

Lyon County School District Board Memo

Date: May 26, 2026

To: Board of School Trustees

From: Harman Bains, Executive Director of Operations

Re: Memorandum of Understanding with Silver Springs Mutual Water Company

Recommendation:

That the Board of Trustees approve the Memorandum of Understanding (MOU) between Lyon County School District (LCSD) and Silver Springs Mutual Water Company (SSMWC) authorizing the dedication of 34.416 acre-feet annually (AFA) from Permit No. 63258 to SSMWC through the Nevada Division of Water Resources.

Background Information:

On February 25, 2026, coordination meeting between SSMWC and LCSD representatives was held at the SSMWC main office to address the documented imbalance between water rights presently dedicated to SSMWC and the water demand generated by the Silver Stage Elementary, Intermediate, and High School campuses.

Discussion at that meeting was guided by a Technical Memorandum dated September 15, 2025, prepared by Chris Facque of Facque Consulting on behalf of SSMWC. The memorandum incorporated a five-year meter audit covering 2020 through 2024, which established a peak demand at the Silver Stage campuses of 91.14 AFA. Measured against the 15.99 AFA presently dedicated, this produces a current deficit of 75.15 AFA. SSMWC is required under Nevada Public Utilities Commission tariff rules to demonstrate forward progress on resolving this imbalance and is reporting that progress to the Nevada Division of Water Resources and the Public Utilities Commission of Nevada.

Under the MOU, LCSD will initiate the dedication to SSMWC of 34.416 AFA from its existing water rights under Permit No. 63258. Permit No. 63258 is a quasi-municipal permit with a total duty of 46.93 AFA, served from a well located on District property. Historical pumpage records compiled by the Nevada State Engineer for the Churchill Valley hydrographic basin show actual beneficial use of approximately 12.5 AFA per year, primarily for the football field and associated landscape irrigation. The 34.416 AFA proposed for dedication represents the unused balance of the permit. The District retains the portion supporting its active beneficial use. Permit No. 63258 is currently uncertificated, and dedication to SSMWC places the unused volume into beneficial use, preserving the right in good standing.

In parallel, LCSD will undertake facility improvements at the Silver Stage campuses to reduce demand, most notably the phased elimination of evaporative cooling systems and replacement with mechanical air-conditioning. The District will provide biannual updates to SSMWC on the status of the dedication and the progress of the facility upgrades. SSMWC will concurrently monitor and track corresponding reductions in metered usage. The implementation timeline is anticipated to be approximately two years.

The 34.416 AFA dedication is a permanent partial transfer, but it does not constitute a full or final transfer of all water rights necessary to resolve the identified deficit. The MOU contemplates a deliberate two-step process. The interim phase consists of the partial dedication, the water-reduction improvements, and ongoing biannual reporting. The post-audit phase, undertaken upon completion of the improvements, requires both parties to reassess actual water usage and determine whether any residual deficit remains. Only after that evaluation will a final determination be made regarding any additional dedication, water rights acquisition, lease, or further facility measures. The MOU does not obligate LCSD to permanently transfer additional rights in advance of that post-audit analysis. The Technical Memorandum estimates that, following the 34.416 AFA dedication, a residual peak-demand deficit of approximately 42.19 AFA will remain, to be revisited only after the improvements are complete and usage is re-measured.

Budget Considerations

Execution of the MOU and the associated dedication does not require any immediate financial outlay by the District. The 34.416 AFA being conveyed is drawn from rights the District already holds and is not actively using.

Discussed at Previous Meeting

N/A

Attachment(s)

TechnicalMemo_LCSD_WaterUse_09152025
MOU LCSD Water Rights