

**MINUTES OF MEETING OF BOARD OF DIRECTORS
BASALT WATER CONSERVANCY DISTRICT
September 12, 2023**

CALL TO ORDER

The Board of Directors of the Basalt Water Conservancy District met on September 12, 2023 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 (Teams).

The District's attorney Chris Geiger took the roll call. The following directors were present: Gary Knaus, Tim Nieslanik, Jim Nieslanik, Max Macdonell, Charles Spickert, and Dean Seader (virtually via Teams), and Michael Kennedy. 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 Jim Nieslanik moved to appoint Director Michael Kennedy as Secretary for the meeting. Director Tim Nieslanik seconded the motion, and it carried unanimously.

The minutes from the August 8, 2023 meeting were considered by the Board. Director Michael Kennedy moved to approve the August minutes, and Director Charles Spickert seconded the motion, which carried unanimously.

CRYSTAL RIVER AUGMENTATION PLAN FEASIBILITY STUDY PRESENTATION

Brendon Langenhuizen of the Colorado River District and Wendy Ryan of Colorado River Engineering presented on the Crystal River Augmentation Plan Feasibility Study. Brendon prefaced the presentation by acknowledging that the Basalt Water Conservancy District, West Divide Water Conservancy District, Gunnison County, and Pitkin County need to have additional conversations with regard to the potential for an augmentation plan. He explained that this study was spurred by a call by the Ella Ditch that curtailed water in Carbondale, Marble, and several subdivisions in the area. The proposed augmentation plan will try to honor the Wild and Scenic interests and existing instream flow rights by implementing nature-based solutions. He noted that the instream flow rights are generally not met except in April through June and that the plan for augmentation has limited exchange potential with challenges being located in the narrow Crystal River Valley. Wendy discussed the different modeling scenarios and the options for augmentation supplies. They explained that the District's involvement likely depends on how it wants to cooperatively serve the Crystal River valley with West Divide. The Board discussed development and water uses in the Valley and potential other augmentation supplies for Wendy and Brendon to

look into. They also discussed the issue of Gunnison County in that neither West Divide, nor the Basalt Water Conservancy District's jurisdictional boundaries extend into Gunnison County.

BRIEF UPDATE ON COLORADO RIVER DISTRICT

Brendon Langenhuizen provided a status update of big river issues on the Colorado River, including the timing of the draft environmental impact statement from the Bureau of Reclamation and the Interim Guidelines. He explained the role of the River District is primarily to initiate and match funding for projects.

REPORT OF THE ENGINEER (ERIC MANGEOT, LRE WATER)

In the interest of time, Eric Mangeot recommended that the Board review the handouts in the Board Packet to see gage flow summaries and stream comparisons. Eric noted that a Cameo call came on September 7, and was off by September 11th.

a. Billing Update

Eric Mangeot reported that LRE has billed 514 contracts for a total due of \$528,344.00. Of that, \$422,060.00 has been collected on 426 contracts.

b. Missouri Heights Study Well Equipment Removal Update

Eric Mangeot reported that two remaining study participants retain well equipment. After an unsuccessful removal attempt, one participant has decided to leave the equipment in the well and take ownership of it. Andie Hall of Balcomb and Green and Mindy Harman of LRE Water are drafting a bill of sale for the well owner to take ownership of the equipment. The other participant is currently working with a pump installer to remove the equipment.

WATER ALLOTMENT CONTRACT ASSIGNMENTS, AMENDMENTS, INCLUSIONS AND CONTRACTS

a. Contract No. 822 – WJWJ Ranch Holdings, LLC

Eric Mangeot presented this contract application for service under the District's Case No. 02CW77 to cover depletions associated with two single family dwellings, a barn with a bathroom, and 10 livestock. The property is approximately 5.2 acres in size and is located in Eagle County. The source of supply is a proposed well a/k/a WJWJ Ranch Lot 2. The contract amount is for 0.9 AF. The property is also associated with Contract No. 565 which is being amended to serve the needs of the other lot while this is a new application for Lot 2. Director Tim Nieslanik made a motion to approve the contract. Director Jim Nieslanik seconded the motion, which passed unanimously.

b. Contract No. 823 – Elizabeth Morrison Bright Trust 1988-1

Eric Mangeot presented this contract application for service under the District's Case No. 02CW77 to cover depletions associated with one single family dwelling, an ADU, a barn with sink and toilet, and 10,000 sq. ft. of irrigation. The property is located at 2459 Emma Road, Basalt and is located in Eagle County. The source of supply is from an existing well, Permit No. 50592. The well covered by this contract will be re-permitted as a -F well. The contract amount is for 0.7 AF. Director Max Macdonell made a motion to approve the contract. Director Tim Nieslanik seconded the motion, which passed unanimously.

c. Contract No. 824 – James D. Suzuki

Eric Mangeot presented this contract application for service under the District's Case No. 02CW77 umbrella plan in area A4. The contract applicants are looking to add an ADU and cover its depletions. The property is located at 4602 County Road 154, Glenwood Springs and is located in Garfield County. The source of supply is from an existing well, Permit No. 187868. The well covered by this contract will be re-permitted as a -F well. The contract amount is for 0.1 AF. Director Jim Nieslanik made a motion to approve the contract. Director Michael Kennedy seconded the motion, which passed unanimously.

d. Amendment to Contract No. 565b – WJWJ Ranch Holdings, LLC

The property is located at 401 Hooks Lane, Basalt, in Eagle County. The source of supply is from a proposed well a/k/a WJWJ Ranch Lot 1 Well and will cover depletions associated with two single-family dwellings, a barn with a bathroom, and 10 livestock. The contract amount is decreasing from 3.6 to 0.9 AF. Director Jim Nieslanik made a motion to approve the amendment. Director Max Macdonell seconded the motion, which passed unanimously.

e. Amendment to Contract No. 234 – Charles T.K. Ho and Linda Ho

The property is located at 0100 Woody Creek Lane, Woody Creek, in Pitkin County. The source of supply is from an existing well, Permit No. 176273-A, and will cover depletions associated with a single-family dwelling, an ADU, a garage with a sink and a toilet, 3.2 acres of irrigation (reduced from 4), and pond evaporation. Eric Mangeot noted that the Division Engineer raised a concern regarding the location of the well in Area B that has since been resolved because was located in Area A when it was drilled. The contract amount is decreasing from 9.0 to 6.7 AF. Director Max Macdonell made a motion to approve the amendment. Director Michael Kennedy seconded the motion, which passed unanimously.

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

a. Termination of Contract No. 791 – Timothy L. Even

Andie Hall reported that this contractee contacted LRE Water requesting termination of the contract and that a memorandum of cancellation was prepared for the Board’s execution. No action was required from the Board on this matter.

b. Reinstatement of Contract No. 116c – William Tomcich

Andie Hall summarized the past actions in relation to this contract; that the contract was terminated for failure to submit meter readings and failure to respond when the contract was suspended. She reported that the Contractee is seeking reinstatement and that per the Board’s direction Balcomb and Green has prepared a Resolution to reinstate the contract. She noted that as part of the Resolution, the Contractee is required to pay all outstanding amounts owed, including a new application fee and sign a reinstatement agreement, which she has prepared for the Board’s execution. Director Jim Nieslanik moved to pass Resolution 2023-2 to reinstate Contract No. 116c and execute the reinstatement agreement. Director Max Macdonell seconded the motion and it passed unanimously.

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

Chris Geiger will update the Board on this case next month.

d. Other

Chris Geiger noted the county certifications of value were included in the Board Packet. He also mentioned that the District’s accountant has requested a budget workshop, which typically includes the accountant, general counsel, LRE, and all Directors who want to participate. After the budget workshop, a budget will be prepared and presented for first consideration at the October Board meeting.

REPORT OF THE DIVISION OF WATER RESOURCES

No report.

BILLS, AUDIT REPORTS, FINANCIAL STATEMENTS

The Board reviewed the bills tendered in September for the month of August. Director Jim Nieslanik moved to pay the bills, Director Max Macdonell seconded the motion, and it carried unanimously.

DIRECTOR REPORTS AND COMMENTS

Director Charles Spickert reported that the Basin Roundtable met this month discussed how to implement a program to allocated and award grant money. Director Spickert noted that the West Slope Roundtable Summit takes place on November 6 and that Jason Turner will remain the chair until January. Director Gary Knaus inquired how the Basin Roundtable grant program interfaces with the Colorado River District's grant program discussed earlier in the evening, to which Director Spickert explained the River District grants are usually matching grants to those approved by the Basin Roundtable.

EXECUTIVE SESSION

At 8:20 P.M., the Board adjourned its regular meeting and Director Jim Nieslanik made a motion to commence an executive session to discuss the Colorado River Cooperative Agreement and Common Interest Cost-Share Agreement regarding the Shoshone Permanency Project under the CRCA with the purpose of receiving legal advice. Director Max Macdonell seconded the motion, and it carried unanimously. Present for executive session were all directors present at the regular meeting, including Director Seader virtually, Chris Geiger and Andie Hall of Balcomb and Green, and Eric Mangeot of LRE Water. Chris Geiger advised that the discussion in executive session will constitute attorney-client privileged communication and that the electronic recording would be paused. Executive session concluded at 8:52 P.M. and the Board reconvened the regular meeting. No formal action was taken during executive session and the conversation was limited to the topic identified at the outset. Director Tim Nieslanik moved to execute a letter in support of the Colorado River District grant request to the Colorado Water Conservation Board in the amount of \$28 Million pertinent to the Shoshone Permanency water rights effort. Director Charles Spickert seconded the motion, and it passed unanimously.

CONCLUSION

At 8:54 P.M., Director Charles Spickert moved to conclude the meeting. Director Max Macdonell seconded the motion, and it was approved unanimously.