



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** July 16, 2026

Staff Contact: Darren Schulz, Public Works Director

Agenda Title: For Possible Action: Discussion and possible action regarding a short-term lease expiring June 30, 2027 ("Water Lease Agreement"), between Carson City and the Carson Water Subconservancy District ("CWSD"), permitting Carson City to use up to 60 acre-feet of surface water from the Upper and Lower Lost Lakes Reservoirs at no cost beyond permit fees anticipated to be \$780 and with the City bearing any costs arising from the use of its own existing water production and distribution system. (Darren Schulz, dschulz@carsoncity.gov)

Agenda Action: Formal Action / Motion **Time Requested:** Consent

Proposed Motion

I move to approve the Water Lease Agreement as presented.

Board's Strategic Goal

Sustainable Infrastructure

Previous Action

August 7, 2025 (Item 11A) – The Board of Supervisors ("Board") ratified a similar water lease agreement with CWSD expiring June 30, 2026.

May 2, 2024 (Item 11A) - The Board ratified a similar water lease agreement with CWSD expiring June 30, 2025.

June 15, 2023 (Item 12A) – The Board ratified a similar water lease agreement with CWSD expiring June 30, 2024.

July 21, 2022 (Item 10A) – The Board ratified a similar water lease agreement with CWSD expiring June 30, 2023.

June 3, 2021 (Item 10A) – The Board approved a similar water lease agreement with CWSD expiring June 30, 2022.

July 2, 2020 (Item 9A) – The Board approved a water lease agreement with CWSD permitting the City to use up to 526.25 acre feet of water per year for \$114 per acre foot from Mudd Lake subject to annual consumer price index adjustments, expiring September 30, 2025.

July 2, 2020 (Item 9B) – The Board approved a similar water lease agreement with CWSD expiring June 30, 2021.

July 18, 2019 (Item 22D) – The Board approved a similar water lease agreement with CWSD expiring June 30, 2020.

Background/Issues & Analysis

In order to provide additional surface water rights for the conjunctive use program, a lease of Carson River storage rights has been negotiated with the CWSD. The City, per the Alpine Decree, cannot pump decreed river water rights from the Carson River during the months of October through March. However, these rights will have been stored within the Lost Lakes reservoirs during the irrigation season, which allows for their use during the winter months under conditions which will be stipulated by the State Water Engineer and Federal Water Master.

The City will bear its own costs associated with the use of the City's existing water production and distribution system. The only other additional cost to the City is the permit fee of \$780. CWSD has opted not to charge the City on a per-acre-foot basis because it can no longer do so without incurring significant costs. The United States Forest Service (“USFS”) is conducting their five-year review of CWSD’s special use permit for the Lost Lakes. The USFS developed a new method for calculating the fees associated with the permit. Currently, CWSD pays \$83 per year. Under USFS’s new method, CWSD’s permit fee would have gone up to over \$6,000 per year. However, USFS agreed to waive CWSD’s fee because the City is a government agency, provided CWSD does not impose charges for the Lost Lake water.

The Water Lease Agreement also requires the City to exhaust its Mud Lake water rights before pumping any water from the Lost Lakes.

Applicable Statute, Code, Policy, Rule or Regulation

Article 2, sec. 2.275 of the Carson City Charter; United States v. Alpine Land and Reservoir Company, Final Decree, CV-D,183 BRT (D. Nev. Oct. 28, 1980) (“Alpine Decree”)

Financial Information

Is there a fiscal impact? Yes

If yes, account name/number: Water Fund, Water Purchase Douglas Account 5203502-500454

Is it currently budgeted? Yes

Explanation of Fiscal Impact: Reduction in budget up to \$780.

Alternatives

Do not approve the proposed Water Lease Agreement and/or provide alternative direction to staff.

Attachment(s):

[2026-27 Lost Lakes Agreement -Carson City.pdf](#)

Motion: _____

1) _____
2) _____

Aye/Nay

(Vote Recorded By)