

Nevada Irrigation District
Board of Directors

MINUTES

May 20, 2026

The Board of Directors of the Nevada Irrigation District convened in special session at the District's main office located at 1036 W. Main Street, Grass Valley, on the 20th day of May 2026, at 9 a.m.

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

Staff members present included Jennifer Hanson, General Manager; Chip Close, Director of Water Operations; Gabe Aronow, Director of Engineering; Steve Prosser, Director of Maintenance; Peter Wade, Director of Power Systems; Sandra Dunlap, Director of Finance; Naomi Schmitt, Director of Human Resources; Andrew McClure, 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

GENERAL ORDERS

BUDGET AMENDMENT FOR PG&E SOUTH YUBA PIPE REIMBURSEMENT

Jennifer Hanson, General Manager, presented the item.

Board Discussion:

- Verified Fund 50 is Hydro Fund and repairs complete
- Available Funds
- Adding "potential" to paragraph number five of resolution
- Statute of limitations
- Total cost of repairs
- Revenue losses
- Spalding 1 repairs
- Cause of problems
- Disputed and non-disputed amounts
- Installment plan
- Interest rate

Public Comment: None

Director Heck made a motion to discuss Resolution No. 2026-24 - Approving a Budget Amendment for PG&E South Yuba Pipe Reimbursement.

Director Heck amended her motion to adopt Resolution No. 2026-24 - Approving a Budget Amendment for PG&E South Yuba Pipe Reimbursement, as amended to update paragraph five of the resolution to read “potential portion”. M/S/C Heck/Fowler, unanimously approved.

WORKSHOP

HYDRO REVENUE WORKSHOP

Jennifer Hanson, General Manager, presented the item.

Board Discussion:

- Upper and lower divisions
- Bond debt payment
- Reserves
- Reason for Yuba Bear Project
- History
- Recreation requirements
- Study requested related to power options after 2032
- Hydroelectric generation and cost to support upper watershed
- Raw and treated water costs
- Unspent funds
- Interest
- Clarification of investment revenues
- Straight allocations
- 2020-2021 transfers
- Negotiations with PG&E
- FERC requirements and relicensing costs
- HDR report regarding instream flows
- Guardrails for Hydro Reserves
- Catastrophic failure and ability to bypass water
- Combie Dam and Chicago Park Rewind costs
- Looking at different options for all projects
- Penstock lining
- Return on investments
- FERC presentation
- Projected dam safety costs and dam safety process
- Budgeting for hydro/dam repairs
- Estimate time allowed by FERC to make repairs
- Rates
- Update regarding Fuller Lake
- Paid for availability

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- Risks of delaying projects to keep rates down
- Interest rates and increasing costs
- Revisiting annually
- Risk assessment
- Planning for the worst
- Investigating options and alternatives to increase revenue
- Setting reserves
- Age of the District's water system
- Proposed 12.5% rate cap based on 4% inflation
- Confirmed raw water users do not pay for any portion of treated water

Public Comment:

- Trevor Caulder, past NID Board Member and member of the public
 - Inquired about the purpose of the loan Water to Hydro
 - Clarification of what Hydro revenue paid during approximately 1969-2012
 - Hydro operational costs
 - Post 2013 debt service, power sales and revenue
 - Purpose of loan
 - Estimate investment revenue monies to water in past 10 years
 - Understanding inflows and impacts to revenue
 - What FERC encompasses and impacts
 - FERC relicensing costs reflected in 5-year rate study
 - Percentage of revenue for Hydro CIP
 - Clarification if hydroelectric projects and possible external funds are included in the rate study
 - Clarification of what is included in \$40-million decrease in reserves estimated for 2032
 - Estimate for gaging stations
 - Bonding and opportunity to finance FERC, similar to the Yuba Bear Project
 - Potential FERC relicensing costs and funds held for that purpose
 - Holding off on some capital improvement projects to help lower rates for rate payers
 - Inquired about any industry standard for hydroelectric businesses on what percentage of revenue or budget they hold in reserves

Director Fowler left the meeting at 10:32 and returned at 10:40 a.m.

The meeting recessed at 10:35 a.m. and reconvened at 10:40 a.m.

- Michael Ross, member of the public
 - Hydro revenues and how water rates are subsidized
 - History of water rate payers investing in the hydroelectric enterprise and lending to themselves
 - Looking at as a whole system
 - Rate payers paying for Hydro
 - Commented on the Board's public trust doctrine and responsibility

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- Expressed appreciation for the workshop
 - Stressed that the language used is important to avoid putting misinformation out to the public
 - Anything leftover should be used to reduce rates to rate payers
 - Providing information for Board to make decisions
 - Useful dialogue
 - Suggested using the Q/A chat feature for all attendees
 - 2026 Cost of Service hydroelectric revenue projections through 2031
 - Assumptions not cited
 - Generation
 - Climate Hydrology
 - PPA Price
 - Requested the District to prepare a matrix prior to the May 27 hearing to include three assumptions above
 - Thanked the Board for the meeting
 - Suggested updating HDR estimates for reserves
- Walter McNeill, member of the public
- Requested the subsidy amount from Hydro to Water
 - Requested clarification of Hydro administration costs and operating cost analysis in the water rate study

MEETING ADJOURNED at 11:45 a.m. The Board is scheduled to reconvene in regular session on Wednesday, June 10, 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