

Nevada Irrigation District
Board of Directors

MINUTES

March 11, 2026

The Board of Directors of the Nevada Irrigation District convened in regular session at the District's main office located at 1036 W. Main Street, Grass Valley, on the 11th day of March 2026, at 9 a.m.

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

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

STANDING ORDERS

- Call to Order: President Bierwagen called the meeting to order
- President Bierwagen led the Pledge of Allegiance
- Roll Call: 5 Members Present

PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

- None

CONSENT AGENDA

Director Johansen made a motion to approve the Consent Agenda, calling for clarification regarding Item 3D – Scotts Flat Spillway Replacement Project No. C0001. Director Heck seconded the motion, calling for clarification regarding Item 3B – Write-Off for Uncollectible Property Rents, and it was unanimously approved.

The following points of clarification were addressed:

- Item 3D - Scotts Flat Spillway Replacement Project No. C0001
 - Increased scrutiny since events such as at the Oroville Dam
 - Funding and any opportunity to pause dependent on funding
- Item 3B – Write-Off for Uncollectible Property Rents
 - Property Rents
 - Credit reporting

Public comment: None

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MINUTES FROM THE REGULAR MEETING ON FEBRUARY 24, 2026

M/S/C Johansen/Heck, unanimously approved as submitted.

WRITE-OFF FOR UNCOLLECTIBLE PROPERTY RENTS

Adopted Resolution No. 2026-09 - Authorizing a Write-Off from Miscellaneous Accounts Receivable in Accordance with District Policy 11140 – Write-off Policy.

M/S/C Johansen/Heck, unanimously approved.

PURCHASE OF 2025 FORD RANGER 4X4 CREW CAB PICKUP TRUCKS

Approved the purchase of two (2) 2025 Ford Ranger R4P 4x4 crew cab (4-door) pickup trucks from Geweke Ford in Yuba City, California, and authorized the General Manager to execute the appropriate documents. M/S/C Johansen/Heck, unanimously approved.

SCOTTS FLAT SPILLWAY REPLACEMENT PROJECT NO. C0001

Approved a Change Order to Task Order No. 1 related to the Environmental Consulting Services Agreement with Stantec for the Scotts Flat Spillway Replacement Project and authorized the General Manager to execute the appropriate documents. M/S/C Johansen/Heck, unanimously approved

WARRANTS, PAYROLL FUND CERTIFICATE, AND INVESTMENT REPORT

Ratified the issuance of warrants by receiving and filing the check register, payroll fund certificate, and the Investment Transaction Report for the period February 14, 2026, through February 28, 2026. M/S/C Johansen/Heck, unanimously approved.

GENERAL ORDERS

RULES & REGULATIONS SECTION 5.02.04 EARLY APPLICATION DISCOUNT

Jennifer Hanson, General Manager, presented the item.

Board Discussion:

- Reasoning behind recommendation to remove the 5% early payment discount
- Appreciation for the discount over the years and importance for ag users
- Legal ramifications
- Other assistance for ag users to replace the early payment discount
- History of the early payment discount

Director Fowler made a motion to table the item until after Board discussion related to Item 4B - Water Rates, 2026-2030. The motion died for lack of a second.

Director Heck made a motion to approve the update to the District's Rules & Regulations by removing Section 5.02.04 Early Application Discount, effective immediately. The motion died for a lack of a second.

Board Discussion continued:

- Possibly setting up the discount differently so that it is legal under Proposition 218

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- Setting lower rate for ag users paying in one installment
- Separating agriculture and treated water users by class
- 5% discount to all customers to make it equitable to all
- Proposition 218 requirements
- Difficulty of treating this item independently and separate from rates
- The Board's ability to lower rates after approved
- Approving the item and reducing water rate for everyone
- District is not allowed to make a profit
- District management is very frugal
- Government regulations forcing District projects
- Credit card surcharges
- Looking at extra charges
- Keeping rates down while covering costs
- Ability to adjust downward in the future
- Farmers have already budgeted this year with 5% early payment discount
- Finding a solution
- If Board suspends 5% early payment discount, ask staff to bring forward potential compensating assistance to those impacted
- Confirmed raw water bills have not yet been sent out
- What would adjusted yearly water rate increase look like if 5% early payment discount is removed

Director Johansen made a motion to table the item until after Board discussion related to Item 4B - Water Rates, 2026-2030. Director Fowler seconded the motion, and it was unanimously approved.

The meeting recessed at 10:02 and reconvened at 10:15 a.m.

Public Comment:

- Michael Taylor, member of the public
 - In support of keeping the 5% early payment discount
 - Investing some of the prepaid fees
 - Unfair to farmers and community
 - Increase cost of food
 - Urged Board to find a legal way to maintain the 5% early payment discount
- Carl McCoster, with Nevada County Farm Bureau
 - Being reactive
 - Benefit to the District of receiving cash upfront
 - Credit card fees
 - Questionable legal implications
 - Requested clarification how PG&E can implement different rates
- Bob Ayhaw, member of the public
 - Retired citizens will be hit hard
 - Cutting District's internal costs

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- Lilly Marie Mora, Personeni Ranch
 - In support of keeping 5% early payment discount
 - Running on a slim budget
 - Multiple billings
 - Finding a way for everyone to contribute in cutting costs
 - Expressed that ag users deserve the 5% early payment discount
 - Inquired if 5% early payment discount will be considered for discussion as the Board moves to the next item on the agenda regarding water rates

- Karen Hull, resident of Division 3 and past NID Board Director
 - Customer for 20 years
 - Has always enjoyed the 5% early payment discount
 - Understands the 5% discount is being subsidized by others

- Elizabeth Strong, member of the public
 - Inquired how it would impact everyone else's cost if the 5% early payment discount goes away

- Darryl Sanford, resident of Division 3
 - Family has been here since 1800's and his family played a role in the establishment of NID
 - Spoke about water bill increases over the years
 - Suggested splitting into two entities – one for raw and one for treated
 - Concerned increase will put agriculture out of jobs
 - Urged the Board to remember that agriculture started the District

- Joe Fischer, resident of Division 3
 - Spoke about the process followed by the Board
 - Requested his topic be tabled until after hearing all comments and discussion on the following item related to water rates

- Barbara Gallino, member of the public:
 - What percentage of customers use raw water for irrigation

- Jim Drew, member of the public
 - Spoke about parliamentary procedure and suggested a parliamentarian
 - Urged the Board to get down to business

Following Board discussion related to Item 4B – Water Rates, 2026-2030, President Bierwagen called for a motion.

Director Heck made a motion to approve an update to the District's Rules & Regulations by removing Section 5.02.04 Early Application Discount, effective immediately. Director Stephens seconded the motion.

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Motion passed on the following roll call vote:

Heck, Division 1	Yes
Bierwagen, Division 2	Yes
Fowler, Division 3	No
Stephens, Division 4	Yes
Johansen, Division 5	Yes

WATER RATES, 2026 TO 2030

Jennifer Hanson, General Manager, introduced Erik Helgeson with Bartle Wells Associates, who provided a presentation.

President Bierwagen requested a motion to start the conversation. Director Fowler made a motion to start the conversation. and Director Heck seconded the motion.

Dustin Cooper, District Counsel provided information regarding the Proposition 218 process, written protests and written objections. 10:25

Board Discussion:

- Other agency comparables for proposed rates
- Fixed and volumetric rates
- Clarification re raw water proposed bill impacts inside District – Slide 20
- Upper Division paid by Hydro & covers treated and raw water
- Percentage of raw water costs
- Canals that serve treated water customers
- Selling District raw water to District treatment plants
- Postage stamp rates
- Other comparable agencies going through rate studies, and differences of those agencies including facilities, infrastructure size, access, and customers
- Raw water rate survey comparison
- 4% inflation and what is driving costs
- Scotts Flat spillway repair
- Acquiring grants to help offset costs of capital improvement projects
- Capital improvement projects included and not included in scenarios
- Investments
- Current rate on debt
- Reserves and investments
- District doing great operationally, and infrastructure is what is pushing costs
- Necessity for capital improvements
- Legal partnership opportunities under Proposition 218
- Water conservation partnering
- Micro-pond video has had over 53,000 views
- Amount spent on agriculture and how it multiplies total dollars spent in that community
- Fire Protection
- Hi/Low increase scenarios
- Delaying effective date of new rates until 2027

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The meeting recessed at 12:45 p.m. and reconvened at 12:54 p.m.,

Board Discussion continued:

- Directors shared information about their own ag water use
- Inflation and taxes
- Unfunded mandates on the District
- PG&E's 30% increase
- Grants/funding for Scotts Flat Spillway
- Fire hazards
- Keeping the water flowing
- 4% inflation
- Cutting rates in the future
- Cannot treat as a static decision
- Pushing out effective rate until after this irrigation season
- Strategic Priorities
- Compromises / hybrid options
- Effective date and term
- Options discussed

Dustin Cooper, Legal Counsel, clarified the Board's action today and the Proposition 218 process.

Board Discussion continued:

- Many "what ifs"
- Obligations to District and to rate payers
- Difficulty supporting a 50% to 80% increase
- Reviewing Capital Improvement Program projects
- Low CIP scenario
- High and lower cash-crop impacts
- Need for a proactive plan
- No rate increases for so long
- Lowering the ag water rate to offset loss of the 5% early payment discount
- Open to suggestions
- Looking at the District as a whole
- Effective date and term discussed
- Grant funds for projects and lowering rates
- Clarified the motion
- Cannot exceed rates in Proposition 218 Notice
- Proposition 218 Notice details discussed

Dustin Cooper, Legal Counsel, clarified information needed for the Proposition 218 public notice, and suggested including language related to an annual rate setting meeting into the resolution at the public hearing.

Public Comment:

- Lilly Marie Mora, with Personeni Ranch
 - Other agencies, fixed and variable differences

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- Inquired if treated water users are also getting a 12% rate increase
 - Asked the Board to look at larger raw water users to see 5-year increase and how much the District will lose from these raw water users if they end up going out of business
 - Looking at water rates more holistically before voting on
- Michael Taylor, resident of Division 1
 - Projected reserves with rate increases
 - Prop 218 allowing projected reserves to be worked into fees
 - Commended the General Manager on improving efficiencies
 - Inquired if PG&E owes anything since District had to purchase water over past few years
 - Surplus water sales and water sale opportunities
 - Distance of raw water in upper to lower ag water users and looking at a zone based structure
 - Inquired about dividing capital improvement projects between raw and treated water
 - Asked if Scotts Flat Spillway was worked into rate increase
 - Proposition 218 – actual costs vs. projected costs
 - No rate increases have been implemented in past 4 years
 - Clarified 5% early payment discount will not be available in the future
 - Inquired about moving the effective date ahead one year and end in 2031
 - Teena Wilkins, Placer County Farm Bureau, Executive Director
 - Shared farmers' perspective of increased costs hitting them hard
 - Confirmed the District has been behind on capital improvements
 - Briana Bacon, Executive Director of Economic Resource Conservation District
 - Grant they received by the Economic Resource Conservation District
 - Shared findings from their studies supporting the importance of agriculture in our community
 - Stresses on the ag community
 - Agriculture contributions to local economy
 - Government regulations – cost increases to agriculture
 - Property tax revenue and clarification
 - Potential future exemption considerations for those who work so hard to produce essential commodity/value for the community
 - Darryl Sanford, resident of Division 3
 - Inquired about the status of the District's real estate sales related to the Dog Bar/Centennial Reservoir properties
 - 12% increase will force ag users to cut back water and reduce the District's revenue

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- David and Barbara Gallino, with the Nevada County Farm Bureau
 - Shared that their bill has gone up approximately 3.8% despite the water rates not being increased in past years
 - Worked hard to get Board members on the NID Board, and do not feel the Board is looking at the ranchers' interest, and are disappointed
 - Family has been in agriculture in Nevada County for 105 years and expressed concerns about surviving with the proposed rate increase
 - Diversifying
 - Spoke in opposition of the proposed rate increase and stressed that the ag community needs help

- Jim Drew, member of the public
 - Board members' responsibility to deal with and work with their constituents
 - Inquired why the District's needs are just now surfacing
 - Solving another way, other than the proposal that has been brought forth

- Mark Prechter, rancher and resident of Division 3
 - His calculations indicate the current proposed increase would be 23% in 5 years, which is close to \$50,000 and is unfair
 - New proposed rate will make it very hard and will dry up some good ground

- Felicia Tracy, member of the public
 - Provided a brief history of the 100-acres that has been owned by her family since 1942
 - Property has been kept in the family and maintained for 4-5 generations
 - Cuts made to the number of inches of water received and still at approximately \$4,500 last year
 - Asked how many people will not be able to afford the proposed increased rate
 - Fire safety protection provided by ag water users, which helps to protect the community
 - Urged the Board to work at a county-wide level to coordinate for grants
 - Potential for tourism, recreation and agriculture are all impacted

- Robert Harris, beef rancher and member of the public:
 - Thanked the Board for hearing everyone's comments
 - Proposed rate increase is clearly detrimental to businesses, livelihoods and products they produce
 - Reminded the Board that NID was formed for agriculture
 - Importance of water for his business
 - Urged the Board to consider the comments heard and to stand behind agriculture
 - Expressed the proposed rate increases are not sustainable and urged the Board to find a realistic solution if ag community is to stay in business

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- Commented on NID vehicles/equipment
 - Operates with leaky boxes/boards and has to track someone down to fix
 - Fair and equitable – Not seeing the value
 - Need to be proactive and not reactive
 - Basing proposed water rates increases on “what if’s”
 - Cutting costs
 - Urged the Board to consider how important this is to everyone
- Tyler Blagg, rancher and member of the public:
- Provided a brief background
 - Spoke in opposition of the proposed rate increase
 - Urged Board to look back and consider the impacts agriculture has had on this community
 - Waste and working more efficiently
 - Stressed District management needs to be honest with the rate payers about the infrastructure, the way it is being maintained and lack thereof
 - Working better together and more efficiently
 - Issue with gate at Rollins Reservoir
 - Commented on past pay raises given to upper management
 - Expressed concerns about negative impacts from proposed rates
 - Urged the Board to be more honest about where the rate payer’s money goes and how projects are spent efficiently
- Carl McCoster, with Nevada County Farm Bureau
- Trying to understand this rate increase
 - Needs to see financing and debt structure plan
 - Needs a better explanation to show how an individual project works – a project replacement plan
 - Looks like paying for a 100-yr life span project in five years
 - Two rate increase proposals, and Board jumped to the highest scenario
 - Wants to understand and support infrastructure, but needs better presentation that answers his questions about how it will be done and why it will cost so much
 - Thanked Director Fowler for pushing back and asking about affordability
 - Treated water users will be opposed to proposed water rates also
 - Urged the Board to do more work on the presentation, to look at a lower scenario plan and to educate and sell the rate payers on why it is necessary
- Karen Hull, resident of Division 3, and former NID Board Member
- Balance between affordability and reliability
 - Commented on why it has been so long since the last rate increase, as she recalls it has been 5 years, and during that time the District was doing a massive amount of work to justify what we are seeing today, including:

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- Straightening out the finances to better understand cost structure for treated water, raw water, recreation and hydroelectric
 - Undertaking a very comprehensive Capital Improvement Plan
 - Does not want to minimize the impact that a rate increase will have on agriculture businesses
 - Expressed fears as a past NID Board member of what a fire or catastrophic event could do to the District, and shared some of those that have occurred nearby
 - Spoke on the importance of being responsible and for making investments into the District's infrastructure
 - The Board on an annual basis does not need to implement a 12.5% increase
 - Urged the Board to do the right thing by looking not just at affordability, but also reliability of the system
- Dan R. , third generation rancher, member of the public
- Asked NID to work with less
 - Commented about pay increases and buying loyalty
 - Urged the Board to come up with a better plan and sell it to the rate payers
 - Goes many weekends without water, and he has quit calling because nothing gets resolved
- Dianna Gamzon, Nevada County Cannabis Alliance Executive Director
- Appreciates the District's preparation and presentation
 - Spoke in support of all the ag community and their concerns
 - The proposed rate increase is very steep and would have significant negative impacts on the ag community
- Elizabeth Strong, member of the public
- Requested clarification regarding a slide showing raw water increase of 16%, not the 12.5% increase
 - Requested clarification regarding the first year for raw water customers
 - Ag community does not get raises without raising cost to consumer
- Joe Fischer, resident of Division 3
- Inquired if customer attrition was accounted for in the model
 - Ag always finds a way to make their business work, but this time it may be different
 - Appreciates the Boards willingness to allow everyone to speak
 - He is at the end of ditch, which is now ran at 88% capacity and he is not getting his full allotment and not getting what he is paying for
 - Appreciates this meeting, and seeing that majority of those speaking from ag community make their sole income from agriculture
 - Appealed to the Board at previous meeting to hold off on a rate increase until October to allow agriculture folks time to plan

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- Shared how much water he uses and is curious to know what each of the Board members' rate increases will be
 - Domestic users are not represented
 - Requested the ag community be involved more with more workshops and more opportunities to allow ag enterprises to adapt
 - Provided a point of clarification related to a comment made by Director Stephens related to kobe beef, clarifying the margins of the product he sells are higher than kobe beef, and that the nature of topographies of their properties is not conducive to an alternative crop
- Laura Baryhdt, rancher and member of the public
- Expressed concerns she will not be able to afford water rates as proposed, and that there will be no feed and no more fire breaks
 - Urged Board to consider not approving such a large rate increase year after year, especially if eliminating the 5% early payment discount
- Diana Douglass, resident of Division 5
- Inquired why the Board went with the high-end proposed rate
- Brandon Yurick, rancher, firefighter and resident of Division 3
- New to owning and operating a ranch
 - Provided family's long-time history in the area
 - Greenbelt and temporary refuge areas
 - Unable to raise the cost of beef to meet the proposed water rate increase
 - Requested clarification of 12.5% per year for five years
 - Repairing dams when needed
 - Fire danger and need greenbelts to save communities
- Gil Matthew, customer and member of the public, provided a written comment to the Board and it was shared by Director Heck
- Looking forward and not backwards
 - Finds staff report and Bartle Wells & Associate's report in depth and thorough
 - NID's budget is not unlike any other budget and must absorb increases on every front
 - From his economist's perspective, the proposed rate increases are cheap insurance against a catastrophic event putting our whole economic system at risk
 - Salutes the Board for facing the need for significant infrastructure hardening head-on and not kicking the can any further down the road
 - NID is highly regulated with many restrictions imposed, and must meet the demands of the law by being prudent in balancing demand for safe water against the ability to pay for it
 - Stands in support of the recommended rate increases proposed by staff

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Director Heck made a motion to direct staff, District Counsel, and Bartle Wells to finalize and publish the 2026 Treated and Irrigation Water Rate Cost of Service Study as the basis for proposing multi-year rate increases for the District's water services, and direct staff to prepare and mail, as required by law, a notice of public hearing on the proposed water rate increases, with a public hearing to be held on May 27, 2026. Adding that the ceiling to go out with notices shall be 12.5% per year for 5-years, beginning July 1, 2026; knowing that the rate can be lowered at the prerogative of the Board.

Director Heck amended the motion changing the rate and start date to go out with the notices to “the rate ceiling as recommended by staff, with an effective date of January 1, 2027”. Director Johansen seconded the motion.

Motion passed on the following roll call vote:

Heck, Division 1	Yes
Bierwagen, Division 2	Yes
Fowler, Division 3	No
Stephens, Division 4	Yes
Johansen, Division 5	Yes

GENERAL MANAGER'S REPORT

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

- No report

BOARD OF DIRECTORS' ITEMS / REPORTS

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

- Resiliency Project open house at the Love Building on March 31st at 4pm

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

- Mandarin update and irrigating

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

- Enjoying the weather, but would love a little rain

Director Heck, Division I, reported on the following items:

- No report

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

- Irrigating well and pond

MEETING ADJOURNED at 2:00 p.m.,. The Board is scheduled to reconvene in regular session on Wednesday, March 25, 2026, at 9:00 a.m. at the District's Business Center located at 1036 West Main Street, Grass Valley, California.

Submitted By

Kris Stepanian, Board Secretary