

**MINUTES OF MEETING OF BOARD OF DIRECTORS  
BASALT WATER CONSERVANCY DISTRICT  
February 13, 2024**

**CALL TO ORDER**

The Board of Directors of the Basalt Water Conservancy District met on February 13, 2024 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, Jim Nieslanik, Tim Nieslanik, Michael Kennedy, Charles Bailey, Dean Seader, Charles Spickert, and Max Macdonell (virtually via Teams). There was a quorum.

The District's attorneys Chris Geiger and Andie Hall of Balcomb & Green, the District's engineers Eric Mangeot and Andrew Straub-Heidke of LRE Water ("LRE"), and Water Commissioners Bill Blakeslee and Heather Ramsey also attended.

**INITIAL BUSINESS**

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

The minutes from the January 9, 2024 meeting were considered by the Board. Director Jim Nieslanik moved to approve the January minutes, and Director Michael Kennedy seconded the motion, which carried unanimously.

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

a. Snowpack Summary

Eric Mangeot reported that the snowpack is currently at 96% of the median and that recent storms have helped. He noted that the February precipitation outlook is above average.

b. Gage Flows

Eric Mangeot reported that the Aspen gage on the Roaring Fork River is at 14.3 cubic feet per second ("c.f.s."), but he could not compare this flow rate to last year because the gage was iced over at this time last year. He reported that the Roaring Fork River at the Emma gage is down from this time last year by 15 c.f.s. at 242 c.f.s.; the Roaring Fork River at Glenwood Springs is down 23 c.f.s.; the Fryingpan River near Thomasville is down 5.3 c.f.s. at 21.3 c.f.s; the Crystal River near Redstone is down by 13.3 c.f.s; and the Crystal River near the Fish Hatchery is at 73.4 c.f.s. Eric also noted

that Ruedi Reservoir is approximately 73.9% full with just over 75,600 acre feet (“AF”), which is an increase of 10,877 AF compared to last year. Ruedi Reservoir discharge is 83.5 c.f.s, which is up 14.8 c.f.s. from this time last year.

c. Annual Assessment Rates

Eric Mangeot reminded the Board that annual assessment rates are elevated relative to the United States Bureau of Labor Statistics Price Index-All Urban Consumers, U.S. City Average-All Items (“CPI-U”) and gave a brief history of the District’s rates with a comparison to other water conservancy districts. He reported that the January CPI-U was released today at 3.09%. Eric recommended a standard CPI-U index increase this year. The Board discussed this suggestion in comparison to the Colorado River Water Conservation District (“CRWCD”) amounts and the West Divide Water Conservancy District’s (“West Divide”) augmentation supplies.

Charles Bailey made a motion to increase annual assessment rates by approximately 3.09%. Charles Spickert seconded the motion and it passed unanimously.

d. System Conservation Pilot Program (SCPP) – Cassie Cerise Review Request

Eric Mangeot gave a brief description of the System Conservation Pilot Program and notified the Board that it could provide comments to a local participant in Missouri Heights who is seeking to fallow a portion of her land. Eric noted that he did not see any reason to comment. No action was taken.

e. Ivanhoe Storage Exchange Update

Eric Mangeot is coordinating a meeting with the parties in this matter and will report further after the meeting has occurred.

f. Overage Memos Discussion

Eric Mangeot reported that eight contractees had high meter readings. LRE sent memos inquiring as to the reason and requested responses by the end of March to resolve any issues.

g. Online Meter Reading Rollout Discussion

Eric explained that LRE sent out email links earlier this year to contractees, but implementation took longer than anticipated and generated lots of questions from contractees. The few remaining questions are very simple and Melody at LRE is addressing them.

h. Crystal River Augmentation Plan Discussion

Eric reported that he drafted a proposal to evaluate potential need for local augmentation supplies on the Crystal River that considers future growth in a potential new Area A of the District. Eric analyzed the present worth and a Colorado River Engineering report, which identified three existing District contracts that need local augmentation supplies for their plans for augmentation. The Board further discussed the reason for the analysis, budget availability, and potential service opportunities. Tim Nieslanik moved to approve \$6,800 for an initial study, Charles Bailey seconded the motion, and it passed unanimously.

i. Blue Creek Favre HCU Credits Discussion

Eric explained that this discussion is related to the application to amend Contract No. 807 for Whiskey Mountain Estates. Eric's work on that amendment prompted him to investigate the District's available augmentation supplies on Blue Creek. He noted that a limiting month dictates the flexibility of contracts that use Blue Creek augmentation supplies, and that use of Blue Creek supplies is less likely for larger developments. Eric concluded that although the District has limited Blue Creek augmentation supplies and contract requests thereof should be closely examined, the District has sufficient supplies for contracts that require Blue Creek supplies.

j. Other

The Board discussed the Basalt Conduit's role in its contract supplies and Chris Geiger explained that each structure benefitting from District rights is an alternate point of diversion to the Basalt Conduit, which allows the Division of Water Resources ("DWR") to administer those structures with the same priority as the Basalt Conduit.

Eric reported that Colorado Parks and Wildlife ("CPW") is seeking a West Divide contract for its fish hatchery on the east bank of the Crystal River. Eric Mangeot and Chris Geiger explained that although the fish hatchery is on the east bank, which would be the District's service area, the springs that feed it are located in West Divide's service area. The Board, Chris, Eric, and Heather Ramsey discussed CPW's plan for augmentation, its larger concerns regarding the Cameo call, and whether West Divide can issue the contract for CPW, especially since it may involve Gunnison County, which is outside of its boundaries. Chris reminded the Board that West Divide entered an intergovernmental agreement with the CRWCD to be able to serve contractees in Gunnison County and that the District could do the same. The Board will discuss further as more information comes in.

Eric also reported that 18 contractees have reached a second or third strike for failure to submit meter readings and that Melody will reach out to Andie Hall to resolve.

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

a. Contract No. 831 – Sarah Moore 2001 Trust

Eric Mangeot presented this contract application for service under the District’s Case No. 02CW77 to cover depletions associated with a single family dwelling, ADU, 1,000 square feet of lawn and landscape irrigation and pond evaporation. The property is located in Garfield County at 335 Willow Lane, Carbondale. The source of supply is from an existing well. The contract amount is for 0.039 cfs and 2.6 AF. Andie Hall reported that the application was properly published on the website; the Board can consider operating the contract within 02CW77. Eric also noted that the applicant needs a -F well permit for the additional uses. Heather Ramsey noted that evaporation needs to be covered by a District contract because the Applicant can only fill the pond once and evaporation losses are not HUP protected. Director Charles Spickert made a motion to approve the contract. Director Tim Nieslanik seconded the motion, which passed unanimously.

b. Contract No. 832 – John A. Canning Revocable Trust

Eric Mangeot presented this contract application for service under the District’s Case No. 02CW77 to cover depletions associated with a single family dwelling, ADU, and 0.6 acres of irrigation on a proposed lot owned by Applicant. The property is located in Eagle County at 305 Arlian Road, Carbondale. Applicant is in the process of subdividing the property into two lots. Lot 1A would be served by this Contract and Lot 1B would be served by existing Contract No. 71. The source of supply will be from the proposed Arlian Lot 1A Well. The contract amount is for 0.033 cfs and 1.5 AF. Andie Hall reported that the application was properly published on the website; the Board can consider operating the contract within 02CW77. Director Jim Nieslanik made a motion to approve the contract. Director Charles Bailey seconded the motion, which passed unanimously.

c. Amendment to Contract No. 807 – Whiskey Mountain Estates, LLC

Eric Mangeot presented this contract application to cover depletions associated with a private augmentation plan, Case No. 22CW3109, for 45 horses, dust suppression, horse washing, and a drinking and sanitary facility. The amendment increases the volume of storage or other augmentation water allotted from 0.5 to 3.3 AF. The property is located in Eagle County at 626 Fender Lane, El Jebel. The source of supply is a spring collection box. The contract amount is for 0.02 cfs and 3.3 AF. Eric noted that the original contract included water use associated with 50 horses under agricultural uses, but the contract should be classified as commercial uses based on Applicant’s facilities

and operations. The contract rate will reflect commercial uses. Eric commented that the applicant is seeking augmentation supplies in July, August, and September, and that the limiting month for Blue Creek supplies is October. Because the applicant is not seeking replacement supplies in October, the District has supplies available to approve the amendment. Andie Hall disclosed that Balcomb & Green also represents the applicant and asked if the Board had any concerns about that representation. Director Jim Nieslanik made a motion to approve the contract. Director Charles Bailey seconded the motion, which passed unanimously.

d. Amendment to Contract No. 445 – The Wonderful Company LLC

Eric Mangeot presented this contract application to cover depletions associated with a pending private augmentation plan, Case No. 23CW3216, for an additional 6.85 acres of irrigation. The Board discussed the number of irrigated acres. The amendment increases the volume of storage or other augmentation water allotted from 15.0 to 25.2 AF. The property is located in Pitkin County at 161 Stillwater Drive, Aspen. The sources of supply are RIC Pump and Pipeline and RIC Pump and Pipeline No. 2, First Enlargement. The contract amount is for 1.33 cfs and 25.2 AF. Director Tim Nieslanik made a motion to approve the contract. Director Charles Spickert seconded the motion, which passed unanimously.

e. Assignment of Contract No. 242k – Rieser Investments LLC to 17792 Highway 82, LLC

Eric reported the assignment was completed last month.

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

a. Case No. 20CW3107 Update – Basalt Water Conservancy District

Chris Geiger reported that the court entered a decree in this case, which is the District's last active application. Gary Knaus asked about maintaining diligence on the Basalt Conduit. Chris answered that the District will continue to contract direct flow priority water and add structures as alternate points of diversion. LRE will determine the amount each structure diverts to determine the usage of the Basalt Conduit's priority.

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

Chris Geiger reported that he anticipates a settlement proposal from Spring Valley Holdings soon. He noted, however, that the property is currently under contract, so the development proposal may be reconfigured. This could explain delays in the water court proceedings.

c. Bill of Sale Agreement – Carl Eichstaedt Living Trust

Andie Hall reported that LRE communicated with Carl Eichstaedt Trust regarding a bill of sale for well equipment that was part of the District's well study a few years ago, but that remains in the well pursuant to the Trust's request. Balcomb & Green sent a subsequent letter to the Trust requesting execution of a bill of sale for the well equipment. Andie reported that the bill of sale has been executed and the District no longer has interests in or responsibilities for the equipment.

d. Shoshone Permanency Effort

Chris Geiger provided a recap of the Shoshone Permanency Effort, noting that its benefits, among others, are to delay and reduce the duration of a Cameo call, improve supply availability, and protect west slope interests. Chris commented that he anticipates the Colorado River Water Conservation District will likely approach the District to consider providing support.

e. Other

Chris Geiger reported that the District's Water Education Colorado membership is up for renewal and discussed the perks of membership, including a subscription to Headwaters Magazine. Director Jim Nieslanik moved to renew the District's membership, Charles Spickert seconded the motion, and it passed unanimously.

**REPORT OF THE DIVISION OF WATER RESOURCES**

Water Commissioner Bill Blakeslee reported that the DWR's records keeping process is progressing and that the District's Basalt Conduit case has been tabulated.

**BILLS, AUDIT REPORTS, FINANCIAL STATEMENTS**

The Board reviewed the bills tendered in February for the month of January. Jim Nieslanik moved to pay the bills, Charles Bailey seconded the motion, and it passed unanimously. Chris Geiger noted that the Bureau of Reclamation bills are lower than 5 years ago because the District is no longer responsible for capital expenses or extraordinary improvements.

**DIRECTOR REPORTS AND COMMENTS**

Chrales Spickert reported that he attended the Basin Round Table meeting and that the state has issued a new climate change report, which indicates trends of warmer temperatures, less snowpack, earlier snow melt, and decreased stream flows. He noted that the report also anticipated a rise in temperatures by one to five degrees by 2050, which makes everything district does more important for the future.

Charles Spickert also noted that the website needs to be updated. Chris Geiger responded that Balcomb & Green will coordinate with LRE to update the website.

Gary Knaus requested an update regarding improvements to the billing system from the District's accountant.

**EXECUTIVE SESSION**

None.

**CONCLUSION**

At 8:24, Director Charles Spickert moved to conclude the meeting. Director Tim Nieslanik seconded the motion, and it was approved unanimously.