

**MINUTES OF MEETING OF BOARD OF DIRECTORS
BASALT WATER CONSERVANCY DISTRICT
July 12, 2022**

CALL TO ORDER

The Board of Directors of the Basalt Water Conservancy District met on July 12, 2022 commencing at 7:00 p.m. in the Board Room at the Third Street Center, 520 South Third Street, Carbondale, Colorado. The meeting was also held via online and telephonically (Elevate).

The District's attorney Ryan Mitchell took the roll call. The following directors were present: Gary Knaus, Tim Nieslanik, Jim Nieslanik, Michael Kennedy, Dean Seader, and Charles Spickert. There was a quorum.

The District's attorney Ryan Mitchell of Balcomb & Green, the District's engineer Eric Mangeot of LRE Water ("LRE") and Water Commissioners Bill Blakeslee also attended. Also present was attorney Nicole Garrimone-Campagna of Garfield and Hecht, P.C., on behalf of applicant Castle Creek Valley Ranch Lot 15, LLC.

INITIAL BUSINESS

Director Jim Nieslanik moved to appoint Michael Kennedy as Secretary for the meeting. Director Tim Nieslanik seconded the motion, and it carried unanimously.

The minutes from the June 14, 2022 meeting were considered by the Board. Director Tim Nieslanik moved to approve the June minutes, and Director Jim Nieslanik seconded the motion, which carried unanimously.

REPORT OF THE ENGINEER (ERIC MANGEOT, LRE WATER)

a. Gage Flow Summary

Eric Mangeot reported that the rains have been helpful. The gages are generally above levels from last year. The Ruedi water level is considerably higher than last year.

b. Stream Gage Comparison

Eric Mangeot reported that the overall water gages are in good condition. Gary Knaus inquired whether there should be a gage on the Frying Pan River. Eric Mangeot explained that CWCB investigated the idea of placing a gage just below the confluence of the Frying Pan River with the Roaring Fork River, but it does not seem likely that a gage will be added.

c. List of Failure to Report Meter Records

Eric Mangeot reported that there are a large number of Contractees who have at least one failure to report their meter records. They have all received a letter explaining that a second failure will result in further fines.

d. Second Failure to Report Meter Record Memorandums Update

Eric Mangeot reported that there are 26 contractees who have failed for a second time to report their diversion meter records. Only two have responded to the Notice of Second failure. This list is likely to grow as LRE investigates the issue further.

e. Billing Update

Eric Mangeot reported that Melody Morris continues to send out and collect bills. Melody Morris is coordinating her billings efforts with identifying and sending notices to contractees who have failed to submit meter records.

f. Other

None.

WATER ALLOTMENT CONTRACT ASSIGNMENTS, AMENDMENTS, INCLUSIONS AND CONTRACTS

a. Contract No. 798 / Inclusion No. 245 – Castle Creek Valley Ranch Lot 15, LLC

Eric Mangeot presented this application for inclusion into the District's boundary (located outside Div. 6) to cover depletions associated with a proposed private augmentation plan to cover evaporative depletions associated with the Queen's Pond and Queen's Pond First Enlargement. The property consists of 37.3 acres and is located at 302 Midnight Mine Road, Aspen. The contract amount is for 0.30 AF. The source of supply is a surface diversion known as the Queen's Ditch and the Queen's Ditch First Enlargement. Ryan Mitchell reported that the Board had jurisdiction to consider the contract and inclusion. Director Jim Nieslanik made a motion to approve the contract and inclusion. Director Tim Nieslanik seconded the motion, which passed unanimously.

b. Contract No. 799 – Phyllis F. Hire, Trustee of the Phyllis F. Hire Trust U/A Dated March 3, 1988, as Amended

Eric Mangeot presented this contract application for service under District's Case No. 02CW77 to cover depletions associated with evaporation losses from an existing 1.29 surface acre pond (a/k/a Hire Upper Pond). The property consists of 10.62 acres and is located in Garfield County. The source of supply is the Hire Upper Pond Feeder Ditch. The contract amount is for 0.003 cfs and 1.2 AF. Ryan Mitchell reported that the Board

had jurisdiction to consider the contract. Director Tim Nieslanik made a motion to approve the contract. Director Jim Nieslanik seconded the motion, which passed unanimously.

c. Inclusion No. 243 – Sixteen Paws, LLC

Eric Mangeot presented this application for inclusion into the District's boundary (located outside Div. 6). The property consists of 2 acres and is located at 50 Old Pond Way. Ryan Mitchell reported that the Board had jurisdiction to consider the inclusion. Director Tim Nieslanik made a motion to approve the inclusion. Director Jim Nieslanik seconded the motion, which passed unanimously.

d. Inclusion No. 244 – Hughes Family Revocable Trust

Eric Mangeot presented this application for inclusion into the District's boundary (located outside Div. 7). The property consists of 0.52 acres and is located at 117 Little Texas Lane, Woody Creek. Ryan Mitchell reported that the Board had jurisdiction to consider the inclusion. Director Jim Nieslanik made a motion to approve the inclusion. Director Tim Nieslanik seconded the motion, which passed unanimously.

e. Partial Assignment of Contract No. 337b – Marc Kroeger and Diann Kroeger to Mark Favro and Kristen Favro

Ryan Mitchell advised the directors that this contract was assigned over the past month.

REPORT OF THE ATTORNEY (RYAN MITCHELL, BALCOMB & GREEN, P.C.)

a. Case No. 19C CW3143 – Update

Ryan Mitchell reported that his paralegal will calendar a date by which to follow up with the Water Referee and Division Engineer to make sure this case remains on track.

b. Case No. 19CW3159 – Update

Ryan Mitchell reported that there continues to be no movement in this case.

c. Case No. 20CW3107 – Update

Ryan Mitchell reported that he reached out to the Division Engineer to inquire whether anything on their end was holding up the Decree. The Division Engineer's Office responded with several issues it has with the proposed decree. The issues generally relate to the dept or location of certain diversion structures. Ryan Mitchell will be filing a status report with the Water Referee setting a deadline of August 26, 2022, from the District to respond to the Division Engineer.

d. Grant Opportunities

Ryan Mitchell and Eric Mangeot discussed with the Board opportunities to receive grant funding for from the River District's Accelerator Grant program. The Accelerator Grant is a Colorado grant with the purpose of getting grant application ready for federal funding from the Bi-Partisan Infrastructure Bill. Eric Mangeot discussed three main projects that the District should consider for the Accelerator Grant, including a pump and pipeline up Cattle Creek, a pump and pipeline up Woody Creek, and a pump and pipeline up Sopris Creek. The Board, Ryan Mitchell, and Eric Mangeot discussed the benefits and concerns of pursuing such a grant and an outline of the grant. Director Charles Spickert made a motion to submit an Accelerator Grant application to the River District on or before August 1, 2022, the application of which will include the best judgments of the District's Attorney and Engineer. Director Jim Nieslanik seconded the motion, which passed unanimously.

e. Other

Ryan Mitchell also discussed his efforts to correct issues related to several contracts, including Contracts 155, 194, 244, 337, 377, 719. The Board requested Ryan Mitchell keep the Board privy to such corrections. Next Board Meeting, Ryan Mitchell will provide an example of one of the corrected contracts.

Ryan Mitchell and Eric Mangeot also reported that the River District has invited them and Ed Olszewski, attorney for the West Divide Water Conservancy District, to participate in an informational and collaboration meeting on the River District's progress in developing an augmentation and supply plan for the Crystal River. The meeting will take place on August 19, 2022, at 10am.

REPORT OF THE DIVISION OF WATER RESOURCES

Charles Spickert inquired whether the Federal Government will act on the low water levels at Lake Powel. Bill Blackslee reported that the Federal Government will likely take some action within the next 4 years, but it is hard to predict. Thus, the District cannot take specific actions to prepare for such action.

BILLS, AUDIT REPORTS, FINANCIAL STATEMENTS

The Board reviewed the bills tendered in July for the month of June. Director Michael Kennedy made a motion to pay the bills. Director Charles Spickert seconded the motion, which passed unanimously.

DIRECTOR REPORTS AND COMMENTS

None.

EXECUTIVE SESSION

None.

CONCLUSION

At 8:04 P.M., Director Charles Spickert moved to conclude the meeting. Director Jim Nieslanik seconded the motion, and it was approved unanimously.