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## Memorandum of Understanding

### Between Silver Springs Mutual Water Company (SSMWC) and Lyon County School District (LCSD)

The purpose of this Memorandum of Understanding (MOU) is to establish a coordinated path forward between Silver Springs Mutual Water Company (SSMWC) and Lyon County School District (LCSD) to address and correct the imbalance between water rights dedicated to SSMWC and those required to serve the Silver Stage School campuses (Elementary, Intermediate, and High Schools).

A coordination meeting was held at the SSMWC main office on February 25, 2026. The following individuals were in attendance:

- Mike Lenox – SSMWC Board President
- Matthew Martensen – SSMWC General Manager
- Chris Facque – Facque Consulting (representing SSMWC)
- David Crook, P.L.S. – WRS Lumos & Associates
- Harman Bains – LCSD Director of Operations
- Kirk McCallum – LCSD Operations & Maintenance Supervisor
- Darrell Bluhm – LCSD Project Facilitator

Discussion during the meeting was guided by a Technical Memorandum dated September 15, 2025, prepared by Chris Facque of Facque Consulting. The memorandum incorporated a five-year meter audit (2020–2024) to evaluate water usage and associated water rights allocations. Based on this analysis, a deficit of 75.15 acre-feet annually (AFA) was identified between LCSD’s committed water rights and the water rights dedicated to SSMWC for service.

As part of the agreed-upon path forward, LCSD will immediately initiate the process of dedicating a portion of its existing water rights under Permit No. 63258, totaling 34.416 acre-feet annually, to partially offset current service demands. This includes permitting the water right in SSMWC production well and service area through Nevada Division of Water Resources. This volume of water is based on existing use from the LCSD Well over the same 2020-2024 audit period.

In addition, LCSD is undertaking facility improvements at the Silver Stage School campuses aimed at reducing overall water consumption. A key upgrade identified during discussions includes the phased elimination of evaporative cooling systems and replacement with mechanical air-conditioning systems at each school site. These improvements are expected to significantly reduce water demand associated with cooling operations.

LCSD will provide ongoing bi-annual updates to SSMWC regarding:

- The status of the water rights dedication under Permit No. 63258; and
- The progress of facility upgrades, including the removal of evaporative cooling systems by site.

SSMWC will concurrently monitor and track water usage reductions associated with these efforts. The implementation timeline for these improvements is anticipated to be approximately two (2) years.

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Upon completion of the identified improvements, LCSD will notify SSMWC. At that time, both parties will evaluate the updated water usage data to determine the remaining water rights deficit, if any. LCSD will be responsible for addressing any remaining deficit through additional water rights dedication or other mutually agreed-upon measures.

**IN WITNESS WHEREOF**, the parties hereto have executed this Memorandum of Understanding as of the dates set forth below.

**SILVER SPRINGS MUTUAL WATER COMPANY (SSMWC)**

By: \_\_\_\_\_  
Name: Matthew Martensen  
Title: General Manager  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Mike Lenox  
Title: Board President  
Date: \_\_\_\_\_

**LYON COUNTY SCHOOL DISTRICT (LCSD)**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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