

**MINUTES OF MEETING OF BOARD OF DIRECTORS  
BASALT WATER CONSERVANCY DISTRICT  
June 20, 2023**

**CALL TO ORDER**

The Board of Directors of the Basalt Water Conservancy District met on June 20, 2023, commencing at 7:04 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: Tim Nieslanik, Jim Nieslanik, Michael Kennedy, Dean Seader, Charles Spickert (remote), and Max Macdonnell (remote). 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 Heather Ramsey also attended.

**INITIAL BUSINESS**

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

The minutes from the May 16, 2023, meeting were considered by the Board. Director Michael Kennedy moved to approve the May minutes, and Director Jim Nieslanik seconded the motion, which carried unanimously.

**REPORT OF THE ENGINEER (ERIC MANGEOT, LRE WATER)**

a. Final Snowpack Summary

Eric Mangeot discussed the snowpack summary report with the Board. He noted that the summary starts a few days before October till around June 5. In referencing the snowpack graph, he reported that snowpack had a faster melt off as compared to Water Years ("WY") 2019 and 2011. Although the snowpack was similar to WY 2019, it came off more quickly. Eric concluded that as of June 5, the snowpack was 317% of median.

b. Gage Flows

Eric Mangeot discussed the current gage flows and reported that: (1) the Roaring Fork River at the Aspen Gage was at 281 cubic feet per second ("c.f.s.") on June 15, compared to 185 c.f.s a year ago, which is a 96 c.f.s. increase; (2) the Roaring Fork River at the Emma Gage was flowing at 2,000 c.f.s, which is up 490 c.f.s from a year

ago; (3) the Roaring Fork River at the Glenwood Spring Gage was at 4,090 c.f.s, which is up 850 c.f.s. from a year ago; (4) the Fryingspan River near Thomasville was up 20 c.f.s; (5) the Crystal River near Redstone was at 1,510 c.f.s, which is up 320 c.f.s from a year ago; and (6) Ruedi Reservoir is 90.3% full. Eric and the Board briefly discussed the possibilities of Ruedi filling.

c. Third Failure to Report / Suspension of Service Update

Eric Mangeot reported that the District currently has two outstanding contracts with a failure to report.

d. Electronic Submission for Meter Records Phase I Proposal

Eric Mangeot continued the discussion of an electronic meter reading submission system and had provided a letter explaining the proposal to the Board in advance of the meeting. Eric Mangeot reported that Phase Two of the program roll out has been completed in full by the LRE Denver office for other clients in the Platte River Basin and the Arkansas River Basin, and that it would be possible to begin roll out of Phase One this year in early to mid-November, which coincides with the beginning of the next WY. The Board inquired about the budget for this program and Eric responded that the program is not currently budgeted, but it could be covered with special projects budget. Chris Geiger reiterated his comments from last month that the District would likely see savings in data entry expenses and would recoup the investment expense. Eric Mangeot reported that there would be a more significant expense up front to get the program set up and that a proposal for Phase Two would be presented at the October Board meeting. Heather Ramsey agreed that the District would benefit from more regular data activity to encourage better real time data collection and entry. Eric Mangeot noted that the program would benefit umbrella plan exchanges to show actual diversions and depletions because, for example, the exchange amounts had been lowered in the past based on meter records under the current system. Chris Geiger noted that the program would allow more automation for future diligence applications and increase the ability to identify Contractees' historical operations, which would save costs in future water court proceedings. Eric Mangeot explained that Contractees will get a google link to input meter readings, which is helpful because the current DWR database doesn't allow aggregation of all contractees. Director Jim Nieslanik asked how many meters the District has and that would be included in the program, to which Eric Mangeot responded that there are thousands. Director Dean Seader moved to move forward with Phase One, and Director Jim Nieslanik seconded the motion, which carried unanimously.

e. Billing Update

Eric Mangeot reported on behalf of Melody Morris that the District has billed out \$278,396.000 in fees for 303 contracts, and from those, \$263,553.00 have been collected for 266 contracts.

f. Contract No. 722

Eric Mangeot reported on increased diversions for the Roaring Fork Mobile Home Park and noted that more diversions had been added. The Mobile Home Park was assigned Contract Nos. 64 and 722 to augment depletions in the 52-unit park. Eric explained that although they are reporting increased diversions, the actual depletions should be significantly less because the mobile home park is either on a large septic system or central sewer system. Previously, and at LRE's recommendation, the District agreed to have the contractee begin a study to identify leaks and assess a possible conservation program. The District gave the Contractee a three year deadline to complete the study. The Contractee started the study and issued a letter to all the tenants. Subsequently, flow rates decreased significantly, but not enough to rely solely on the Mobile Home Park's Contract No. 64. The District permitted the mobile home park to extend the study, which was due last March. Eric reported that the property has since sold, and the seller did not inform the buyer of the agreement with the District to complete the study. Eric presented a letter in the board packet that would give the new owner another extension. Chris Geiger advise that the board can waive failure of performance but recommended it be accomplished through a resolution. Eric reported that the new owner has been reporting each year and that there have been increased rates, but he is unsure if the increased rates are being caused by more leaks or less conservation. Eric recommended that because the property was sold and the new owner was not notified about the study and agreement with the District, that the new owner should have more time to address the situation. Director Dean Seader moved to send a letter to the contractee to allow more time, and Director Jim Nieslanik seconded the motion, which carried unanimously.

**WATER ALLOTMENT CONTRACT ASSIGNMENTS, AMENDMENTS, INCLUSIONS AND CONTRACTS**

a. Amendment to Contract No. 115f – Joseph D. White and Casey J. White

The property consists of 4.57 acres and is located at 106 Castle View Drive, Basalt and is in Eagle County. The source of supply is a proposed well which will cover depletions associated with two single-family residences, a home office, 17,500 square feet of irrigation and two livestock. This amendment is increasing the contract amount from 0.4 AF to 1.0 AF. Chris Geiger reported that the Board had jurisdiction to consider the amendment. Director Tim Nieslanik made a motion to approve the amendment, and Director Jim Nieslanik seconded the motion, which passed unanimously.

b. Amendment to Contract No. 518a – Anna G. Edgerly

The property consists of 4.75 acres and is located at 17527 Highway 82, El Jebel and is in Garfield County. The source of supply is an existing well (Permit No. 67194-F) which will cover depletions associated with two single-family residences, an apartment, 4,150 square feet of irrigation and two small ponds. This amendment is decreasing the contract amount from 6.8 AF to 1.0 AF. Chris Geiger reported that the Board had jurisdiction to consider the amendment. Director Dean Seader made a motion to approve the amendment, and Director Jim Nieslanik seconded the motion, which passed unanimously.

c. Assignment of Contract No. 754b – M and M Aspen, LLC to Snowmass Cottages Retreat, LLC; Assignment of Contract No. 425b – David A. Aguilar and Shirley G. Aguilar to MH552, LLC; Partial Assignment of Contract No. 309d – Roaring Fork Ranch LLC and Hunter Creek Group, Inc. to DTC Investments LLC; Assignment of Contract No. 10a – Wally Dallenbach to Dallenbach Family Partnership, L.P.; Assignment of Contract No. 10b – Dallenbach Family Partnership, L.P. to CR Land Management LLC; Assignment of Contract No. 373b – Pitkin Way Enterprises LLC to 3842 Aspen, LLC; and Assignment of Contract No. 732a – Woody Ventures, LLC to Indiana N. Lane.

Director Charles Spickert requested a report of contract approval numbers to compare to last year.

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

a. Case No. 22CW3009 Update – Spring Valley Holdings

Chris Geiger reported that the May 12 correspondence from Balcomb & Green accompanied by the LRE report was sent and a response from Spring Valley Holdings is due July 6.

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

Chris Geiger reported that this case is still pending, but the proposed ruling remains consistent with District's stipulation that it entered over a year ago. Chris Geiger is continuing discussions with Aurora regarding moving Ruedi Reservoir water into Ivanhoe Reservoir. Eric Mangeot has discussed, and will continue to discuss, the firm yield with Aurora.

c. Conditional Agreement to Reinstate BWCD Contract Nos. 113g and 669 – Jakon Sutter

Andie Hall explained that this contractee took assignment of Contract No. 113 from the predecessor in interest in his property and also obtained contract no. 669. The

contractee then failed three times to submit timely meter readings and the District suspended service as a result. Following correspondence with LRE, the contractee desires to reinstate the contract. Andie noted that the proposed reinstatement agreement includes terms that if they fail to submit meter readings again, the contract will be automatically terminated. Director Jim Nieslanik moved to reinstate the contract, and Director Dean Seader seconded the motion, which carried unanimously.

d. Termination of Contract No. 203b – Michael Bassi and Michelle Bruno-Bassi

Andie Hall explained that this contract was being recommended for termination because the contractee has not timely paid its annual fees, despite having sufficient notice of its requirement to do so. Chris Geiger discussed the billing and notice process, explaining that invoices are due, followed by a warning, and that LRE often also sends additional reminders. If the contractee still has not paid, the District notifies the Department of Water Resources (“DWR”) of the termination. Heather Ramsey asked if DWR enforces the termination with an administrative order. Eric Mangeot commented that he believes Commissioner Blakeslee stops by the property instead of an administrative order. Chris Geiger commented that if the District chooses to reinstate the contract, it can ask for payment of all past due amounts. Director Dean Seader moved to terminate Contract No. 203b, and Michael Kennedy seconded the motion, which carried unanimously.

e. Other

Chris Geiger requested that the Board appoint a director for this meeting to execute documents on behalf of the president and vice president who were not personally present. Director Jim Nieslanik moved to appoint Director Tim Nieslanik to execute documents, and Director Dean Seader seconded the motion, which carried unanimously.

**REPORT OF THE DIVISION OF WATER RESOURCES**

No report.

**BILLS, AUDIT REPORTS, FINANCIAL STATEMENTS**

The Board reviewed the bills tendered in June for the month of May. Director Jim Nieslanik moved to approve payment, and Director Dean Seader seconded the motion, which carried unanimously.

**DIRECTOR REPORTS AND COMMENTS**

Director Tim Nieslanik inquired about how water that flows past headgates on the Crystal River is administered under the system conservation pilot program. Heather Ramsey explained

that she is tasked only with ensuring that it flows past the headgate of the participating landowner, and that she does not ensure that it reaches any particular point down river. She noted that the program is intended to benefit the big river.

Chris Geiger confirmed that Board meetings will return to the second Tuesday of every month.

**EXECUTIVE SESSION**

None.

**CONCLUSION**

At 7:58 P.M., Director Tim Nieslanik moved to conclude the meeting. Director Dean Seader seconded the motion, and it was approved unanimously.