

**MINUTES OF MEETING OF BOARD OF DIRECTORS
BASALT WATER CONSERVANCY DISTRICT
November 8, 2022**

CALL TO ORDER

The Board of Directors of the Basalt Water Conservancy District met on November 8, 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, Charles Bailey, Michael Kennedy, Dean Seader and Charles Spickert. There was a quorum.

The District's attorney Ryan Mitchell of Balcomb & Green, the District's accountant Tiffany Rudow of Barnes Pearson Rudow, the District's engineer Eric Mangeot of LRE Water ("LRE") and Water Commissioner Heather Ramsey also attended.

INITIAL BUSINESS

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

The minutes from the October 11, 2022 meeting were considered by the Board. Director Jim Nieslanik moved to approve the October minutes, and Director Tim Nieslanik seconded the motion, which carried unanimously.

2023 BUDGET HEARING

Ryan Mitchell led the formal statutory budget hearing to consider the General Budget and Enterprise Budget, to set the District's Mill Levy, and to appropriate funds under the budgets. Notice of the budget hearing was published as required by law, and the budgets were available for public inspection as required by law. The Board previously reviewed and considered the draft budgets as prepared by the District's financial consultant at its October 11, 2022 Board Meeting, and may consider them for adoption at this meeting. No public comment was received prior to or during the formal budget hearing. After further discussion, Director Charles Spickert made a motion to approve and adopt by resolution the Administrative Budget and set the mill levy at 0.039 for calendar year 2023, which motion was seconded by Director Dean Seader and unanimously approved. Director Jim Nieslanik made a motion to approve and adopt by resolution the Enterprise Budget for calendar year 2023, which motion was seconded by Director Tim Nieslanik and unanimously approved. Director Tim Nieslanik made a motion to appropriate funds by resolution for the Administrative Budget and the Enterprise Budget for calendar year 2023, which motion was seconded by Director Dean Seader and unanimously approved. The budget hearing was concluded.

Following the Budget Hearing, the Board considered whether to participate in the State of Colorado's new family planning program. Director Jim Nieslanik made a motion to not participate in the program. Director Dean Seader seconded the motion, which passed unanimously.

REPORT OF THE ENGINEER (ERIC MANGEOT, LRE WATER)

a. Gage Flow Summary

Eric Mangeot reported that in general the gages were above average from the year before. Ruedi storage is up but discharge is down.

b. Current Snowpack

Eric Mangeot reported that the early season snowpack is roughly medium.

c. Missouri Heights Study Well Equipment Removal Update

No update.

d. Billing Update

Eric Mangeot reported that roughly 592 contracts have been billed out, of which roughly \$509,335 has been collected. The District has also collected roughly \$10,700 in non-compliance fees. The District should know the number of suspended accounts by the end of the month.

e. Other

WATER ALLOTMENT CONTRACT ASSIGNMENTS, AMENDMENTS, INCLUSIONS AND CONTRACTS

a. Contract No. 808 – Whiskey Mountain Estates, LLC

Eric Mangeot presented this contract application to cover depletions associated with a pending private augmentation plan for 15,000 square feet of irrigation. The property has an address of 50 Old Pond Way and is located in Pitkin County. The source of supply under the contract are the Lutz Ditch and Sixteen Paws Enlargement. The contract amount is for 1.0 AF. Ryan Mitchell reported that the Board had jurisdiction to consider the contract. Director Tim Nieslanik made a motion to approve the contract. Director Dean Seader seconded the motion, which passed unanimously.

b. Assignment of Contract No. 395e – Rod Stryker and Gina Stryker to Ted A. Behar and Julia G. Behar; Assignment of Contract No. 494c – Sean Mello to 4155 US6 LLC; Assignment of Contract No. 194.1e – James Matthew Bodnar Trust to Big Family

Properties, Ltd.; and Assignment of Contract No. 517e – 3500 Creekside, LLC to Ceaski Properties, LLC

Ryan Mitchell advised the directors that these contracts were assigned over the past month.

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

a. 19CW3143 – Final Decree

Ryan Mitchell reported that Referee Strablizky filed a ruling of the referee that granted all of the relief sought in the final proposed ruling. The filing of that ruling initiated the statutory 21-day protest period, which ends today. At this point, no protest has been filed, and is unlikely to be filed. A final decree is likely to be filed by the Court this Sunday. Ryan Mitchell also noted the memo that was included in the board packet which discussed operation of the new Area A-5 and the next steps.

b. Accelerator Grant

Ryan Mitchell reported it has been difficult to correspond with the current owner of the alternative reservoir. Ryan Mitchell will continue to make efforts to contact the owner and its attorneys.

c. Assignment Fee

Ryan Mitchell reported that the current Assignment Fee rate should be increased to compensate for the rising costs associated with conducting a contract assignment.

Director Jim Nieslanik made a motion to increase by resolution the Assignment Fee to \$550.00, starting on January 1, 2023. Director Charles Spickert seconded the motion, which passed unanimously.

d. Other

Ryan Mitchell reported that the reappointment process for Directors Jim Nieslanik, Tim Nieslanik, and Max Macdonell has been initiated. The District will file the Director's applications for reappointment tomorrow. A hearing on the appointment/reappointment for the Directors will be held on December 13, 2022, at 8:15am

Ryan Mitchell reported that we have received further comments in Case No. 20CW3107 regarding three structures that the District is seeking to make absolute. The cumulative amount of water diverted by these structures is roughly 0.1 c.f.s. If the District is unable to satisfy the Court as to the location of these three structures, Ryan Mitchell suggests that we remove these structures from our claim for absolute in order

to close out this case. The District should be able to make these structures absolute in the following diligence application.

Ryan Mitchell informed the Board that Britt Choate will email an RSVP to the directors for the December Meeting, which will occur at the Brass Anvil, in Carbondale, Colorado, at the same time as the December meeting would normally be held. At that meeting, the Board will have a brief discussion to resolve whether the District should participate in the new Family Planning Program.

REPORT OF THE DIVISION OF WATER RESOURCES

None.

BILLS, AUDIT REPORTS, FINANCIAL STATEMENTS

The Board reviewed the bills tendered in November for the month of October. Jim Nieslanik. Dean Seader.

DIRECTOR REPORTS AND COMMENTS

Director Charles Spickert reported that he attended the Round Table's Next Steps meeting, during which the Round Table approved a letter in support of a grant application for the Audubon.

EXECUTIVE SESSION

None.

CONCLUSION

At 8:12PM Director Tim Nieslanik moved to conclude the meeting. Director Jim Nieslanik seconded the motion, and it was approved unanimously.