

**MINUTES OF MEETING OF BOARD OF DIRECTORS
BASALT WATER CONSERVANCY DISTRICT
May 16, 2023**

CALL TO ORDER

The Board of Directors of the Basalt Water Conservancy District met on May 16, 2023 commencing at 7:06 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 (Teams).

The District's attorney Chris Geiger took the roll call. The following directors were present: Gary Knaus, Tim Nieslanik, Jim Nieslanik, Michael Kennedy, Max Macdonell, Charles Bailey, and Charles Spickert. There was a quorum.

The District's attorneys Chris Geiger and Andie Hall of Balcomb & Green, the District's engineer Eric Mangeot of LRE Water ("LRE"), and Water Commissioner Bill Blakeslee also attended.

INITIAL BUSINESS

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

The minutes from the April 18, 2023 meeting were considered by the Board. Director Michael Kennedy moved to approve the April minutes, and Director Max Macdonell seconded the motion, which carried unanimously.

REPORT OF THE ENGINEER (ERIC MANGEOT, LRE WATER)

a. Snowpack Summary

Eric Mangeot discussed the snowpack summary report with the Board. He noted that Water Year (WY) 2011 had been added to the graph for comparison. The WY 2023 snowpack exceeded WY 2011; however, with an earlier peak. This year's snowpack is currently below WY 2019 values. Eric further explained that this is likely because the ground may be absorbing significantly more moisture this Spring as compared to WY 2019. Overall, the snowpack is approximately 156% above the median.

b. Gage Flows

Eric Mangeot discussed the current gage flows, noting they can change drastically daily. He noted that the Roaring Fork River near Aspen on May 9 was down 20 c.f.s. from a year ago, but up from April rates. Other gages lower on the Roaring Fork River, including Glenwood Springs, showed increased rates. The Thomasville gage on the

Fryinpan was up 29 c.f.s at 245 c.f.s, and Ruedi Reservoir storage had increased 2,944 AF to 63% full. Gages on the Crystal River showed slightly decreased rates, but Eric Mangeot noted that these stations can fluctuate wildly at this time of year. The precipitation outlook for May is about equal chances for above and below average, but we are expecting rain.

c. Third Failure to Report / Suspension of Service Update

Eric Mangeot reported that he spoke with Melody Morris today and that she and Andie Hall are still working on some suspension of service letters.

d. Electronic Submission for Meter Records Phase I Discussion and Proposal

Eric Mangeot presented a proposal for the District to adopt an electronic meter readings submission system. LRE's Denver office has used the program in other areas and can help set up District contractees to report their diversions in an online form, which then calculates the acre feet used and converts that information into a format that the Division Engineer's Office can use in its database. Phase I of implementation would include a link to contractees to access a unique spreadsheet page for them to enter diversion values. Phase II is not budgeted yet, but it would include larger contractees submitting monthly diversions into an online form. The proposal includes time to deploy and monitor the system, with customer support, accounting and integration for the operating plan. A spreadsheet for umbrella and batch augmentation pans would be set up on a contract by contract basis, incorporating meter and pond evaporation data. Eric Mangeot and the Board discussed the possibility of a roll out this fall. Eric Mangeot explained that the Board could use LRE for this project or to bid it out to other contractors, and noted that Phase II will be more costly than Phase I. The program will ultimately save money by eliminating the need for LRE to manually enter data. Eric Mangeot will provide a more specific proposal for the next Board meeting and the Board will consider further after reviewing that memo.

e. Billing Update

Eric Mangeot reported on behalf of Melody Morris that as of May 9, \$207,730.00 in contract fees have been collected.

f. BWCD Area A-5 Storage Exchange Discussion

Eric Mangeot reported that he has encountered a misunderstanding with Pueblo Water regarding the contemplated exchange operations into Ivanhoe Reservoir. Aurora has encountered a similar situation in its companion case, so Eric Mangeot is coordinating to resolve issues and will update the Board.

g. Other
None.

WATER ALLOTMENT CONTRACT ASSIGNMENTS, AMENDMENTS, INCLUSIONS AND CONTRACTS

a. Contract No. 815 / Inclusion No. 253 – Mainland Ranch P1 LLC

Eric Mangeot presented this contract application associated with a pending private augmentation plan (Case No. 22CW3130) to cover depletions for evaporation associated with Four Suns Fishery Pond Nos. 1 and 2, Four Suns Augmentation Pond Nos. 1 and 2, and the interconnection channels between the ponds. The Applicant is also requesting inclusion into Division 7 of the District. The property is located at 3041 Woody Creek Road, Woody Creek and is in Pitkin County. The source of supply is from Collins Creek. The contract amount is for 2.4 AF. Chris Geiger reported that the petition for inclusion was properly published and publication fees have been reimbursed; the Board has jurisdiction to consider the inclusion. Director Max Macdonell made a motion to approve the contract and inclusion. Director Tim Nieslanik seconded the motion, which passed unanimously. Chris Geiger reported that the augmentation plan includes an onsite augmentation plan from two ponds in addition to the District's supplies. Commissioner Bill Blakeslee commented that he was unsure how this private augmentation plan will effectively operate in light of the fact that Woody Creek usually has a call by midsummer. Commissioner Blakeslee also noted that the case was filed in January, but he was unable to complete a field inspection until recently due to snow coverage. This delayed the Summary of Consultation.

REPORT OF THE ATTORNEY (CHRIS GEIGER, BALCOMB & GREEN, P.C.)

a. Case No. 22CW3090 Update – Spring Valley Holdings

Chris Geiger reported that a reply to the District's comments to Spring Valley's counsel were included in the last board packet, and that the District's response was delivered last Friday, May 12. LRE and B&G provided a response letter with an LRE memo to Spring Valley that expresses concerns over Spring Valley's uses exceeding its volume of supply available under its District contract, additional uses not included in the District's original plan, and increased groundwater depletions. Chris Geiger reported that he anticipates a response from Spring Valley in July.

b. Case No. 19CW3159 Update – City of Aurora

Chris Geiger explained that, in this case, Aurora seeks to move Twin Lakes water to Ruedi Reservoir and then into Ivanhoe Reservoir. Aurora recently reached a settlement with the Colorado Water Conservation Board ("CWCB"), including changes to the version of the proposed ruling to which the District stipulated. Andie Hall reported that she compared the two versions, and that the changes were primarily restrictions on Aurora to protect CWCB's instream flows and that these changes were no less protective of the District. Andie Hall noted that the new proposed ruling draft prohibits

Aurora from using this water in future Colorado River Demand Management, and only permits Aurora to operate its exchanges on native stream flow. Chris Geiger noted that the agreement states that the Ruedi contract for 900 AF will be contracted for, if and when, by Pitkin County, meaning that a front range entity won't have a separate storage account in Ruedi Reservoir. However, Pitkin County has not yet gotten a storage contract.

c. 2023 Colorado Legislative End of Session Update – Bills of Interest

A legislative summary packet was distributed to the Board. Chris Geiger reported that the legislative session ended the beginning of May and that no bills directly affect the District's interests. The Bill of most significance and potential interest may be Senate Bill 270, Stream Restoration. Chris Geiger commented that the original bill was very broad and initially stated that significant restoration projects would be non-injurious to other water rights, but it was significantly amended. Chris Geiger briefly discussed a land use bill that did not pass and explained that it would have prevented a government entity from using a lack of water supply as a reason to deny a land use application and require governments to develop supplies to support development opportunities.

d. Summer Social

Chris Geiger inquired as to whether the Board would like to host a summer social this year. The Board discussed and decided to table the idea, noting that the event could be in lieu of a meeting in July or August depending on the contract activity flow.

e. Other

Chris Geiger reported that he has reached out to the District's accountant regarding speaking with the Board about bookkeeping improvements.

REPORT OF THE DIVISION OF WATER RESOURCES

No report.

BILLS, AUDIT REPORTS, FINANCIAL STATEMENTS

The Board reviewed the bills tendered in May for the month of April. Jim Nieslanik moved to approve bill payments. Mike Kennedy seconded the motion, which carried unanimously.

DIRECTOR REPORTS AND COMMENTS

Director Charles Spickert reported to the Board that the basin roundtable website did not list the District as a partner and he asked to have that corrected. Director Spickert also reported that the current chair of the Colorado Basin Round Table is resigning, so they will be looking for a new chair. Director Spickert commented that the Basin Roundtable meets monthly, and most activities are centered around grant approval. The grant projects can include water efficiency, habitat improvements, snowpack monitoring, and engineering studies.

EXECUTIVE SESSION

None.

CONCLUSION

At 8:04 P.M., Director Tim Nieslanik moved to conclude the meeting. Director Max Macdonnel seconded the motion, and it was approved unanimously.