 2015-06
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Cultural Resources
POLICY NUMBER: 6085

The purpose of this policy is to outline efforts of the District to protect inadvertently discovered cultural resources or human remains.

6085.1 Discovery of Cultural Resources

Archaeological materials: may include, but are not limited to, flaked stone tools (projectile point, biface, scraper, etc.) and debitage (flakes) made of chert, obsidian, etc., groundstone milling tools and fragments (mortar, pestle, handstone, millingstone, etc.), faunal bones, fire-affected rock, dark middens, house pit depressions and human interments.

Historic-era Resources: may include, but are not limited to, small cemeteries or burial plots, cut (square) nails, containers or miscellaneous hardware, glass fragments, cans with soldered seams or tops, ceramic or stoneware objects or fragments, milled or split lumber, earthworks, feature or structure remains and trash dumps.

The District will treat those materials in a manner consistent using guidelines developed by the District staff and appropriate professionals which will follow standards of the industry and regulatory requirements to manage the discovery of cultural resources.

6085.2 Discovery of Human Remains

According to Section 7050 of the California Health and Safety Code, it is a misdemeanor to knowingly disturb a human burial site. If human remains are encountered (or are suspected) during related activity, the District or its contractor will treat those remains or suspected remains in a dignified manner using guidelines developed by the District staff and appropriate professionals which will follow standards of the industry and regulatory requirements to manage the discovery of human remains.

Adopted: June 10, 2015 via Resolution No. 2015-16
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Tree Management
POLICY NUMBER: 6100

6100.1 Purpose and Goal:
The objective of this policy is to maintain integrity and reliability of the Districts Facilities with a set of guidelines for tree trimming and removal.

6100.2 Definition:
The definition of a tree for the purposes of this policy is defined as 6 inches in diameter or greater at a height of 48-inches above the ground. "Tree" includes any branches that pose a threat to facilities or operation. Vegetation less than 6 inches in diameter will be considered brush, and is subject to removal and disposal by the District for the operation and maintenance of facilities.

6100.3 Tree Located Within District Easement:
Trees located within the District's easement or right- of- way, including any secondary easement authorized under Water Code 22438, are subject to removal whenever the District determines removal is necessary for the safe and reliable operation, maintenance, repair, and cleaning and control of its facilities. The District will, following a reasonable attempt to notify the owner of the underlying property, remove any such tree(s) and allow the underlying landowner the opportunity to take possession of all useable wood.

6100.4 Tree Located Outside District Easement:
If the District determines that a tree, located outside of its easement or right of way, including any secondary easement, poses a threat to the District's facilities or encumbers District operation, the District shall attempt to determine the owner of the tree, and upon making such determination shall attempt to notify the landowner of the danger posed by the tree, and request that the landowner remove the tree or authorize the District to do so, if feasible, at District expense. In the event of District removal, wood will be cut in 16" sections, stacked, and left for the landowner. Should the landowner of the tree refuse to remove the tree(s) or, alternately, refuse to provide the District with the approval necessary to remove the tree(s), the landowner will be notified via certified mail that they remain fully responsible for removal of the tree as well as damages to properties, to third parties, to District facilities, and associated costs of repair as are caused by the tree.

6100.5 District Rights:
The District reserves the right to take all appropriate action within its authority to protect and maintain its facilities from danger caused by falling, or potentially falling trees.

6100.6 Best Management Practices:
The District will practice tree management standards based on ISA Arborist best management practices.

6100.7 Compensation:
The General Manager shall have authority to provide reasonable compensation in the event tree trimming results in the death of a tree within one year of trimming action.

6100.8 Campground Tree Safety:
The District is committed to maintaining trees in a safe, healthy, and attractive condition and to promote their sustained growth while enhancing the park-like setting of the campground.

6100.8.1 Inspection:
At each campground, a walk through inspection will be scheduled annually and periodically throughout the recreation season (between Memorial Day and Labor Day). The inspection will include written documentation of existing conditions of trees at each camp site, such as growth, disease, or insect infestation that may adversely affect the health of the trees or present a safety hazard to persons or property

6100.8.2 Schedule:
The annual inspections will be scheduled in the spring each year, before the Memorial Day Weekend. Periodic inspections will be done throughout the recreation season as part of the regular cleaning and site inspection duties at each camp site.

6100.8.3 Corrective Measures:
If corrective measures are needed, as determined by the Campground Park Ranger, or Department Manager, corrective measures shall be scheduled as soon as practical. Corrective measures may include thinning, topping, liming, removal, and/or seeking consultation from a specialist. In any case where a hazard to person or property exists, the camp site shall be vacated and barricaded until the hazard has been removed.

6100.8.4 Tree Replacement:
After a tree is removed under this policy, it shall be replaced with a similar type tree in the approximate area of the removed tree, as soon as practical.

Adopted: September 10, 2014 via Resolution No. 2014-45
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Subordination of Real Property Rights
POLICY NUMBER: 6650

6650.1 The purpose of this policy is to provide guidance for the acquisition of interests in real property subject to prior encumbrances in order to minimize the risks posed by such encumbrances to the rights acquired by the District.

6650.2 In the course of District acquisition and acceptance of a grant of real property rights, District staff shall confirm the validity and security of the granted rights. This includes reviewing title information and obtaining title insurance for the real property rights granted to the District. All existing encumbrances, debts or claims that may extinguish or limit the District's rights should be defined. Unless waived by the General Manager as described below, the District should receive subordination agreements from the holders of existing encumbrances, debts or claims to assure the District's rights take priority over such encumbrances, debts or claims.

6650.3 This policy is intended to provide flexibility to meet the needs of the District and landowners. Therefore, the General Manager is authorized to modify or waive the requirements for subordination and/or title insurance where, in the General Manager's opinion, it is not practical or feasible to do so and where the risks to the District of loss of such rights is not substantial.

Adopted: July 27, 2011 via Resolution No. 2011-37
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Storm Water
POLICY NUMBER: 6655

Storm water is an ongoing concern for the District because District facilities are not intended to operate as a storm water conveyance system. The District owns and maintains over 450 miles of open canals that cross through and adjacent to numerous watersheds with natural and man-made water conveyance areas. District facilities are vulnerable to storm water intrusion from both natural and manmade conveyance systems.

The District is not a storm water utility and has not accepted the responsibility of planning, regulating, and permitting as required for the management and disposal of storm water.

District canals and the related facilities such as culverts are designed and constructed to accommodate District managed water supplies, plus some limited intrusion flow. These facilities are not designed to accommodate the additional capacity a full watershed contributes during a storm event.

As future development increases and impacts of climate change are realized, the quantity and intensity of storm water will be an ongoing and increasing issue. It is the District's desire that water should, whenever possible, stay within the watershed of origin except where the District exercises its water rights to transport waters. The intent of this policy is to establish a District-wide approach to reduce the impacts of storm water on District facilities as well as parties adjacent to District facilities.

6655.1 The District will proactively pursue modification, mitigation, and remediation within the development planning process, zoning changes, and other service related requests to require the management of storm water generated by projects to ensure that water is not directed, directly or indirectly, into District facilities.

6655.2 The District will work to reduce and/or eliminate the discharge of storm water into existing facilities. The focus will be to divert storm water away from District facilities and allow storm water to remain in its natural channel and parent watershed.

6655.3 The District will attempt to minimize facility interferences on natural watershed systems.

6655.4 The District will, as necessary, intervene in projects that could or can influence District facilities, to request proper collection and disposal of storm water.

6655.5 The District will design culverts, canals, and appurtenant structures to meet design flows for District operations with an additional 25 percent capacity for unanticipated flows, or as modified by the Engineering Manager, but shall not permit the system to be used for the intentional conveyance of storm water.

6655.6 The District will engage and require local and state governments to handle and mitigate impacts to District facilities by storm water.

Adopted: January 28, 2015 via Resolution No. 2015-02
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Quit Claim Deeds
POLICY NUMBER: 6660

The purpose of this policy is to authorize the General Manager and the Senior Right of Way Agent to execute quitclaim deeds to clear title to land or to complete abandonment of a facility. The District over time has acquired easements and rights of way which in some circumstances do not accurately reflect the current interests of the District and are not necessary for future needs.

6660.1 Authorize the General Manager or his/her designee to quitclaim existing District property or possessory interests when authorized by the Board under the following circumstances:

6660.1.1 District through prior transactions, has acquired a written easement, right of way, or other interest in a property, related to a particular facility when in fact the description of that facility and its actual location on the ground do not come within the description provided in the easement. The General Manager and Senior Right-of-Way Agent have acquired, in form and content satisfactory to District, a deeded easement, with correct descriptions of the facility as it actually exists; or upon a field inspection, it has been determined the facility does not exist on the property.

6660.1.2 When the District has, through action of the Board of Directors, and through appropriate publication, formally abandoned the facility and a request is received to quitclaim the interest in land formally occupied by the abandoned facilities.

6660.1.3 When the District has reviewed and confirmed that no future planning or project could use this property for other appropriate uses.

6660.2 Following Board approval, the General Manager or his/her designee may proceed with actions to quiet title to easements that encumber existing District facilities or properties.

Adopted: March 11, 2015 via Resolution No. 2015-07
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Right-of-Way Procurement
POLICY NUMBER: 6665

6665.1 Section 27281 of the Government Code of the State of California provides that any Deed or Grant conveying any interest in or easement upon real estate to a political corporation or governmental agency for public purposes shall not be accepted for recordation without the consent of the Grantee evidenced by its Certificate attached to or printed on the Deed or Grant.

6665.2 The District hereby establishes monetary limits for the procurement of right-of-way by District staff. Purchases by the identified individuals within the limits specified below require no further formal approval:

Senior Right-of-Way Agent	$10,000
Engineering Manager	$25,000
Assistant General Manager	$25,000
General Manager	$50,000

6665.3 The General Manager, Assistant General Manager, Engineering Manager, and the Senior Right-of-Way Agent are each designated as an officer or agent to accept and consent to the recording of conveyances on behalf of Nevada Irrigation District.

Adopted: March 11, 2015 via Resolution No. 2015-07
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Notice of Completion
POLICY NUMBER: 6675

6675.1 Pursuant to California Civil Code, Section 9200 *et.seq.,* the District is authorized to prepare and record a Notice of Completion in connection with the construction of public works projects. Recordation of the Notice of Completion in a timely manner is important to establish the completion date for the project and to determine the filing deadlines for any Stop Notices and/ or claims by laborers and material men in connection with the project.

6675.2 A Notice of Completion may be executed and authorized by the General Manager. The intent of this policy is to authorize the General Manager to be the Board's agent for the execution and recordation of a Notice of Completion. This policy confirms to the County Recorders of Nevada, Placer, Yuba, and Sierra Counties that the General Manager has full authorization and approval to submit the Notice of Completion for the District.

Adopted: March 11, 2015 via Resolution No. 2015-07
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Relocation Assistance for District Activities
POLICY NUMBER: 6680

6680.1 The purpose of this policy is to provide for relocation assistance, consistent with applicable regulations adopted by the Department of Housing and Community Development, in order to ensure that uniform, fair and equitable treatment is afforded persons displaced from their homes, businesses, or farms as a result of projects undertaken by the District so that any such person should not suffer disproportionate injury as a result of actions taken for the benefit of the public as a whole.

6680.1 The District adopts as its Relocation Assistance Rules and Regulations the requirements of California Code of Regulations, Title 25, Division 1, Chapter 6, subchapter 1 (Relocation Assistance), as follows:

6680.2.1 Article 1 (General), sections 6008, 6010, subdivision (a), 6012 and 6018.

6680.2.2 Article 2 (Relocation Assistance Advisory Program and Assurance of Comparable Replacement Housing), sections 6030 through 6060.

6680.2.3 Article 3 (Relocation Payments), sections 6080 through 6114.

6680.2.4 Article 4 (Last Resort Housing), sections 6120 through 6139.

6680.2.5 Article 5 (Grievance Procedures), sections 6150 through 6176.

6680.3 The District will undertake to treat displaced individuals in a fair and appropriate manner.

Adopted: June 24, 2015 via Resolution No. 2015-20
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Privately Owned Culverts
POLICY NUMBER: 6690

The intent of this policy is to guide District staff related to the management of Non-District culverts that support access and convey water within the District. The District operates and maintains approximately 450 miles of open canals. District canals and the related facilities are designed and constructed to accommodate District managed water supplies, plus some limited intrusion flow. Culverts provide access over District canals for items such as vehicles, pedestrians, bicycles, animals, storm water, and other utilities. The majority of culverts are privately owned with little or no use by District and are classified as private culverts.

Poorly maintained culverts create various problems for District water deliveries such as capacity reduction caused by sediment, collapsing, or collapsed culverts which can substantially impact the Districts ability to deliver water to its customers. Impacts include loss of water to water treatment plants, interruption of delivery to irrigation customers, and overtopping of canals causing property damage. These failures are a risk to public health and safety and are costly for the District.

6690.1 Private culverts shall be constructed only with an approved encroachment permit issued by or under the supervision of the Districts encroachment section.

6690.2 District will establish a construction standard for all culverts. Installers shall follow the Districts current standards for construction. Installer may apply for modifications to the standards which must be preapproved by the Engineering Manager.

6690.3 District will have the right to inspect any culvert in the system. If repairs or replacement are recommended by the District then District staff will provide an inspection report and other information such as photographs to the landowner with the letter to request repair or replacement. The report will indicate issues needing remediation and inspection criteria.

6690.4 Maintenance of private culverts shall be the responsibility of the landowner or underlying parcel owner or assigns.

6690.5 Replacement, repair, or removal of private culverts shall be at the sole cost of the landowner.

6690.6 District has the right to repair or remove any private culvert that encumbers the Districts ability to convey water. Those costs shall be the responsibility of the landowner.

6690.7 If repair or removal of a private culvert in a non-emergency situation is warranted the District will notify the underlying parcel owner of the necessary work. If the work is not completed after allowing sufficient amount of time, the District shall perform that work at the sole cost to the landowner.

6690.8 District has the right to use or work on any private culvert to convey water. The District shall have the right of ingress and egress across any structure or installation at any and all times. The District without charge must be able to use any improvements installed by Permittee within the encroachment areas as it deems necessary to conduct its operations.

Adopted: August 9, 2017 via Resolution No. 2017-25
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Illness and Injury Prevention Program
POLICY NUMBER: 7015

7015.1 Program Goal and Outline.

A goal of the District is to provide a safe and healthful work environment for all of its employees - an environment that is absent of recognized hazards that may cause, or is likely to cause, death or serious physical harm to its employees. In an effort to achieve this goal, the District will maintain an Illness and Injury Prevention Program (IIPP) that conforms to the best practices of similar agencies. The IIPP will include the following criteria:

7**015.1.1** Providing mechanical and physical safeguards to the maximum extent possible.

7015.1.2 A program of safety and health inspections to continuously identify and prevent unsafe working conditions or practices, to control health hazards, and to comply fully with the safety and health standards and law for every job.

7015.1.3 Training for all employees in good safety and health practices.

7015.1.4 Providing necessary personal protective equipment, and instructions for use and care.

7015.1.5 Enforcement of safety and health rules, and requiring that employees cooperate with these rules as a condition of employment.

7015.1.6 Investigating promptly and thoroughly, every injury or incident to determine its cause and take action to correct, remove, and/or control the hazard so it will not reoccur.

7015.1.7 A system of recognition and awards for outstanding safety service and/or performance.

7015.2 Program Responsibility

Although the District recognizes that the responsibility for safety and health is shared by all employees, the General Manager shall be responsible for insuring that the IIPP is actively administered and shall have full authority for implementing the IIPP.

7015.2.1 Department managers are responsible for leadership of the safety and health program, for its effectiveness and improvements, and for providing the safeguards required to ensure safe conditions.

7015.2.2 Supervisory personnel are responsible for the enforcement and application of the IIPP for themselves and for those they supervise, and for ensuring that all operations are performed with the utmost regard for the safety and health of all personnel involved.

7015.2.3 No employee will be required to work at a job he/she knows is not safe or healthful. Employees are responsible for adhering to all aspects of the safety and health program, including compliance with all rules and regulations, and for continuously following safe work practices while performing their duties. Any employee found not practicing safety while performing their duties will be subject to appropriate compliance training and/or disciplinary action.

7015.3 Program Manual

The District recognizes that an effective IIPP should be in the form of a written manual, book, or similar document that is readily available and easy for all employees to understand. In addition, the IIPP should be a policy document of the District. Therefore, the General Manager is authorized to establish, re-establish, modify, or amend the District's IIPP Manual which shall contain specific safety and health criteria identified in 7015.1 above.

7015.3.1 The IIPP Manual shall be amended from time to time, as appropriate to reflect changes in operational exposures, working conditions, regulations, technology and industry, and the latest amendment, or version, shall be incorporated into the District policies upon its approval by the General Manager.

7015.3.2 A copy of the IIPP Manual shall be available to all employees at all times at the following locations: Risk Manager's office, Safety Analyst's office, Human Resource Manager's office, Maintenance Department, Placer Yard, North Auburn Operations, Recreation Office, and Yuba-Bear HQ, Central Files, and on the District's website.

Adopted: July 27, 2011 via Resolution No. 2011-38
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Heat Illness Prevention Program
POLICY NUMBER: 7017

7017.1 Purpose and Goal

The District (through its Board of Directors, Management, and all employees) intends to provide a safe and healthful work environment for all of its employees. However, the District recognizes that certain hazards are inherent with the water, recreation and hydroelectric industries. Therefore, the District's goal through a Heat Illness Prevention Program is to inform all employees of the heat or dehydration hazards to which they may be exposed.

7017.2 Program Format

The District recognizes that an effective Heat Illness Prevention Program should be in the form of written documentation that is readily available and easily understandable by all employees. In addition, the Heat Illness Prevention Program is a policy of the District, and therefore, the General Manager is authorized to establish, re-establish, modify, or amend the District's Heat Illness Prevention Program to contain updated, specific, information and training regarding heat or dehydration hazards to which the employees may be exposed and it should be included in the District's Injury and Illness Prevention Program (Policy #7015).

7017.2.1 The Heat Illness Prevention Program shall be amended from time to time, as appropriate, to reflect changes in working conditions, regulations, and industry standards. The latest version shall be incorporated into the District policies upon its approval by the General Manager, and therefore, supersedes any prior version.

7017.2.2 A copy of the Heat Illness Prevention Program shall be available to all employees at all times at the following locations: Risk Manager's office, Safety Analyst's office, Human Resource Manager's office, Maintenance Department, Placer Yard, North Auburn Operations, Recreation Office, Yuba-Bear HQ, Central Files, and on the District's website.

Adopted: May 9, 2012 via Resolution No. 2012-14
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Hazard Communication Program (HAZ-COM)
POLICY NUMBER: 7020

7020.1 Purpose and Goal

The District (through its Board of Directors, Management, and all employees) intends to provide a safe and healthful work environment for all of its employees. However, the District recognizes that certain hazards are inherent with the water, recreation and hydroelectric industries. Therefore, the District's goal is to inform all employees of the hazards they may be exposed to through a Hazard Communication Program, also referred to as HAZ-COM.

7020.2 Program Manual

District recognizes that an effective Hazard Communication Program should be in the form of written manual, book, or similar document that is readily available and easy to understand for all employees. In addition, the HAZ-COM should be a policy document of the District. Therefore, the General Manager is authorized to establish, re-establish, modify, or amend the District's HAZ-COM which shall contain specific information and training regarding hazards that employees may be exposed to. Also, the HAZ-COM should be established, re-established, modified, or amended as necessary to meet the District safety and health criteria identified in the District's Injury and Illness Prevention Program (Policy #7015).

7020.2.1 The HAZ-COM shall be amended from time to time, as appropriate to reflect changes in working conditions, regulations, and industry, and the latest amendment, or version, shall be incorporated into the District policies upon its approval by the General Manager.

7020.2.2 A copy of the HAZ-COM shall be available to all employees at all times at the following locations: Risk Manager's office, Safety Analyst's office, Human Resource Manager's office, Maintenance Department, Placer Yard, North Auburn Operations, Recreation Office, Hydroelectric HQ, Central Files, and on the District's intranet.

Adopted: July 27, 2011 via Resolution No. 2011-38
Revised: October 12, 2016 via Resolution No. 2016-35

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Confined Space Program
POLICY NUMBER: 7035

7035.1 Purpose and Goal

The District (through its Board of Directors, Management, and all employees) intends to provide a safe and healthful work environment for all of its employees. However, the District recognizes that certain hazards are inherent with the water, recreation and hydroelectric industries. Therefore, the District's goal through a Confined Space Program is to inform all employees of the hazards to which they may be exposed.

7035.2 Program Format

District recognizes that an effective Confined Space Program should be in the form of written documentation that is readily available and easily understandable by all employees. In addition, the Confined Space Program is a policy of the District, and therefore, the General Manager is authorized to establish, re-establish, modify, or amend the District's Confined Space Program to contain up to date, specific, information and training regarding hazards to which employees may be exposed and to meet the District safety and health criteria identified in the District's Injury and Illness Prevention Program (Policy No. 7015).

7035.2.1 The Confined Space Program shall be amended from time to time, as appropriate to reflect changes in working conditions, regulations, and industry, and the latest version shall be incorporated into the District policies upon its approval by the General Manager, and therefore, supersedes any prior version.

7035.2.2 A copy of the Confined Space Program shall be available to all employees at all times at the following locations: Risk Manager's office, Safety Analyst's office, Human Resource Manager's office, Maintenance Department, Placer Yard, North Auburn Operations, Recreation Office, Yuba-Bear HQ, Central Files, and on the District's website.

Adopted: May 9, 2012 via Resolution No. 2012-14
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Fall Protection Program
POLICY NUMBER: 7040

7040.1 Purpose and Goal

The District (through its Board of Directors, Management, and all employees) intends to provide a safe and healthful work environment for all of its employees. However, the District recognizes that certain hazards are inherent with the water, recreation and hydroelectric industries. Therefore, the District's goal through a Fall Protection Program is to inform all employees of the fall hazards to which they may be exposed.

7040.2 Program Format

The District recognizes that an effective Fall Protection Program should be in the form of written documentation that is readily available and easily understandable by all employees. In addition, the Fall Protection Program represents a policy of the District. Therefore, the General Manager is authorized to establish, re-establish, modify, or amend the District's Fall Protection Program to contain updated, specific, information and training regarding fall hazards to which employees may be exposed and the Fall Protection Program should be included in the District's Injury and Illness Prevention Program (Policy #7015).

7040.2.1 The Fall Protection Program shall be amended from time to time, as appropriate to reflect changes in working conditions, regulations, and industry, and the latest version shall be incorporated into the District policies upon its approval by the General Manager, and therefore, supersedes any prior version.

7040.2.2 A copy of the Fall Protection Program shall be available to all employees at all times at the following locations: Risk Manager's office, Safety Analyst's office, Human Resource Manager's office, Maintenance Department, Placer Yard, North Auburn Operations, Recreation Office, Yuba-Bear HQ, Central Files, and on the District's website.

Adopted: May 9, 2012 via Resolution No. 2012-14
Revised:

Nevada Irrigation District

POLICY **MANUAL**

POLICY TITLE: Pandemic Prevention Policy
POLICY NUMBER: 7050

7050.1 Purpose and Goal

The District (through its Board of Directors, Management, and all employees) intends to provide a safe and healthful work environment for all of its employees. However, the District recognizes a worldwide pandemic can pose a threat to the workplace. A Pandemic Prevention Policy is designed to control exposure to viruses or diseases that may occur in our workplace. This Policy will authorize the creation of specific Pandemic Prevention Plans in response to a resolution of a declaration of emergency by the Board of Directors. Pandemic Prevention Plans will live within the Codes of Safe Work Practices in the Injury and Illness Prevention Program (IIPP) of the District. The District's goal through any Pandemic Prevention Policy is to inform all employee of the exposure hazards to which they may be exposed.

7050.2 Program Format

The District recognizes that an effective Pandemic Prevention Policy is to authorize the creation of specific Pandemic Prevention Plans which should be in the form of written documentation that is readily available and easily understandable by all employees. A Pandemic Prevention Plan represents a sub-component of a policy of the District. The General Manager, or their representative, is authorized to establish, re- establish, modify, or amend a Pandemic Prevention Plan to contain updated, specific, information and training in exposure hazards to which employees may be exposed and the specific Pandemic Prevention Plan should be included in the District's Injury and Illness Prevention Program (Policy #7015).

7050.2.1 Pandemic Prevention Plans shall be amended from time to time, as appropriate to reflect changes in working conditions, regulations, and industry and the latest version shall be incorporated in the District policies upon its approval by the General Manager, and therefore, supersedes any prior version.

7050.2.2 A copy of Pandemic Prevention Plans shall be available to all employees at all times at the following locations: Safety Analyst's Office, Human Resources Manager's Office, Maintenance Department (Grass Valley and Placer Yards), North Auburn Operations, Recreation Office, Hydroelectric Department Office, Central Files, the training software application safety programs library and on the District's internal website.

Adopted: January 13, 2021 via Resolution No. 2021-01

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Drought Contingency Plan
POLICY NUMBER: 8100

8100.1 Purpose and Goal

A Drought Contingency Plan has been adopted by the Board of Directors to address the District's limited water supplies due to either drought conditions or distribution infrastructure failures. The purpose of the Plan is to identify criteria that define drought conditions, water supply shortages, water demand reduction goals and to establish demand management measures.

8100.2 Plan

The Plan is a policy document for use in the on-going operation and administration of the District. Therefore, the Plan should be modified or amended from time to time to reflect changes in demand, infrastructure and water supply. Also, the Plan should be modified, or amended as necessary to supplement the District's Urban Water Management Plan and the Agricultural Water Plan, in compliance with Part 2.8 of Division 6 of the California Water Code.

Adopted: April 25, 2012 via Resolution No. 2012-12
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Surplus Water Declaration
POLICY NUMBER: 8200

8200.1 Surplus Water is defined as water which is surplus to the needs of lands within the District boundaries.

8200.2 On an annual basis the Board of Directors will make a determination of surplus water availability.

8200.3 Prior to the beginning of the irrigation season, but no later than the second Board meeting in April, staff will evaluate water supply availability against the demands for lands within the District and the ability to meet desired carryover targets.

8200.4 The Board of Directors will consider the evaluation and make a declaration of surplus water, if appropriate.

Adopted: July 13, 2016 via Resolution No. 2016-26
Revised: February 24, 2021 via Resolution 2021-04

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Plan for Water
POLICY NUMBER: 8300

8300.1 Purpose and Goal

The Plan for Water (PFW) includes a review of NID's available water supply and the long-term impact on varying water demands. The Plan identifies how future supply and demand scenarios are integrated into the District's water management practices. The Plan is based on water modelling that provides demand and supply projections for a 50-year planning horizon.

8300.2 Plan Responsibilities

It is the intent of the Board of Directors to regularly monitor and maintain the Plan for Water outputs and strategies. This will be accomplished by the following:

8300.2.1 Staff shall provide an annual report to the Board of Directors by the first regular Board meeting of February each year that provides the previous calendar year total amounts of raw water delivered, raw water released, treated water delivered, volumes conserved, number of new treated and raw water connections, total number or raw water miner inches purchased, amount of water diverted, and quantification of total environmental regulatory flows released. Data shall be provided in a format that allows for ease of comparison of the various metrics. The intent of providing this information is to monitor the accuracy of PFW water modeling scenarios.

8300.2.2 Staff shall update the PFW model to incorporate new climate change modelling updates, other climate data, water demand, and water diversion amounts every five years, starting in Calendar year 2029. The results of this effort shall be presented to the Board of Directors in a public meeting.

Adopted: March 22, 2023 via Resolution No. 2023-14

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Dam Safety Program (DSP)
POLICY NUMBER: 9300

9300.1 Purpose and Goal.

The District will provide policies for the management and maintenance of the District's diversion and storage dams, including expectations regarding safety and regulatory compliance for licensed and permitted facilities by the Federal Energy Regulatory Commission (FERC) and the California Division of Safety and Dams (DSOD). The District recognizes that changes in regulations and requirements are inherent with such critical infrastructure throughout water and hydroelectric industries. Therefore, the District will establish procedures for communication, authority, and training through a Dam Safety Program, also referred to as DSP.

9300.2 Program Manual.

District recognizes that an effective Dam Safety Program should be in the form of written manual, book, or similar document that is readily available and easy to understand for all employees, consultants and regulatory agencies. In addition, the DSP should be a policy document of the District, that is can be readily modified as needed by changing regulations, technology and personnel. Therefore, the General Manager is authorized to establish, re-establish, modify, or amend the District's DSP to contain specific information and procedures regarding dam inspections, qualification standards, proposed modifications, surveillance and monitoring, calibration of equipment, risk assessment, training, and records. Also, the DSP should be established, re-established, modified, or amended as necessary to meet the District's purpose and goal indentified above.

9300.2.1 The DSP shall be amended from time to time, as appropriate to reflect changes in physical and environmental conditions, regulations, and industry; the latest amendment, or version, shall be incorporated into the District policies upon its approval by the General Manager.

9300.2.2 Certain parts of the DSP may be considered "sensitive information" relating to critical infrastructure, which should not be released or made available to the public (by Executive Order).

9300.2.3 A copy, or appropriate portions, of the DSP will be made available to employees, consultants, regulatory agencies, and the public on a "need-to-know" basis. Official copies shall be maintained and secured at the following locations: Risk Manager's Office, Dam Safety Engineer's office, Hydroelectric Manager's office, and Operation Manager's office.

Adopted: April 13, 2011 via Resolution No. 2011-08
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Hydroelectric Internal Compliance Program
POLICY NUMBER: 9400

9400.1 Purpose and Goal.
The District will provide policies for the management and maintenance of the District's Hydroelectric Facilities that are registered with the Federal Energy Regulatory Commission (FERC), designated Electric Reliability Organization - the North American Electric Reliability Corporation (NERC), and the Regional Entity – the Western Electricity Coordinating Council (WECC) – as an applicable entity. The policies will include expectations regarding safety and regulatory compliance for licensed and permitted facilities. The District recognizes that changes in regulations and requirements are inherent with such critical infrastructure throughout water and hydroelectric industries, therefore, the District will establish procedures for communication, authority, and training through an Internal Compliance Program, also referred to as an ICP.

9400.2 Program Manual.
The District recognizes that an effective ICP should be in the form of written manual, book, or similar document that is readily available and easy to understand for all employees, consultants, and regulatory agencies. In addition, the ICP should be a policy document of the District, one that can be readily modified as needed by changing regulations, technology, and personnel. Therefore, the General Manager is authorized to establish, re-establish, modify, or amend the District's ICP to contain specific information and procedures regarding hydroelectric facility compliance. The ICP should be established, re-established, modified, or amended as necessary to meet the District's purpose and goal identified above.

9400.2.1 The General Manager has the authority to act on behalf of the District to organize the Reliability Operating Compliance Committee (ROCC). The ROCC is authorized and directed to implement necessary policy and procedural changes to ensure compliance with the NERC and WECC Reliability Standards. The General Manager has the authority to designate the members of the ROCC and assign them roles including the Managing Director of Compliance, Compliance Manager, and the CIP Senior Manager.

9400.2.2 The ICP shall be amended from time to time, as appropriate to reflect changes in physical and environmental conditions, regulations, and industry; the latest amendment, or version, shall be incorporated into the District policies upon its approval by the General Manager.

9400.2.3 Certain parts of the ICP may be considered "sensitive information" relating to critical infrastructure, which should not be released or made available to the public (by Executive Order).

9400.2.4 A copy, or appropriate portions, of the ICP will be made available to employees, consultants, regulatory agencies, and the public on a "need-to-know" basis. Official copies shall be maintained and secured at the following locations: Managing Director of Compliance's Office, Compliance Manager's Office, CIP Senior Manager's Office and Hydroelectric Manager's office.

Adopted: January 22, 2014 via Resolution No. 2014-04
Revised:

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Activities Prohibited on District Properties
POLICY NUMBER: 10500

10500.1 Purpose and Goal. The District's mission is to provide a dependable, quality water supply; continue to be good stewards of the watersheds, while conserving the available resources in our care. Certain activities can impact the District's ability to accomplish its mission and have a negative impact on threatened or endangered species, disturb remnants of Native American culture, generate litter, produce vegetation loss, cause ground disturbance, undermine canal berms, pose a threat to critical infrastructure, cause damage to structures or equipment, create a risk to the public or District employees, and/or cause water degradation.

10500.2 To further the District's mission and to protect the environment, District infrastructure, employees, the public, and the cultural and historical resources found on District watershed lands and those lands adjoining its water storage and conveyance system, the following activities are prohibited on District property or facilities without the advance written authorization from the District:

a) Geocaching;
b) Metal detecting;
c) Prospecting;
d) Collecting artifacts;
e) Hunting;
f) Possession or use of fireworks;
g) Possession or use of firearms or ammunition;
h) Removal or trimming of trees or other vegetation;
i) Vehicle travel off established roads;
j) Swimming in NID canals and conduits;
k) Growing of plants, including production agriculture;
l) Grazing of animals;
m) Accessing reservoir shorelines from areas other than designed roads, boat launch sites, parking areas, and trails;
n) Launching or operating unmanned aircraft systems (drones);
o) Camping outside of designated areas;
p) Occupation or settlement of uninhabited buildings or other District property;
q) Campfires outside of designated fire-rings;
r) Campfires burning materials other than wood;
s) Operation of flyboards or similar equipment powered by personal water craft or jet boat;
t) Parking outside of designated parking areas or designated times;

u) Repair of automobiles or other vehicles;
v) Discharge of materials into the water body;
w) Climbing on or jumping from District facilities;
x) Damage or destruction of District equipment or facilities, or the equipment of the District's agents, employees, consultants, contractors or other representatives;
y) Ignoring direction of District staff or Federal, State, or Local officials;
z) Any other activity prohibited by Federal, State, or Local law or any District Policy; or
aa) Any other activity that, in the determination of the District, poses a risk to or undermines the ongoing successful implementation of the District's mission.

Any tools, refuse, damage or litter left or placed on District properties associated with the above prohibited activities shall be removed by District personnel at the owner's expense.

10500.3 This policy shall apply to all District properties, including shorelines along all District reservoirs, and including its easements where the District determines such activities interfere with the District's successful implementation of its mission.

Adopted: October 22, 2014 via Resolution No. 2014-47
Revised: October 11, 2017 via Resolution No. 2017-28

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Capital Asset Policy
POLICY NUMBER: 11090

11090.1 Purpose

The purpose of this policy is to ensure the accurate reporting and control of the District's capital assets. The District has a fiduciary responsibility to establish systems and procedures that accurately account for its capital assets.

11090.2 Administrator

The Finance Department is responsible for the implementation and administration of this policy.

11090.3 Definitions

Capitalization is an accounting method used to recognize the accumulation of a single completed (placed in service) expenditure on the balance sheet as a capital asset. The consumption of the capital asset requires expensing or depreciating against the appropriate reporting period consistent with fundamental Generally Accepted Accounting Principles (GAAP). Governments can choose to determine expenditure threshold amounts for their capital assets. The Governmental Accounting Standards Board (GASB) is the organization given authority to define accounting and reporting standards for State and Local Governments. GASB has defined proper accounting for these assets in GASB Statements 34, 42 & 51.

Capital Assets are tangible or intangible assets of significant value procured by the District or contributed to the District that are acquired for use in operations (and not for resale) with an original cost of greater than or equal to the District's capitalization threshold (Section xxx.4) and with an expected useful life of at least five years. Examples of capital assets are;

- Moveable property (furniture & fixtures, machinery, equipment, automobiles, etc.)
- Land and land improvements
- Buildings, building improvements, leasehold improvements
- Infrastructure and Improvements
- Historical treasures & works of art, rights, licenses
- Other tangible or intangible assets having an initial useful life of at least five years

Capital Outlay or Capital Expenditures refers to expenditures for the acquisition, construction, upgrade or repair of capital assets that materially increase their value or useful life.

Capital Projects are expenditures related to the acquisition or construction of a capital asset. A capital project may be a new construction, expansion, renovation or replacement project for an existing facility or facilities. Project costs can include land, engineering, architectural planning and contract services needed to complete the project. Capital projects are capitalized if they create a new asset for the system, if the project significantly increases the functionality of the system or a component of the system or if the project

extends the useful life of an asset beyond what was originally established as the estimated useful life for that asset by at least one fiscal year. Capital projects are capitalized as "construction in progress" until completed. Costs are reclassified from construction in progress to assets on the date the project is accepted as complete by the Board of Directors. Direct costs, ancillary costs and construction period interest costs are included in the capitalized amount.

Special Capital Projects are projects that are not related to the acquisition or construction of a capital asset but are shown in the capital program for transparency purposes. Special Capital Projects are typically related to maintenance of an existing asset and such maintenance preserves the asset's original projected life cycle. Special projects can also be environmental restoration projects. Special Capital Projects will not be capitalized.

Construction in Progress is defined by the District as any asset under construction or development, with current activity, that has not been completed and put into use.

Improvements are defined as those expenditures that extend the life of an asset or improve the assets capacity or efficiency and will be capitalized when meeting the thresholds identified in Section xxx.4. GASB defines improvements as any of the following costs:

- "Preservation" - those expenditures that extend the life of an asset beyond its' original estimated life, but do not increase the capacity or efficiency of the asset.
- "Capacity" - those expenditures that result in an increase in the level of capacity of an asset. For example, widening a four lane highway to five lanes or increasing the amount of water a plant can treat.
- Efficiency" - those expenditures that maintain the same level of service, but at a lower cost. For example, an electric generating plant could be re-engineered so that it produces the same megawatts per day using less fuel.

Infrastructure Assets are assets that normally are stationary in nature and can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets are land, dams, reservoirs, waterways, roads, bridges, pipelines, buildings, water supply, drainage, treatment and electric plants and flood management systems. District owned land is recorded at historical cost and remains at that cost until disposed of. Land is not subject to depreciation.

Intangible Assets are defined by GASB Statement No. 51 as assets that lack physical substance, are nonfinancial in nature and have a useful life that extends beyond a single reporting period (one year). Examples of intangible assets are land-use rights such as easements, right-of-ways and water rights that provide specific benefits to the property upon which the right applies and computer software and website design that is purchased or internally generated.

Repair and Maintenance costs include activities that are typically performed on a regular recurring basis to keep District assets in their normal operating condition during their originally established useful life. Repair and maintenance costs to existing capital assets are generally not subject to capitalization unless the cost exceeds the capitalization threshold and results in an extension of the useful life of the capital asset by at least one year. Repair and maintenance costs are recorded in the District's financial system as an operating expense in the year the cost is incurred. Examples of repair and maintenance costs include repainting, repaving, and parts replacement. Repair and maintenance costs differ from capital outlay and

capital project costs in that repair and maintenance activities generally do not increase the value or useful life of a capital asset.

Tangible Assets are assets that have a physical form.

Useful Life is the amount of time that an asset is intended to provide benefit to the District. The useful life is also (with the exception of intangible assets) the period of time over which the asset will be depreciated.

11090.4 Capitalization Policy

It is the policy of the District that capital assets be properly accounted for, secured and used for appropriate District purposes. All costs associated with the purchase or construction of a capital asset should be considered. The following table presents how the District will categorize its capital assets, the expenditure threshold for that category and the estimated useful life or number of financial reporting periods to record the depreciation expense for the asset.

Capital Asset Category	Capitalization Threshold*	Useful Life
Equipment, Tools, Furniture	$35,000	5-7 years
Vehicles	$35,000	5 years
Intangible Assets	$35,000	N/A
Land	No minimum	N/A
Buildings & Structures	$35,000	40 years
Infrastructure Assets	$150,000 or >10% of total value	50 or more years

*The District will consider federal capitalization threshold requirements for capital assets funded with federal awards.

The capitalization threshold is applied to individual units of capital assets. Repairs to existing capital assets that do not extend the useful life of the asset are not capitalized. Improvements to capital assets (which by definition extend the useful life of the capital asset) and which meet the capitalization thresholds identified above will be subject to capitalization. Additions to existing infrastructure assets are only capitalized if the value of the addition exceeds 10 percent of the infrastructure asset value or exceeds $150,000 in value.

11090.5 Capital Asset Inventory Control

The District is responsible for safeguarding its fixed assets from theft or loss. District management has responsibility for establishing and maintaining systems and procedures for the proper safeguarding of the District's capital assets. A physical inventory of assets shall be completed bi-annually.

11090.6 Depreciation of Capital Assets

The District has chosen to utilize the straight-line depreciation method (historical cost less estimated residual value, divided by useful life). Depreciation is calculated on an annual basis and begins when an asset is purchased or completed. During the first and last year, depreciation is recorded based on the number of months that the asset was in service. Land and construction work in progress are not subject to depreciation.

11090.7 Disposal of Capital Assets

Capital assets will not be transferred, turned-in or disposed of without prior written approval per the requirements of the District's procurement policy and any applicable laws or regulations.

Any project recorded as construction in progress that has been inactive for 24 months shall be removed from the District's construction in progress assets and expensed. Exceptions include projects that are only temporarily delayed due to pending approval of in progress permit applications, in progress financing agreements, in progress real estate negotiations, supply chain delays, or other in progress activity.

11090.8 Policy Adoption and Review

This policy will be adopted by resolution of the Board of Directors. The policy will be reviewed at least every five years with any modifications approved by the Board of Directors.

Adopted: September 28, 2022 via Resolution No. 2022-50

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Low-Income Rate Assistance (LIRA)
POLICY NUMBER: 11110

11110.1 Purpose: The purpose of this policy is to establish a low-income Fixed Fee assistance program for qualifying residential treated water accounts.

11110.2 Definition(s):

Federal Poverty Level (FPL): A measure of income issued every year by the Federal Department of Health and Human Services used to determine eligibility for many low-income programs and benefits.

Fixed Service Charge (Fixed Fee). Base rate the District charges for water service regardless of the amount of water used.

11110.3 Program Details: The District established a LIRA Program to provide a discounted Fixed Fee for treated water accounts that is equivalent to one percent of the FPL. This figure is based upon water affordability thresholds established by both the US Environmental Protection Agency and the California Department of Public Health that range from one to three percent of annual income. The District selected one percent of the FPL as it is the only percentage low enough to provide a reduced Fixed Fee for the communities served by the District.

To calculate the rate, the District utilizes the average persons per connection (2.84 based on 2010 Census Data) to determine the FPL. The 2019 FPL for a household of three is $21,330. One percent of the monthly household income at the FPL for three is $17.78. This is the District's 2019 discounted Fixed Fee for qualifying low-income customer accounts.

The Board of Directors established a 2019 Fixed Fee rate of $26.25, resulting in an $8.47 difference in the monthly fee ($26.25-$17.78), which will be rounded to the nearest half dollar. In 2019, LIRA qualifying residential accounts will receive an $8.50 monthly discount on the Fixed Fee beginning July 1, 2019, if applied for by August 31, 2019.

The Fixed Fee discount is adjusted annually by multiplying the prior year discount by the corresponding water rate increase percentage (if any), rounded to the nearest half dollar. The discount does not apply to consumptive rates, and is not retroactive. The percent of FPL calculation will be recalculated the year following a Census data update.

Funding for implementation of the LIRA program shall come from the District's non-water rate revenue, including hydroelectric, and/or revenue from the District's leases.

11110.4 Program Qualifications:

To qualify for the program customer accounts must meet the following conditions:

- File a completed application. Applications will be reviewed and the applicant notified of eligibility within 3 weeks of receipt. The discount will be applied toward bills incurred after notification of eligibility
- NID account must be in the applicant's name
- LIRA discounts are available to single-family, residential, treated water account holders
- Applicant must reside and live at the address where the discount will be received
- Applicant must provide proof of enrollment in one of the following qualified public assistance programs
    - Medicaid/Medi-Cal for Families A&B
    - Supplemental Security Income (SSI)
    - CARE (gas & electric company discount)
    - Bureau of Indian Affairs General Assistance
- Accounts enrolled in the program must notify the District within 30 days if the household no longer qualifies for the LIRA discount. Failure to do so may result in back-billing for the discounted rate received and ineligibility to reapply for 12 months.
- It is the responsibility of the applicant to reapply for the discount every year
- Accounts enrolled in LIRA must be keep current at all times. If service is disconnected for non-payment, the account may be removed from the program and will be ineligible to reapply for 12 months, during which time there must be no additional disconnections in service.

11110.5 Program Termination:

The program may be suspended, modified or terminated at any time by the Board of Directors and there is no entitlement to receive assistance. Implementation of any alternative, mandated state or federal low-income water rate assistance program shall result in the immediate cessation of the District's LIRA Program.

Adopted: July 24, 2019 via Resolution No. 2019-22
Revised:

Nevada Irrigation District

POLICY **MANUAL**

POLICY TITLE: Grant Management Policy
POLICY NUMBER: 11120

11120.1 Purpose

The purpose of this policy is to establish a framework for securing grants and managing those resources once they have been awarded.

11120.2 Administrator

The Finance Department is responsible for the implementation and administration of this policy.

11120.3 Definitions & Framework

The District will pursue grant funding from federal, state, and other sources, consistent with the District's goals and strategic plan. The District should focus on seeking grants for capital improvements and watershed improvements. The primary intent of this requirement is to ensure monies are applied for and received for one-time expenditures and not ongoing expenditures. Grants for operating purposes should be evaluated on a case-by-case basis to ensure the benefits exceed the future impact of operations. The approach will help ensure that the District maintain financial independence should the grant sources diminish.

Goals:

- Establish Criteria for evaluating benefits and costs of grant programs.
- Establish general concepts and framework for seeking and managing grant programs.
- Identify roles and responsibilities in managing grants.

Roles & Responsibilities:

- Board
  - The Board shall approve all grants in excess of $50,000 prior to submission.
  - Should the District receive a grant award in excess of $50,000 that is materially different from what the Board approved, it must be returned to the Board for acceptance approval.

- General Manager
  - The General Manager shall approve acceptance of awards under $50,000.
  - The General Manager or his/her designee is responsible for executing all related contract documents when delegated to do so by the Board.

- Finance Department
  - The Finance Director and his/her department have two major roles in the grants management process. First, to provide technical assistance to operating departments from the grant application all the way through the close of the grant., and secondly to

maintain all official grant files for financial audit and reporting.

- Develops, recommends, and maintains grant management policy.
- Completes and submits timely, all financial reporting per grant requirements including disbursement requests, draw downs, financial progress reporting, and any other financial reporting necessary.
- Coordinates in-site grant management audits by the grantor or any other authorized agency.

- Operating Departments
  - Departments have the primary responsibility of identifying appropriate grant funding sources, applying for those resources, and managing the projects/programs once awarded. The Director of the department and Project Manager are ultimately responsible for all activities pertaining to grants they are awarded.
  - Each department within the District should actively seek grant funding availability within their functional areas of responsibility.
  - Departments are responsible for preparing grant applications.
    - For grants in excess of $50,000 the department is responsible for submitting to the Board for approval. The staff report shall document how the grant program will benefit the District.
  - Coordination with the Finance department on all budgets, cost allocations, indirect cost recovery planning, and availability of resources is required PRIOR to the submission of the grant application to the Board for approval.
  - For grants under $50,000 Departments can submit applications without Board approval are subject to the following conditions:
    - Any matching funds required are already appropriated in the approved budget.
    - It will not require additional staffing.
    - At the conclusion of the grant there will be no ongoing commitments to continue the program and no new ongoing operations costs.
    - The purpose of the grant is in line with the District's goals.
    - Must be approved by the General Manager.

11120.4 Policy Adoption and Review

This policy will be adopted by resolution of the Board of Directors. The policy will be reviewed at least every five years with any modifications approved by the Board of Directors.

Adopted: March 22, 2023, via Resolution 2023-13

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Financial Close
POLICY NUMBER: 11130

11130.1 Purpose

The purpose of this policy is to establish a framework for a monthly Financial Close process in which accounting records are reconciled and financial statements prepared.

11130.2 Administrator

The Finance Department is responsible for the implementation and administration of this policy.

11130.3 Definitions & Framework

The Financial Close process and all financial statements shall be prepared pursuant to Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) on a full accrual basis. Any technical accounting questions that cannot be answered internally shall be referred to the auditor for immediate clarification and implementation.

Goals:

- Identify roles and responsibilities in the financial close process.
- The monthly close process from beginning to end shall take no longer than 45 days; 15 days for staff to make final postings, 15 days for accountants to perform the close, and 15 days for management review and prepare the financial statements.

Roles & Responsibilities:

- Board
    - The Board shall approve the financial close policy prior to implementation.

- General Manager
    - The General Manager shall approve any material changes to procedures to the financial close process.

- Finance Department
    - Each month, the consolidated balance sheet, income statement, and balance sheet by fund shall be reconciled.
    - The Finance Department shall maintain two sets of file systems pertaining to the closing process to store all closing documents:

        a. General Ledger File Set - Each balance sheet account or group of accounts shall have a file, labeled by GL account number that holds all reconciliations, agreements, and documents pertaining to that account.

Each year a new set of files should be created. Two years GL files should be onsite to enable accountants to review prior year reconciliations if necessary. File sets beyond two years old can be moved to retention.

b. Fund File Set- Each Fund should have a file labeled by Fund Number and Name. Each fund file shall hold fund-wide documents, agreements, grant agreements, grant reimbursements, and each month's Balance Sheet by Fund reconciliation.

- The first of each month the Controller or designee shall send a reminder to finance staff reminding them that the period will be closed on the 15th of the month. It should also give directive to reach out to any departments whom they need information from to meet their closing deadline of the 15th.

- On the 15th of the month, the period will be closed and reconciliations will begin.

- Some Accounts can be reconciled prior to the 15th of the month. This would include any account that does not have any outside postings. These should begin immediately. After the 1st of the month, the Trial Balance report shall be run by the Controller or designee, filtering for the period to be reconciled, and selecting assets and liabilities. The trial balance should be exported to Excel and sorted by account.

- The Controller or designee shall review the report and issue reconciliation assignments.
    c. Standing assignments have been given, but review for new accounts should be made, and assigned each month.

- The master Trial Balance should be used as a guide for the reconciliations, starting with the first accounts and moving down the list, checking them off on the trial balance master as they are completed.

- Once all consolidated trial balance accounts are reconciled, the Controller, or designee shall review them for completeness and accuracy, and mark them as complete on the master trial balance report for the month.

- After the balance sheet accounts are reconciled, the income statement shall be reviewed. Major accounts on the income statement such as property taxes, payroll expenses, PERS contributions, all transfer accounts, etc. shall also be reconciled consistent with the assignments issued by the Controller or designee.

- Once both the Balance Sheet and Income Statement Accounts have been reconciled, a prior year comparison should be run for each fund. A final review of each fund shall help ensure the accuracy of the presentation of each fund's financial statements. Any errors found should be corrected.

- An Accountant or designee should next run the Journal entry listing for the period, and verify that all JE's are valid and filed.

- The final step of the close is for finance staff to sign the Master Close List for internal control purposes, verifying the accuracy and completion of ALL GL reconciliations, and filing with the Master Trail Balance in the GL file set.

- Once the period is closed grant reports and financial statements can be prepared. Financial Statements and grant/program reports should not be filed until all reconciliations are complete.

- A set of financial statements including but not limited to the consolidated balance sheet, balance sheet by fund, and income statement should be provided to the Finance Director for review each month for internal control purposes.

11130.4 Policy Adoption and Review

This policy will be adopted by resolution of the Board of Directors. The policy will be reviewed at least every five years with any modifications approved by the Board of Directors.

Adopted: July 26, 2023 via Resolution 2023-33

Nevada Irrigation District

POLICY MANUAL

POLICY TITLE: Write-Off Policy
POLICY NUMBER: 11140

11140.1 Purpose

The purpose of this policy is to establish a framework to determine which delinquent accounts receivable should be considered uncollectible and written-off and to ensure the District is accurately reflecting the value of accounts receivable.

11140.2 Administrator

The Finance Department is responsible for the implementation and administration of this policy.

11140.3 Definitions & Framework

Collection procedures are established jointly by the Finance & Customer Service Departments and will vary depending on the nature of the receivable.

Goals:

- To actively pursue collection of past due accounts receivable, regularly review past due accounts receivable and write-off amounts determined to be uncollectible.

Roles & Responsibilities:

- Board
  - The Board shall approve the write-off policy prior to implementation.

- General Manager
  - The General Manager shall approve any material changes to procedures to the write-off process.

- Finance & Customer Service Department
  - Accounts receivable should generally be written-off during the fiscal year in which an account is determined to be uncollectible.
  - Payments received on an account that has been written-off will be recorded as revenue in the period in which it is received.
  - Uncollectible accounts will be identified on a periodic basis but at least once per fiscal year
    - A request for write-off of accounts receivable will be prepared by departmental staff and approved by the Director of Finance or designee.

- The request for write-off of accounts receivable must include an itemized list of the uncollectible accounts and amounts to be written off.
- The request will provide sufficient information and details of the accounts and the efforts taken to collect the amount owed.

o Once these accounts are determined to be delinquent or uncollectible, including the basis for collection and the actions taken, and the Finance Department staff has completed its review of a request, the qualified accounts to be written off will be presented to the appropriate authorizing official for approval.

Transaction Amount	Write-off Approved by
Less than $100	Department Supervisor/Manager
$100 - $10,000	Finance Director/Designee
$10,000-$15,000	General Manager/Designee
Greater than $15,000	Board

11140.4 Policy Adoption and Review

This policy will be adopted by resolution of the Board of Directors. The policy will be reviewed at least every five years with any modifications approved by the Board of Directors.

Adopted: December 13, 2023 via Resolution 2023-52