

Staff Report

TO: Board of Directors

FROM: Greg Jones, Assistant General Manager
John Ortiz, IT Administrator

DATE: June 24, 2026

SUBJECT: Workshop – Artificial Intelligence Policy

ADMINISTRATION

RECOMMENDATION:

Provide feedback on a newly developed Artificial Intelligence Policy.

BACKGROUND:

Artificial Intelligence (AI) technologies are increasingly being integrated into public utilities. At NID, interest in AI has grown following sector-wide discussions and presentations at industry conferences such as ACWA, CSDA and MISAC, to name a few.

Internal conversations have highlighted the need for clear governance for and around expanding the District's AI use. This policy will establish guidelines for responsible AI use, ensure compliance with industry standards, and protect the District's operational integrity and the public trust.

Currently, NID's networks have evolved without a unified governance framework. While modernization efforts are underway, the absence of an AI policy creates risks related to cybersecurity, data privacy, and ethical use.

A District-wide AI policy will assist staff and management in the following areas:

- **Risk Management:** AI systems can introduce vulnerabilities. A policy will align with cybersecurity standards to mitigate risks.
- **Transparency and Accountability:** Establishing clear rules for AI use ensures decisions made by automated systems are explainable and auditable.
- **Operational Efficiency:** A policy will guide responsible adoption of AI tools for administrative and operational tasks

Key Policy components of the AI Policy include: Principles for AI Use; Data Privacy and Security; Prohibited Uses; Responsibilities; Risk Management; Training; Oversight and Accountability.

NID has developed this AI Policy with the help of AI, and consolidation from peer agencies.

BUDGETARY IMPACT:

None at this time.

Attachments: 1

- Draft AI Policy

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 must 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 must 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 must support equity, efficiency, and innovation and must not be used for harmful or malicious purposes;

3300.3.2 Human Oversight: Human oversight, review and approval must be maintained with every AI requested output or decision before it is executed;

3300.3.3 Transparency: Stakeholders should be informed when AI tools are used;

3300.3.4 Accountability: 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 must 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 should 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** Using AI for real-time or covert biometric identification without consent. Use of transcription or other tools that have access to phone calls, video conferences, or other recorded conversations shall not be used without guidance from District Counsel;
- 3300.6.2** Relying on automated decision-making without human review;
- 3300.6.3** Generating content that promotes bias, discrimination, or misinformation. AI technologies may produce biased or discriminatory results.
- 3300.6.4** AI shall not be used for any type of decision-making activities that may exclude options from otherwise being considered. Specifically, AI shall not be used as part of an employee hiring or promotion selection process. AI shall not be used to review proposals submitted by potential vendors responding to request for proposals (RFP). AI shall not be used in evaluating options or making decisions regarding health care, benefits, or any other similar type of activity;
- 3300.6.5** Entering confidential or sensitive organizational information into AI tools without prior legal authorization;
- 3300.6.6** AI technology shall not be used to create work products that require a professional license or certificate, e.g., legal, engineering, surveying, etc. and shall not be used as a replacement for required District Counsel review, or any review and certification by any other licensed professionals.

3300.7 Responsibilities

- 3300.7.1** Employees: Use AI responsibly, verify accuracy, avoid bias, and report concerns or issues. AI tools are known for generating content that is not accurate and all AI-generated content must be reviewed for accuracy. AI tools may also generate content that is identical to or substantially similar to content owned by others, including content protected by copyright, patent, or trademark. If any AI-generated content is known to be or later discovered to be owned by others, then immediately cease using the content and report the discovery to District Counsel for review.
- 3300.7.2** Supervisors: Provide training, guidance, and oversight to ensure compliance with this policy.

3300.7.3 Third-Party Vendors: Must comply with contractual requirements related to ethical AI use and data protection.

3300.8 Risk Management

3300.8.1 Pre-Implementation Review: All AI technologies must 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 must 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 must periodically review the policy to stay current with updates.

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

Adopted: July XX, 2026 via Resolution No. 2026-XX

Revised: