

# Staff Report

**TO:** Board of Directors  
**FROM:** Jennifer Hanson, General Manager  
**DATE:** May 27, 2026  
**SUBJECT:** Water Service Rate Schedule, 2027 to 2031

## ***ADMINISTRATION***

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### **RECOMMENDATION:**

It is recommended that the Board of Directors complete the following:

1. Receive a presentation regarding the proposed water rates for the 2027 to 2031 rate period.
2. Conduct a Public Hearing on Proposed Water Rates for 2027-2031.
3. Recess to allow for counting protests in public.
4. Consider Resolution 2026-25, Adopting New Water Service Rate Schedule.

### **BACKGROUND:**

The District funds operations and capital project construction primarily from revenue generated by rates charged to treated and irrigation water customers, property taxes, hydropower sales, and recreation fees. The District, from time to time, needs to increase water rates to reflect increased costs associated with planned capital projects, general cost escalation, increased regulations, to comply with unfunded state mandates, and repair and maintenance of aging infrastructure. In 2025, District staff began preparing an analysis to present to the Board for consideration of a proposed water rate increase. The last time the District increased water rates was on January 1, 2021. Please note that the rate process requires adoption of a rate schedule that sets forth the maximum rate increase for any given year within the rate period be established. Actual implementation of any scheduled rate increase may be lower than the maximum, at the discretion of the Board of Directors annually.

The District held two public workshops to discuss water rates on February 11, 2026, and February 24, 2026. On March 11, 2026, the Board of Directors held a meeting to determine whether to move forward with the Proposition 218 protest process. At this meeting, the Board of Directors decided to postpone the original implementation date of any potential rate increase from July 1, 2026, to January 1, 2027. This

decision was made to allow commercial agricultural customers more time to plan for and adjust to the new water rates. The Board of Directors also directed staff to finalize the Cost of Service Study. The final Cost of Service Study is dated March 25, 2026.

Staff mailed 28,306 Notices of Proposed Water Rate Increases to customers and parcel owners. The District has 25,072 eligible parcels that are entitled to provide a written objection and/or written protest. More notices were mailed than there were customers on record to ensure that both the property owner and the potential tenant received the notice. In addition to other minimum legal requirements, only one vote per parcel is counted.

On April 11, 2026, the Board of Directors held a meeting to discuss potential rate-setting guardrails that could be implemented during the annual rate-setting process. As noted previously, the schedule of rates included in the Notices of Proposed Water Rate Increases are the maximum allowable rates that the District may charge during the rate period. Any actual rate and associated increase may be less and will be determined by the Board of Directors prior to the development of a new Annual Budget. The Board directed staff to include in the resolution the following rate implementation guidelines:

- a) The Board of Directors will, by formal action in an open and public meeting, set the actual rate increase annually prior to the adoption of the following year's annual budget.
- b) The Board of Directors will hold two or more public workshops prior to setting the following year's rates.
- c) Potential decreases in actual annual rate adjustments will be considered separately for irrigation and treated water customers.
- d) The Board of Directors will consider the District's receipt of extraordinary external revenue, if any, for the purpose of potentially lowering annual rate increases.
- e) The Board of Directors will consider the projected rolling five-year unspent fund balance at the fiscal year end for both Funds 10 and 50 for the purpose of potentially lowering annual rate increases.
- f) The Board of Directors will consider the cost-benefit of infrastructure improvements prior to approval of any capital improvement project.
- g) The Board of Directors will direct Staff to aggressively look for external sources of revenue and cost-cutting measures, including private/public partnerships, governmental grants, reduction of unfunded mandates, and out-of-the-box options.

Additionally, at the April 11, 2026, Board Meeting, the Board of Directors directed staff to explore developing a grant program for agricultural efficiencies and water conservation to reduce water use and costs for the District's participating irrigation water users. This directive has also been incorporated into the proposed resolution.

Staff now recommends that the Board of Directors receive a presentation on the proposed rate increases, conduct a public hearing, count and validate the votes, and, if a (50%+1) majority protest (12,537 protest votes) does not exist, proceed with consideration of the proposed resolution.

**ALTERNATIVES:** Alternatively, the Board could choose not to adopt the Cost of Service Study. However, due to existing structural deficits and the need for capital funding, staff does not recommend this option.

**ENVIRONMENTAL ANALYSIS:** A utility rate is not subject to the provisions of the California Environmental Quality Act (CEQA) because a rate study and/or increase is not a project as defined in CEQA Guidelines section 15378, since it will not have a direct or reasonably foreseeable indirect impact on the environment.

**BUDGETARY IMPACT:**

If approved, the proposed rates will increase annual average revenue by approximately \$4.4 million.

Attachments: (3)

- Resolution No. 2026-25
- Proposition 218 Notice
- Presentation



**RESOLUTION NO. 2026-25**  
OF THE BOARD OF DIRECTORS OF THE NEVADA IRRIGATION DISTRICT  
**ADOPTING NEW WATER SERVICE RATE SCHEDULE**

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

**WHEREAS**, the District has caused to be prepared a Cost of Service Study which analyzed the revenue requirements of operating and maintaining the District's water facilities and to provide a continuous and reliable water supply to its customers; and

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

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

**WHEREAS**, the 2026 Cost of Service Study was reviewed and considered by the District's Board of Directors multiple times, culminating in the Board of Directors accepting the 2026 Cost of Service Study and directing staff to initiate the public noticing process under Proposition 218 on March 11, 2026; and

**WHEREAS**, at the April 11, 2026, Board Meeting, the Board of Directors discussed and directed (1) that annual rate implementation guardrails be considered each year when setting the actual annual rate increase during the District's annual budget adoption process; and (2) potential development of an agricultural grant or other water conservation program to lessen the financial impact on participating District irrigation customers; and

**WHEREAS**, the purpose of the annual rate implementation guardrails is to ensure transparency, public and Board involvement, and accountability in the implementation of annual rate increases with the goal of considering potential reductions in future rate increases to an amount below the maximum increase allowed by the adopted rate schedule; and

**WHEREAS**, the Board of Directors proposed for adoption, subject to notice and hearing as required under California Constitution Article XIII D, section 6 (Proposition 218), the proposed rate changes as set forth in notices to District landowners and customers mailed March 25, 2026; and

**WHEREAS**, the notices of the proposed rate change were mailed to all District customers and landowners in accordance with Proposition 218 and the notices included the requisite information required by Proposition 218 including, without limitation, a schedule of proposed rates and charges, the date, time and location of the public hearing, instructions on how to obtain and file a written protest on the proposed rate change, and instructions on how to obtain and file a written objection to exhaust administrative remedies; and

**WHEREAS**, the Board of Directors convened a duly noticed Public Meeting and Hearing on May 27, 2026, for the purpose of receiving and considering all qualifying and timely submitted oral and written protests opposing the proposed rate change; and

**WHEREAS**, in accordance with the requirements of California Constitution Article XIII D sections 6(a)(1) and (a)(2) and Government Code section 53755(a)(1) and (a)(2), the District's hearing on the proposed rate changes was held not less than 45 days after it provided written notice by mail to the record owners of each affected parcel upon which the respective increased fees and charges are proposed for imposition; and

**WHEREAS**, at the conclusion of the public hearing, the Board of Directors caused to be counted all qualifying and timely submitted written protests to the proposed increased fees and charges, and it was determined that the written protests received and not withdrawn represent less than 50% of the affected parcels subject to the proposed increased fees and charges; and

**WHEREAS**, the Board of Directors finds that the proposed rate change complies with all requirements of law, including those set forth in Article XIII D section 6(b), and are in the best interests of the District and its customers; and

**WHEREAS**, in accordance with Public Resources Code Section 21080, subdivision (b)(8) and Title 14 of the California Code of Regulations section 15273, subdivision (a), the Board of Directors finds that said schedule of fees and charges are for the purposes of meeting District operating expenses, purchasing supplies, equipment and materials, meeting financial reserve requirements, other District purposes, and funding capital projects necessary to maintain service within the District's existing service area, and that the Board's approval of such rates is therefore not subject to the California Environmental Quality Act.

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

1. The Recitals set forth in this Resolution are true and correct statements and are incorporated as an operative part of this Resolution and made findings and determinations of the Board. The District's Cost of Service Study is incorporated herein by this reference as additional findings and determinations of the Board.
2. Revenues derived from the water rates approved by this resolution do not exceed the funds required to provide the water service.
3. Revenues derived from the water rates approved by this resolution will not be used for any purpose other than providing water and related services.
4. The amount of water rates imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the water service attributable to the parcel.
5. The schedule of fees and charges set forth in the Proposition 218 notice is hereby adopted. Upon the adoption of annual rates, not to exceed those set forth in the adopted rate schedule, the District's General Manager is hereby authorized and directed to take all actions necessary to implement and collect the rates and charges as set forth therein.
6. Prior to the adoption of an actual rate increase each year during the rate period, the Board of Directors will adhere to the following rate implementation guardrails:
  - a) The Board of Directors will, by formal action in an open and public meeting, set the actual rate increase annually prior to the adoption of the following year's annual budget.
  - b) The Board of Directors will hold two or more public workshops prior to setting the following year's rates.
  - c) Potential decreases in actual annual rate adjustments will be considered separately for irrigation and treated water customers.
  - d) The Board of Directors will consider the District's receipt of extraordinary external revenue, if any, for the purpose of potentially lowering annual rate increases.
  - e) The Board of Directors will consider the projected rolling five-year unspent fund balance at the fiscal year end for both Funds 10 and 50 for the purpose of potentially lowering annual rate increases.
  - f) The Board of Directors will consider the cost-benefit of infrastructure improvements prior to approval of any capital improvement project.
  - g) The Board of Directors will direct Staff to aggressively look for external sources of revenue and cost-cutting measures, including private/public partnerships, governmental grants, reduction of unfunded mandates, and out-of-the-box options.

7. The District's General Manager is directed to explore development of a grant program for agricultural efficiencies and water conservation that would, if adopted and implemented, potentially decrease water use and cost of water for the District's participating irrigation water users. The District General Manager will solicit stakeholder input and agenda an item for a workshop to discuss options at a Board Meeting no later than October 2026.
8. If any section, subsection, sentence, clause, or action in this Resolution or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Resolution or any part thereof. The Board of Directors hereby declares that it would have adopted each section irrespective of the fact that any one or more sections, subsections, sentences, clauses, or actions be declared unconstitutional, invalid, or ineffective.
9. This Resolution shall take immediate effect upon its adoption.

\* \* \* \* \*

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

<b>AYES:</b>	Directors:
<b>NOES:</b>	Directors:
<b>ABSENT:</b>	Directors:
<b>ABSTAINS:</b>	Directors:

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President of the Board of Directors

**Attest:**

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Secretary to the Board of Directors



# NOTICE OF PROPOSED WATER RATE INCREASES

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**Public Hearing 9:00 a.m. May 27, 2026 at 1036 West Main Street, Grass Valley, CA 95945**

Nevada Irrigation District (District) is notifying all property owners and water customers of the proposed changes to treated and irrigation water rates. This notice explains the proposed rate changes and includes information on how you can participate in the public hearing for the proposed rate increase. You can learn more at <https://www.nidwater.com/nid-water-rate-adjustments>.

For more than a century, the District has provided dependable water service to customers in Placer, Nevada, and Yuba Counties. Maintaining this service requires ongoing investment in water supply reliability, infrastructure maintenance, regulatory compliance, and responsible financial management.

The District hired an independent water rate consultant to evaluate current customer demands, revenues, operating expenses, capital infrastructure needs, and financial reserves, and recommend rates that proportionally recover projected costs. The results of this analysis are presented in the 2026 Cost of Service Study.

## Why NID Is Proposing to Adjust Water Rates

The District has done its best to contain costs since it last raised rates in 2021. However, like many businesses, households, and other public agencies, the District has experienced increases in expenses related to regulations, labor, materials, chemicals, utilities, insurance, and other essential services needed to operate and maintain the water system.

Having completed the Plan for Water process to address our community's future water needs, the District must continue investing in the repair and replacement of aging infrastructure to ensure reliable water delivery now and in the future, to protect water quality and the environment, and to mitigate the effects of climate change and potential natural disasters. In addition, the District has identified several significant infrastructure projects that must be completed, the largest and most immediate being repairs and upgrades to the Scotts Flat Reservoir Spillway, which is projected to cost \$55 million.

## Proposed Treated Water Rates

The District is proposing to phase in a series of annual water rate increases over the next five years, with the maximum allowable rates being those shown in the following table. Proposed treated water rates will be effective on January 1<sup>st</sup> from 2027 through 2031. The proposed rates for customers receiving treated water service include:

- A monthly fixed service charge based on a customer's meter size. The District is proposing to discontinue the "Additional Regulatory Fee" currently included on customers' bills.
- A single, volumetric rate per unit of water used. The District is proposing to eliminate two volumetric rate tiers and instead charge the same amount for every unit of treated water used.



# NOTICE OF PROPOSED WATER RATE INCREASES

Treated Water Rates Effective:	Jan. 1, 2027	Jan. 1, 2028	Jan. 1, 2029	Jan. 1, 2030	Jan. 1, 2031	
	<i>Existing</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	
<b>Inside District Monthly Fixed Service Charges (\$ per Meter per Month)</b>						
5/8inch	\$29.33	\$32.69	\$36.78	\$41.38	\$46.55	\$52.37
3/4inch	44.00	49.05	55.18	62.08	69.84	78.57
1inch	73.34	81.74	91.96	103.46	116.39	130.94
1.5 inch	146.67	163.49	183.93	206.92	232.79	261.89
2 inch	234.68	261.57	294.27	331.05	372.43	418.98
3 inch	469.35	523.16	588.56	662.13	744.90	838.01
4inch	733.36	817.44	919.62	1,034.57	1,163.89	1,309.38
6inch	1,466.72	1,634.86	1,839.22	2,069.12	2,327.76	2,618.73
8inch	2,346.75	2,615.78	2,942.75	3,310.59	3,724.41	4,189.96
<b>Outside District Monthly Fixed Service Charges (\$ per Meter per Month)</b>						
5/8inch	36.67	43.16	48.56	54.63	61.46	69.14
3/4inch	55.00	64.73	72.82	81.92	92.16	103.68
1inch	91.67	107.89	121.38	136.55	153.62	172.82
1.5 inch	183.34	215.76	242.73	273.07	307.20	345.60
2 inch	293.34	345.22	388.37	436.92	491.54	552.98
3 inch	586.69	690.45	776.76	873.86	983.09	1,105.98
4inch	916.70	1,078.82	1,213.67	1,365.38	1,536.05	1,728.06
6inch	1,833.40	2,157.64	2,427.35	2,730.77	3,072.12	3,456.14
8inch	2,933.44	3,452.22	3,883.75	4,369.22	4,915.37	5,529.79
<b>Additional Monthly Regulatory Fee</b>						
All Customers	1.90	0.00	0.00	0.00	0.00	0.00
<b>Inside District Volumetric Rates (\$ per HCF) Proposed Rate 1 Tier Only</b>						
Tier 1 (0-5 HCF)	2.42					
Tier 2 (>5 HCF)	3.13					
Proposed (\$ per HCF)		3.21	3.61	4.06	4.57	5.14
<b>Outside District Volumetric Rates (\$ per HCF) Proposed Rate One Tier Only</b>						
Tier 1 (0-5 HCF)	3.03					
Tier 2 (>5 HCF)	3.91					
Proposed (\$ per HCF)		4.26	4.79	5.39	6.06	6.82



# NOTICE OF PROPOSED WATER RATE INCREASES

## Proposed Irrigation Water Rates

The District is proposing to phase in a series of annual water rate increases over the next five years, with the maximum allowable rates being those shown in the table below. Proposed irrigation water rates will be effective on January 1<sup>st</sup> from 2027 through 2031. The proposed rates for customers receiving irrigation water service include:

- A seasonal, fixed service charge per customer.
- A seasonal, volumetric rate per miner’s inch.

Raw Water Rates Effective:	Jan. 1,	Jan. 1,	Jan. 1,	Jan. 1,	Jan. 1,
	2027	2028	2029	2030	2031
	<i>Existing</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>

### Fixed Service Charges (\$ per Customer per Season)

#### In-District

Summer	570.99	660.60	743.18	836.08	940.59	1,058.16
Winter	713.73	807.14	908.03	1,021.53	1,149.22	1,292.87
Annual	1,284.72	1,467.74	1,651.21	1,857.61	2,089.81	2,351.04

#### Out-District

Summer	713.73	1,151.87	1,295.85	1,457.83	1,640.06	1,845.07
Winter	890.74	1,298.41	1,460.71	1,643.30	1,848.71	2,079.80

### Volumetric Rates (\$ per Miners Inch)

#### In-District

Summer	336.48	393.50	442.69	498.03	560.28	630.32
Winter	420.61	478.78	538.63	605.96	681.71	766.92
Annual	757.09	872.28	981.32	1,103.99	1,241.99	1,397.24

#### Out-District

Summer	420.61	1,560.03	1,755.03	1,974.41	2,221.21	2,498.86
Winter	524.91	1,639.73	1,844.70	2,075.29	2,334.70	2,626.54

### Volumetric Rates (\$ per Acre Foot)

Inside Municipal	296.79	104.25	117.28	131.94	148.43	166.98
Outside Municipal	370.99	233.82	263.05	295.93	332.92	374.54

### Pumping Charges (\$ per Acre Foot)

Magnolia #3	62.94	47.93	47.97	48.01	48.05	48.09
Edgewood Ditch	15.58	14.39	14.43	14.47	14.51	14.55



# NOTICE OF PROPOSED WATER RATE INCREASES

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## How to Participate

These proposed increases in water rates are considered property-related fees and charges governed by section 6 of Article XIII D of the California Constitution, Government Code sections 53751 et seq. and 53759 et seq., and other applicable laws, collectively known as Proposition 218. There are multiple ways that property owners and customers subject to the proposed rates, as well as any other interested members of the public, may participate in the Proposition 218 process.

- **Learn About the Proposed Rate Change** - Information on the District's water rates, the written basis, including the 2026 Cost of Service Study, is available at <https://www.nidwater.com/nid-water-rate-adjustments>.
- **Participate in the Public Hearing** - On May 27, 2026, beginning at 9:00 a.m., the District's Board of Directors will hold a public hearing to receive public feedback, including written protests, on the proposed rates.
- **Submit a Written Protest** - Proposition 218 is subject to a "majority protest" process where any property owner or customer may submit one written protest per parcel of the proposed rate increase. Immediately following the close of the public hearing on May 27, 2026, protests will be counted, and if a majority of the parcels subject to the proposed rate increases have submitted valid protests, then the rates will not be implemented. Additional details on submitting a protest are set forth below.
- **Submit a Written Objection** - Parties that wish to preserve the ability to legally challenge the rate change must submit a timely written objection by 5:00 p.m. on May 11, 2026. Failure to object in writing in a timely manner bars any right to challenge the rates in a legal proceeding. This is known as Proposition 218's exhaustion of administrative remedies requirement and is a separate legal requirement from the written protest. Additional details on submitting a written objection are set forth below.

## How to Submit a Written Objection to Proposed Rates

Pursuant to Government Code section 53759.1, any person or entity that may wish to challenge any new, increased, or extended rates adopted, modified, or amended by Nevada Irrigation District pursuant to this Notice must first exhaust administrative remedies. All substantive and procedural requirements for submitting a written objection are set forth in this Notice and the written objection form.

To exhaust administrative remedies, you must do the following:

1. Obtain a written objection form and complete all portions of the form. Oral objections will not be considered. Written objection forms are available at <https://www.nidwater.com/nid-water-rate-adjustments> and will be mailed to any interested party upon request by contacting the District at (530) 273-6185 and
2. Submit the completed written objection in a timely manner, no later than 5:00 p.m. on May 11, 2026, to 1036 West Main Street, Grass Valley, CA 95945 or by hand delivery during normal business hours at the same address. Mailed objection forms must be received (not postmarked) by 5:00 p.m. on May 11, 2026. Failure to object in writing in a timely manner bars any right to challenge the rates through a legal proceeding. Late-filed, non-compliant, or incomplete written objections will not be considered as satisfying the exhaustion of administrative remedies requirement.



# NOTICE OF PROPOSED WATER RATE INCREASES

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Prior to the public hearing on May 27, 2026, the District’s Board of Directors will review written objections and determine whether (1) amendments or clarifications are necessary; (2) to reduce the proposed new rates; (3) to review further prior to making a determination; or (4) to proceed with the public hearing. Pursuant to Government Code section 53759.1, subdivision (c)(2), the District has posted at [nidwater.com/nid-water-rate-adjustments](https://www.nidwater.com/nid-water-rate-adjustments) the written basis for the rates, including a copy of the 2026 Cost of Service Study. Additionally, the written basis will be mailed to any person upon request by contacting the District at (530) 273-6185.

## How to Protest Proposed Rates

Proposition 218 allows property owners or customers to file one written protest per parcel subject to the proposed rates in this Notice. Written protests must be received (not postmarked) by the District no later than the close of the public hearing on May 27, 2026. A sample protest form is available at <https://www.nidwater.com/nid-water-rate-adjustments> and will be mailed to any interested party upon request by contacting the District at (530) 273-6185. However, property owners/customers are not required to use the sample protest form. Although this notice is sent to both property owners and the customer identified on the account (if different), only one protest may be cast per parcel.

Every written protest must include all the following to be considered valid:

1. Customer or property owner name;
2. Parcel Number or street address(es) of all property(ies) serviced for which protest is made;
3. Original signature of property owner or water customer; and
4. Statement in opposition to the rate proposal.

Protests must be submitted in a timely manner by mail or in person only to the following address (oral protests or protests submitted by email or other electronic means are not accepted and will not be counted):

Nevada Irrigation District – Kris Stepanian, Board Secretary

1036 West Main Street, Grass Valley, CA 95945

At the conclusion of the public hearing, protests will be publicly counted and validated. If a majority protest exists, the District’s Board of Directors cannot proceed with the proposed rate change. However, if a majority protest does not exist, the District has the authority to adopt the proposed rates, which would take effect on January 1, 2027.

***Pursuant to Government Code section 53759, there is a 120-day statute of limitations for any judicial action or proceeding challenging any new, increased, or extended rate, fee, or charge that is subject to this Notice.***

# Nevada Irrigation District 2026 Water Rate Study

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May 27, 2026



**NID**



# Presentation Overview



Rate Study



Proposition 218



Financial Projections



Rate Structure Modifications and Proposed Rates



Next Steps



Questions and Discussion

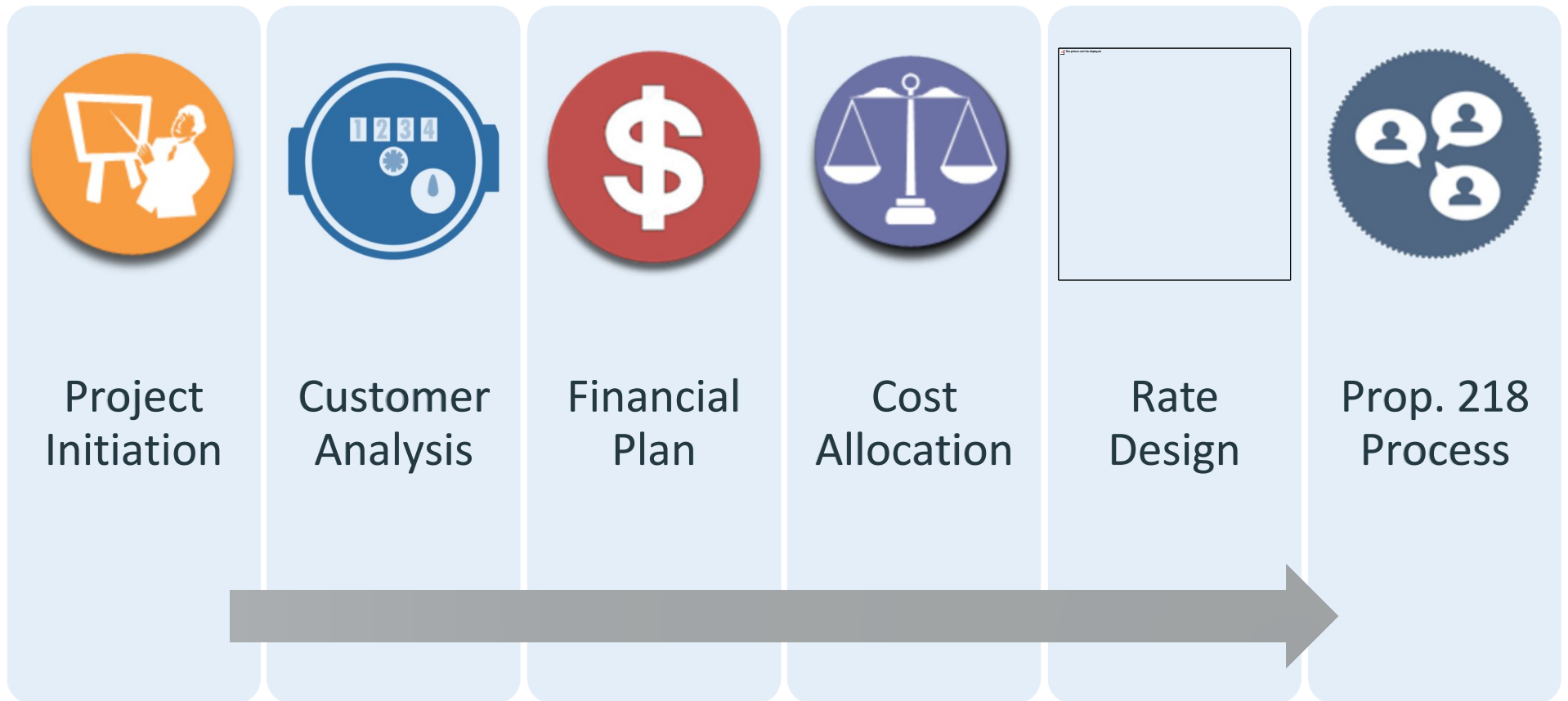
# Rate Study, Objectives

Sufficient revenue from rates to continue to provide reliable, high quality water service

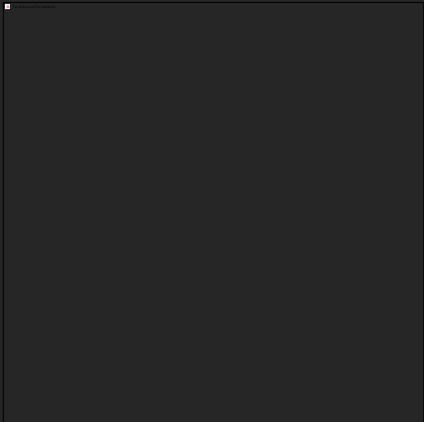
Legal compliance

Incremental, predictable rate increases

# Rate Study, Process



# Rate Study, Key Regulation (Prop. 218)



- Voter-approved constitutional amendment 1996
  - Rates cannot exceed cost of providing service
- Substantive requirements for property-related charges
  - Rates cannot exceed cost of providing service
  - Proportionate cost recovery (fair and equitable)
- Procedural requirements for rate increases
  - Mail notice of rate increases to all property owners/customers
  - Hold public hearing at least 45 days after the mailing
  - Rates are subject to “majority protest”
  - AB 2257 – administrative exhaustion procedure
  - District provides written responses to objections

# Financial Projections



# Financial Projections

District Overview



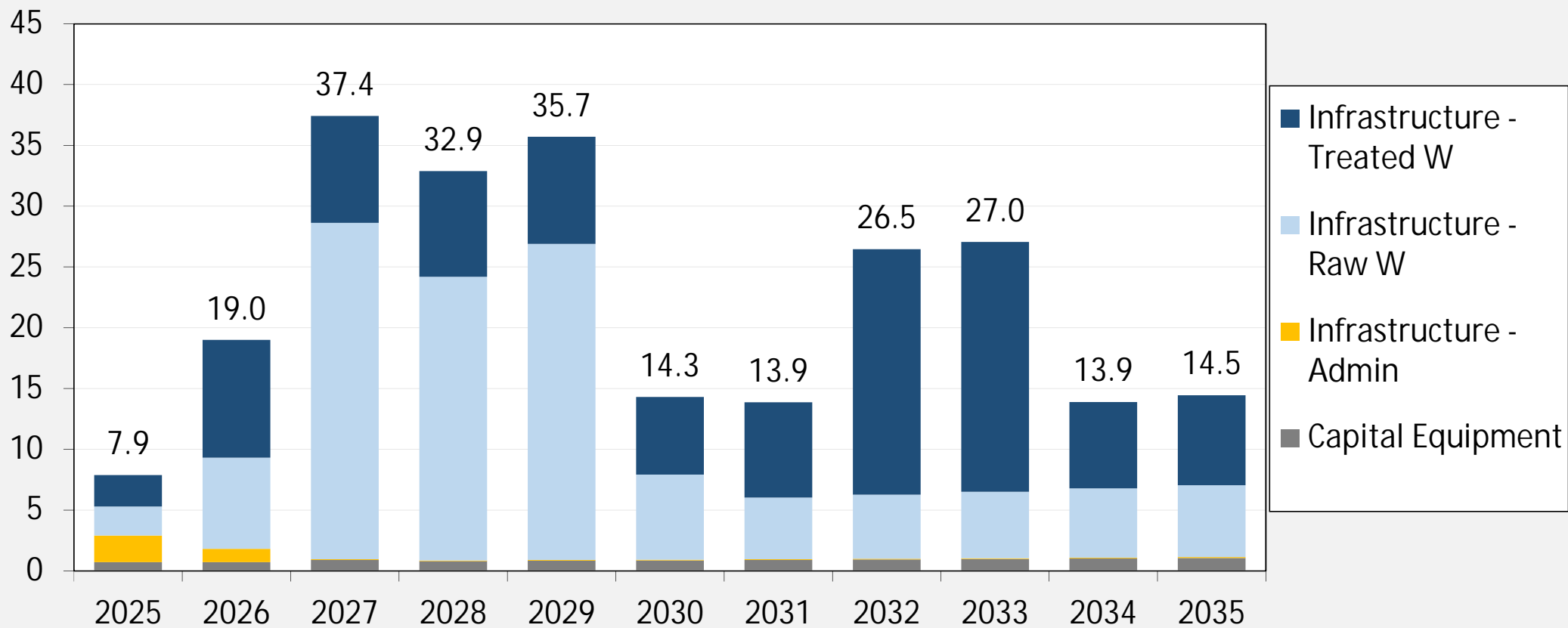
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- Water utility is a financially self-supporting enterprise that provides service to approximately 20,000 treated water customers and 5,500 raw water customers
- Rates are the main source of revenue
- Rates need to be set at levels adequate to fund the cost of providing service for:
  - Capital projects
  - Operations and maintenance
  - Debt service

# Financial Projections, Capital Improvement Costs (\$ millions)

5-year total = \$139m, 10-year total = \$235m



Source: Nevada Irrigation District 2025 CIP; future \$ includes annual construction cost inflation.



# Financial Projections

## Financial Challenges



9



- Aging infrastructure & capital improvement needs
  - Water system upgrades, repairs & replacements needed to maintain safe & reliable operations
  - 5-year CIP Projects

### Debt service

- Existing annual debt service is approximately \$4 million
- Projected debt needed to fund CIP in the next five years:
  - Annual debt service = \$8 million
- Operating cost inflation
  - Annual operating cost inflation of 4.0% for the next five years
  - Annual rate adjustments needed to keep rates in line with escalating costs (chemicals, utilities, staffing, supplies, insurance, etc.)
- Maintain Prudent Reserves
  - Emergencies, demand fluctuation, cash funding capital, credit worthiness etc.

# Financial Projections

Original Cash Flow Projections  
Rates Effective 2026

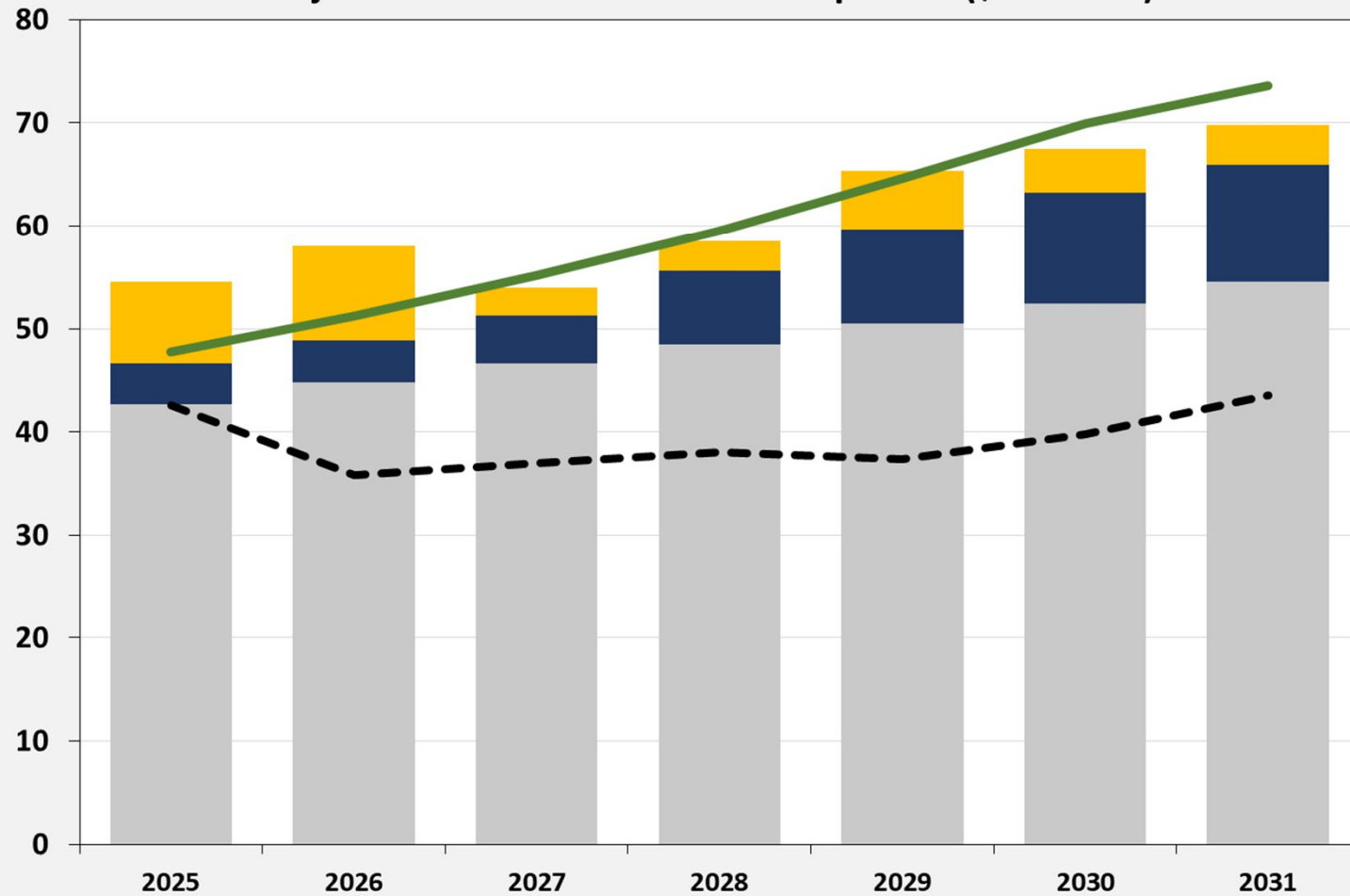


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■ Rate Funded Capital   
 ■ Debt Service   
 ■ O&M   
 — Revenue   
 - - - Reserves

### Projected Water Revenues and Expenses (\$ millions)



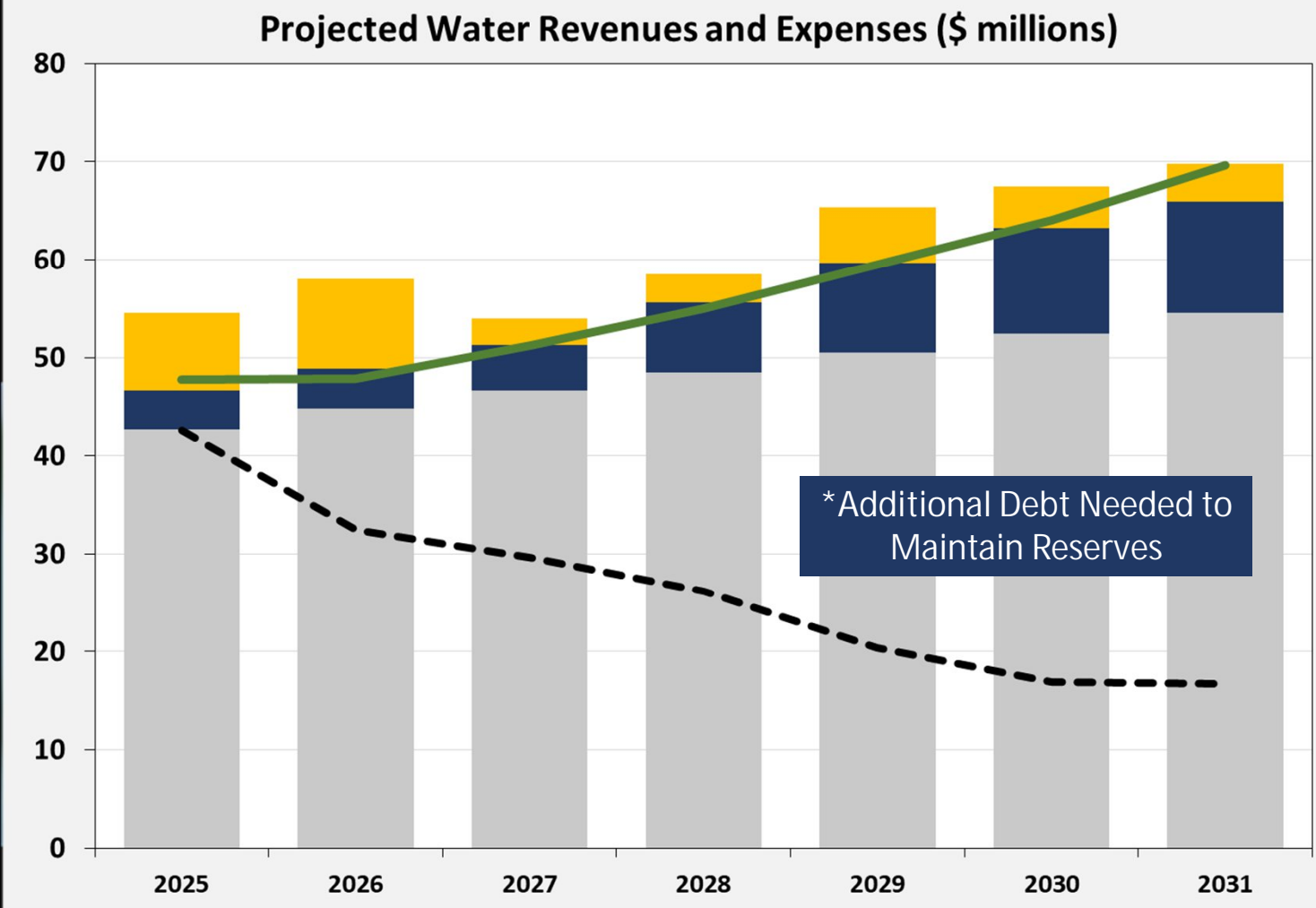
\*Initial bill impacts will vary based on customer class and usage due to rate structure adjustments realigning rates with cost of service.

# Financial Projections

Noticed Cash Flow Projections Rates Effective 2027



■ Rate Funded Capital   
 ■ Debt Service   
 ■ O&M   
 — Revenue   
 - - - Reserves



\*Initial bill impacts will vary based on customer class and usage due to rate structure adjustments realigning rates with cost of service.

# Rate Structure Modifications and Proposed Rates

Potable Water



# Potable Water

## Cost of Service Recommendations

1

Change volumetric rate structure from two tiers to one tier (uniform)

2

Stop separating out regulatory fee from rates

3

Outside District rates not reduced by property taxes and hydroelectric revenues

Treated Water Rates Effective:	Jan. 1, 2027	Jan. 1, 2028	Jan. 1, 2029	Jan. 1, 2030	Jan. 1, 2031
	Existing	Proposed	Proposed	Proposed	Proposed

**Inside District Monthly Fixed Service Charges (\$ per Meter per Month)**

5/8"	\$29.33	\$32.69	\$36.78	\$41.38	\$46.55	\$52.37
3/4"	44.00	49.05	55.18	62.08	69.84	78.57
1"	73.34	81.74	91.96	103.46	116.39	130.94
1.5"	146.67	163.49	183.93	206.92	232.79	261.89
2"	234.68	261.57	294.27	331.05	372.43	418.98
3"	469.35	523.16	588.56	662.13	744.90	838.01
4"	733.36	817.44	919.62	1,034.57	1,163.89	1,309.38
6"	1,466.72	1,634.86	1,839.22	2,069.12	2,327.76	2,618.73
8"	2,346.75	2,615.78	2,942.75	3,310.59	3,724.41	4,189.96

**Additional Monthly Regulatory Fee (\$ per Service per Month)**

All Treated Customers	1.90	0.00	0.00	0.00	0.00	0.00
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**Inside District Volumetric Rates (\$ per HCF)**

Tier 1 (0-5 HCF)	2.42	3.21	3.61	4.06	4.57	5.14
Tier 2 (>5 HCF)	3.13	3.21	3.61	4.06	4.57	5.14

Treated Water Rates Effective:	Jan. 1, 2027	Jan. 1, 2028	Jan. 1, 2029	Jan. 1, 2030	Jan. 1, 2031
	Existing	Proposed	Proposed	Proposed	Proposed

**Outside District Monthly Fixed Service Charges (\$ per Meter per Month)**

5/8"	36.67	43.16	48.56	54.63	61.46	69.14
3/4"	55.00	64.73	72.82	81.92	92.16	103.68
1"	91.67	107.89	121.38	136.55	153.62	172.82
1.5"	183.34	215.76	242.73	273.07	307.20	345.60
2"	293.34	345.22	388.37	436.92	491.54	552.98
3"	586.69	690.45	776.76	873.86	983.09	1,105.98
4"	916.70	1,078.82	1,213.67	1,365.38	1,536.05	1,728.06
6"	1,833.40	2,157.64	2,427.35	2,730.77	3,072.12	3,456.14
8"	2,933.44	3,452.22	3,883.75	4,369.22	4,915.37	5,529.79

**Additional Monthly Regulatory Fee (\$ per Service per Month)**

All Treated Customers	1.90	0.00	0.00	0.00	0.00	0.00
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**Outside District Volumetric Rates (\$ per HCF)**

Tier 1 (0-5 HCF)	3.03	4.26	4.79	5.39	6.06	6.82
Tier 2 (>5 HCF)	3.91	4.26	4.79	5.39	6.06	6.82

# Rate Structure Modifications and Proposed Rates

Raw Water



Raw Water Rates Effective:	Jan. 1, 2027	Jan. 1, 2028	Jan. 1, 2029	Jan. 1, 2030	Jan. 1, 2031
	Existing	Projected	Projected	Projected	Projected

### Fixed Service Charges (\$ per Customer per Season)

In-District						
Summer	570.99	660.60	743.18	836.08	940.59	1,058.16
Winter	713.73	807.14	908.03	1,021.53	1,149.22	1,292.87
Annual	1,284.72	1,467.74	1,651.21	1,857.61	2,089.81	2,351.04

### Volumetric Rates (\$ per Miners Inch)

In-District						
Summer	336.48	393.50	442.69	498.03	560.28	630.32
Winter	420.61	478.78	538.63	605.96	681.71	766.92
Annual	757.09	872.28	981.32	1,103.99	1,241.99	1,397.24

### Pumping Charges (\$ per Acre Foot)

Magnolia #3	62.94	47.93	47.97	48.01	48.05	48.09
Edgewood Ditch	15.58	14.39	14.43	14.47	14.51	14.55

Raw Water Rates Effective:	Jan. 1, 2027	Jan. 1, 2028	Jan. 1, 2029	Jan. 1, 2030	Jan. 1, 2031
	Existing	Projected	Projected	Projected	Projected

### Fixed Service Charges (\$ per Customer per Season)

#### Out-District

Summer	713.73	1,151.87	1,295.85	1,457.83	1,640.06	1,845.07
Winter	890.74	1,298.41	1,460.71	1,643.30	1,848.71	2,079.80
Municipal	1,604.47	2,450.27	2,756.55	3,101.12	3,488.76	3,924.86

### Volumetric Rates (\$ per Miners Inch)

#### Out-District

Summer	420.61	1,560.03	1,755.03	1,974.41	2,221.21	2,498.86
Winter	524.91	1,639.73	1,844.70	2,075.29	2,334.70	2,626.54

### Pumping Charges (\$ per Acre Foot)

Magnolia #3	62.94	47.93	47.97	48.01	48.05	48.09
Edgewood Ditch	15.58	14.39	14.43	14.47	14.51	14.55



# Next Steps

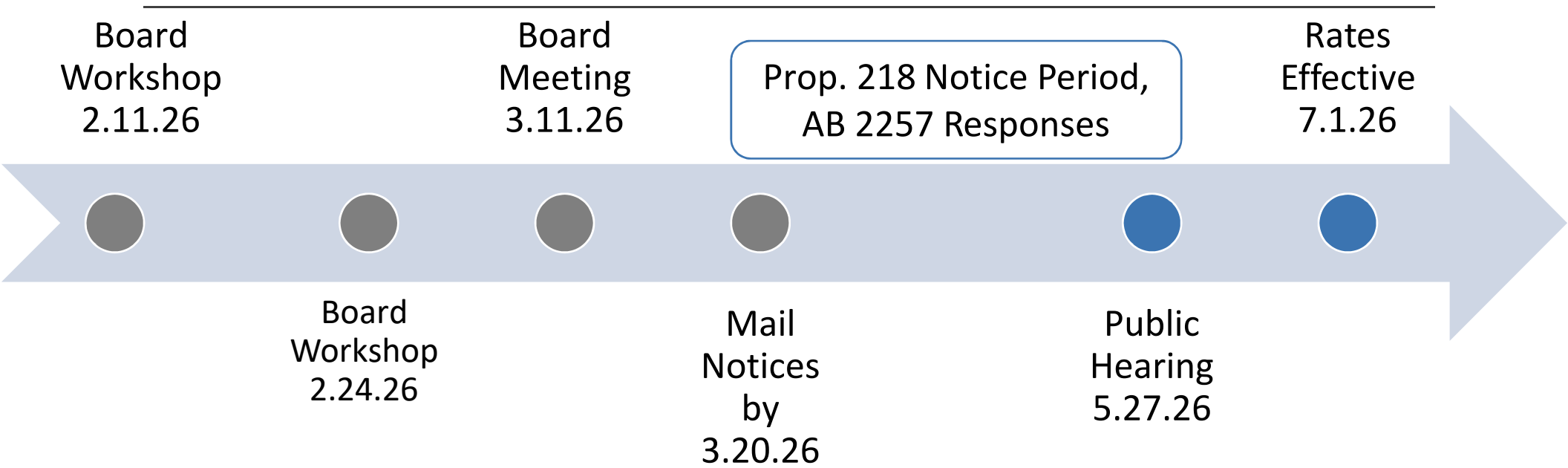
Public Hearing

Recess to Count and Validate

Consideration of Resolution

- Includes Maximum Rate in Notice
- Rate Implementation Guardrails
- Agriculture Efficiency Grant Program

# Next Steps



# Questions & Discussion



BARTLE WELLS  
ASSOCIATES