MINUTES OF MEETING OF BOARD OF DIRECTORS
BASALT WATER CONSERVANCY DISTRICT
October 21, 2025

CALL TO ORDER

The Board of Directors of the Basalt Water Conservancy District met on October 21, 2025 commencing at 7:03 p.m. in the Board Room at the Third Street Center, 520 South Third Street, Carbondale, Colorado. The meeting was also held telephonically.

The District's attorney Andie Hall took the roll call. The following directors were present: Gary Knaus, Jim Nieslanik, Michael Kennedy, Charles Bailey, Charles Spickert, and Jeff Nieslanik. 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, the District's Accountant Tiffanie Rudow, and Water Commissioners Bill Blakeslee and Heather Ramsey also attended.

INITIAL BUSINESS

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

The Board considered the minutes from the September 9, 2025 meeting. Director Michael Kennedy moved to approve the September minutes. Director Jim Nieslanik seconded the motion, which carried unanimously.

REPORT OF THE ACCOUNTANT

Tiffanie Rudow reported that she requested an ACH payment form to Melody to authorize ACH payment for contractees that the Board needs to save.

Tiffanie then reported on a bulletin from CSafe that explained why the site was down and that it was due to a data breach in August. The bulletin explained that the CSafe system shut down for protection and the investigation did not find any data taken from CSafe.

Tiffanie recommended a wire transfer up to $700,000. Director Jim Nieslanik moved to transfer $700,000 from the money market into CSafe. Director Michael Kennedy seconded the motion, and it passed unanimously. The Board discussed the CSafe entity and Tiffanie explained it is a Colorado-based local government bank entity that is approved for investment by local governments. Tiffanie reported that interest rates for CSafe are around 4%. She and the Board discussed interest rates for various account types.

Tiffanie Rudow presented the proposed draft 2026 General Fund and Enterprise Budgets and led a discussion with the directors. She explained that the Enterprise Activity Budget is the larger of the two and that the preliminary budget came out of budget workshop meeting. Eric Mangeot walked the Board through the engineering budget line items, Andie Hall described the legal line items, and Tiffanie explained the remaining budget line items. Tiffanie then led the discussion on the Administrative Enterprise Budget and is estimating property taxes at $32,657. Once she gets updated certifications from the counties, she will run the final calculation. Tiffanie assumed a 3% increase for the audit and noted that she is raising her rates slightly. Tiffanie explained the mill levies and that any growth this year pushed down the mill levy resulting in taxes remaining the same. The Board completed an initial consideration of the proposed budgets for formal adoption at a subsequent meeting. The Board will formally consider the budgets for adoption at the District's meeting on November 11, 2025.

Tiffanie reported that she spoke with Roger Maggard regarding the audit; she explained that there is nothing to report and everything looks good. Balcomb & Green will include the letter from audit in next Board packet. Tiffanie and the Board discussed the importance of an audit and the District's 2025 financial activities. Gary Knaus suggested the audit numbers be included in the 2026 budgets. Director Michael Kennedy moved to ratify the audit. Director Jeff Nieslanik seconded the motion, and it carried unanimously.

REPORT OF THE ENGINEER (ERIC MANGEOT, LRE WATER)

Eric Mangeot provided a copy of the engineering budget to the Board and discussed current engineering costs and future projections. Chris Geiger noted that he did not think the District would make its $100,000 contribution to Shoshone in 2026. Director Gary Knaus inquired about the timing of increasing contract fees. Eric explained that the Board currently ties increases to the CPI and recommends discussing this at the February meeting to align with the start of the billing period. Director Charles Bailey commented on the budget line item for water purchase O&M; Eric responded that the District doesn't know what the Bureau of Reclamation will charge for Ruedi Reservoir and Green Mountain Reservoir water, and the Busk Ivanhoe O&M is included, for which the District hasn't been billed yet.

a. Gage Flow Summary and Monthly Precipitation Outlook

Eric Mangeot reported on the stream gages, noting that flows are not as bad as they were, but overall still down from last year: the Roaring Fork River (1) near Aspen is up by 18.6 cubic feet per second ("c.f.s.") from this time last year at 45.1 c.f.s., (2) near Emma is down by 77 c.f.s. at 333 c.f.s., and (3) at Glenwood Springs is down 58 c.f.s. at 488 c.f.s.; the Crystal River (1) above Avalanche Creek near Redstone is down 5.5 c.f.s. at 56.6 c.f.s., and (2) at the Fish Hatchery is down 22.3 c.f.s. at 32.1 c.f.s. Eric reported that the gage for the Fryingpan River near Thomasville was not recording. He concluded with Ruedi Reservoir's discharge at 140 c.f.s., which is down by 43 c.f.s. compared to this time last year, and that Ruedi Reservoir is 66.3% full at almost 68,000 acre feet ("AF").

Eric reported that there are equal chances of precipitation in October.

b. Roaring Fork River Gage Flow Comparison Versus Previous Water Years

Eric Mangeot reported that he finished the gage flow comparison. He noted that the gages were boosted recently due to tropical storm activity and that he measured flows in the stream to confirm that the District still has exchange potential.

c. Billing Update

Eric Mangeot reported on behalf of Melody Morris that she has billed out $677,933 of contract fees and collected $594,509. Melody indicated that she is starting to receive flow meter readings and it appears contractees are using online meter submittal.

d. Other

None.

WATER ALLOTMENT CONTRACT ASSIGNMENTS, AMENDMENTS, INCLUSIONS AND CONTRACTS

a. Contract No. 866 – 2134 LRR, LLC

Chris Geiger reported, consistent with District Resolution 2024-03, that this Applicant is a client of Balcomb & Green. He explained that the Applicant purchased the property from a client of the firm and as part of the sale negotiations, the firm agreed to assist in applying for a District contract for additional water supplies for this property. Chris explained the four criteria in the District's resolution that govern Balcomb & Green's involvement and how Balcomb & Green has complied with each: (1) Balcomb & Green shall not disclose confidential District information to the Applicant, (2) the Applicant shall not have interests adverse to those of the District, (3) Balcomb & Green did not discuss, nor does the contract contain, preferential benefits to the Applicant, and (4) Balcomb & Green shall disclose this representation to the District's Board.

Eric Mangeot presented this contract application for service under the District's Case No. 02CW77 plan for augmentation in Area A-3 to cover depletions associated with a single-family dwelling, accessory dwelling unit, 2.0 acres of irrigation, and evaporative losses from a proposed 0.33 acre pond. The property is in Pitkin County at 2134 Lower River Road, Snowmass. The source of supply is the Jeffrey Well No. 1 (Permit No. 151148), which is permitted for indoor use and irrigation. Eric noted that the Applicant will use a pump and pipeline off the Roaring Fork River to supply a proposed pond. The two sources have a combined rate of 35 gallons per minute, or 0.078 c.f.s. Eric reported that the contract amount is for 0.078 c.f.s. and 5.7 AF. Andie Hall reported that the application was properly published on the website; the Board has jurisdiction to consider operating the contract within Case No. 02CW77. Water Commissioner Bill

Blakeslee expressed some reservations because the Applicant has not filed a notice of intent to impound water for the pond with the Division of Water Resources ("DWR"). Eric responded that as part of the property closing, the Applicant's attorney wanted to make sure the Applicant has a legal water supply for the pond but don't have plans to construct it at this time. The Board discussed the location of the property and size of the contract, which is larger due to irrigation uses. Eric explained that part of the issues that spurred the Applicant to apply for a District contract is that the owners had been irrigating beyond their right to do so. The Board discussed the legal water supply aspect for this Applicant and the need for the contract water. Director Jim Nieslanik moved to approve the contract. Director Jeff Nieslanik seconded the motion, which passed unanimously.

b. Contract No. 868 – 222 Big Hat, LLC

Eric Mangeot presented this contract application for service under the District's Case No. 02CW77 plan for augmentation to cover depletions associated with a single-family dwelling, accessory dwelling unit, 0.75 acre of lawn and landscape irrigation, and evaporative losses from a proposed 400 square foot water feature. Total depletions are estimated at 1.7 AF and the contract amount is for 0.033 cfs and 1.7 AF. The property is in Eagle County at 222 Big Hat Road, Basalt and located in Division 7 of the District. The Applicant is currently served by Contract No. 538, which the Owners Association holds to provide a replacement supply for the subdivision's diversions through an infiltration gallery. Eric explained that when Fryingpan River flows are low, the infiltration gallery does not perform well, so this individual wants to get off that system and alleviate their uses from the Association's system. Eric commented that the Applicant planned to initially have the source of supply from a pump and pipeline, but has since reconsidered and decided to drill a well instead. Eric presented updated calculations based on a well as the source. He explained that the numbers are the same, but the depletions are lagged because of the well. He noted that the notice on the website was for the pump and pipeline instead of the well. Eric reported that he informed DWR that the source changed and DWR did not have any concerns with the revised engineering. Eric noted that DWR is the only entity that has ever commented on an umbrella plan contract. Eric explained that if the contract is renoticed to update the source from the pipeline to the well, the Applicant would like a conditional approval at this meeting to allow them to proceed with drilling the well, but the signed contract won't be issued after the notice period has expired. Director Charles Bailey asked about the reduction in flow rate. The Board inquired as to whether this well will be a replacement supply or redundant supply. Eric responded that he understands it will eventually be a replacement supply, but will be redundant until the Applicant's remodel is complete and the water system is up and running. Chris and Eric discussed how much water could be allocated twice between the two contracts for the same use. The Board determined that in order to prevent duplicative District supplies, the Owners Association would need to amend its contract down by the amount contemplated in this Application. Chris Geiger recommended that the District renotice the application with the corrected supply source on the website to avoid any potential future challenges to

inadequate notice. Eric noted that the Board has seen applications with additional supplies if they have a weak well or other supply to allow flexibility. Chris Geiger, Andie Hall, and Eric Mangeot discussed the options with the Board. Director Gary Knaus suggested tabling the Application until the Applicant can resolve the possible duplicative supply and allow time for renoticing with the amended source of supply. The Board directed Balcomb & Green and Eric Mangeot to respond to the Applicant and explain that the Board is inclined to approve its Application but requires additional information, especially for the redundant supply issue. Director Jim Nieslanik moved to table the contract. Director Charles Spickert seconded the motion, which passed unanimously.

c. Contract No. 870 – RFC Waterman, LLC

Eric Mangeot presented this contract application for service under the District's Case No. 02CW77 plan for augmentation to cover depletions associated with evaporative losses from a 0.344 acre pond in area A3 above confluence of the Fryingpan and Roaring Fork Rivers. The property is in Pitkin County at 26390 Highway 82, Basalt. The source of supply is the Grace & Shehi Ditch. The contract amount is for 0.013 cfs and 1.5 AF. Eric noted that Contract No. 320 is also associated with property but for different supplies. Andie Hall reported that the application was properly published on the website; the Board has jurisdiction to consider operating the contract within Case No. 02CW77. Director Charles Bailey moved to approve the contract. Director Jim Nieslanik seconded the motion, which passed unanimously.

d. Contract No. 871 – 1649 Emma Spur, LLC

Eric Mangeot presented this contract application for service under the District's Case No. 02CW77 plan for augmentation to cover depletions associated with an accessory dwelling unit, studio apartment, and a hot tub. The property is in Eagle County at 1649 Emma Spur Road, Basalt. The source of supply is an existing Monitoring Hole (Permit No. 338804) and will be from that well once it is permitted. Eric reported that the monitoring well is located in the District's Area A but depletions occur in Area B, so it can be approved within the 02CW77 Umbrella plan. Eric noted that the District's Resolution 2021-03 allows up to 1 AF of diversions that are 100% depletive other than evaporation and livestock and that this Application meets the criteria described in Resolution 2021-03. The contract amount is for 0.033 cfs and 0.7 AF. Andie Hall reported that the application was properly published on the website; the Board has jurisdiction to consider operating the contract within Case No. 02CW77. Director Jim Nieslanik moved to approve the contract. Director Charles Bailey seconded the motion, which passed unanimously.

e. Amendment to Contract No. 28b – James L. Case Revocable Trust

Eric Mangeot presented this amendment for service under the District's Case No. 87CW155 plan for augmentation to cover depletions associated with a single family

dwelling, 19,300 square feet of irrigation, and 6 livestock. The amendment is seeking to reduce the number of livestock to 4 and add depletions associated with an existing hot tub. The contract depletions remain the same at 1.0 AF. The property is located in Eagle County and has an address of 2721 Frying Pan Road, Basalt. The source of supply is from the Sanders Well No. 2 (Permit No. 331022). Director Jeff Nieslanik moved to approve the amendment. Director Charles Spickert seconded the motion, which passed unanimously.

f. Partial Assignment of Contract No. 525c – Iglesia De Jesucristo Palabra Miel Brighton, Co. to Iglesia De Jesucristo Puerta Del Cielo; and Partial Assignment of Contract No. 525c – Iglesia De Jesucristo Puerta Del Cielo to Iglesia Pentecostes Torre Fuerte

Andie Hall reported that the assignments were completed last month.

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

a. Case No. 25CW3099 – Diligence Case

Andie Hall reported that the District received a favorable Summary of Consultation Report in its Area A-3 diligence case, a copy of which was included in the Board packet. She noted that the court can now consider entering a ruling and Balcomb & Green will continue to update the Board as this case progresses.

b. Case No. 24CW3112 – Opposition to Home Supply Ditch Company

Andie Hall reported that the Applicant was to provide the opposers with a response to their joint engineering memo and letter by October 3, and that as of the meeting, this had not occurred. She reported that the court has a status conference in this case scheduled for December 2.

c. Case No. 25CW3096 – Opposition to City of Aspen

Andie Hall reported that the court held an initial status conference in the City of Aspen's case, in which Aspen is seeking to change the location of several conditional storage rights. Aspen is to provide an engineering report with its response to the Summary of Consultation Report and circulate a proposed ruling by December 19. The opposers will then need to provide any further comments by February 20, 2026.

d. Crystal River Augmentation Plan

Andie Hall reported that she, Chris Geiger, and Eric Mangeot drafted an intergovernmental agreement ("IGA") based on the terms that West Divide provided. She explained that they drafted it to encompass many of the options that the Board previously discussed for ways to serve water users in the Crystal River Basin while allowing the District an opportunity to remain involved in the Crystal River Basin.

Chris Gieger added that he slightly revised the draft that was included in the Board packet and shared with West Divide's attorney so that he could discuss it with the West Divide Board. He reported that we have not received any feedback from West Divide, so no action is required at this time. The Board discussed how the IGA would operate for contractees with District contracts and private plans for augmentation, and how properties that are not located within either District's boundary will apply for inclusion into the District. Chris anticipates receiving a response next month.

e. CWCB Lease

Chris Geiger reported that we have not received a final contract from the Colorado Water Conservation Board. This matter was tabled.

f. Director Terms Expiring December 2025; Bailey and Spickert

Andie Hall reported that Balcomb & Green posted notice of the upcoming Director term expirations and filed applications for Directors Charles Baily and Charles Spickert to renew their offices. She reported that the court will hold an appointment hearing on December 11, during which Balcomb & Green will provide the court with information regarding the District's operations, the court's jurisdiction to consider the applications before it, and why the applicants are qualified to serve as Directors.

g. Order Granting Motion to Change District Designated Office Location

Andie Hall reported that the court granted the District's motion to update its place of business from Carbondale to "within the District's boundaries" to better reflect the District's operations. A copy of the order was included in the Board packet.

h. Other

Andie Hall reported that statute only requires the District to post notice of its meetings on its website, so the counties will no longer receive the notices to post at a physical location.

REPORT OF THE DIVISION OF WATER RESOURCES

Water Commissioner Bill Blakeslee reported that the Division Engineer is retiring and DWR has hired a new Division Engineer, Tyler Benton. Water Commissioner Heather Ramsey reported that the Assistant Division Engineer also left the office and DWR is working to replace him.

Heather reported that DWR is holding stakeholder meetings for the draft measurement rules, which are posted on DWR's website.

BILLS, AUDIT REPORTS, FINANCIAL STATEMENTS

The Board reviewed the bills tendered in October for the month of September. Director Jim Nieslanik moved to approve payment, and Director Jeff Nieslanik seconded the motion, which carried unanimously.

DIRECTOR REPORTS AND COMMENTS

Director Charles Spickert reported on the basin roundtable meeting and explained that there are two grant cycles that the roundtable approves. He reported that in the last cycle, the roundtable approved about $180,000 in grants. Director Spickert noted that Becky Mitchell reported on the Colorado River negotiations and that she is not hopeful regarding upcoming deadlines for upper and lower basin states to reach an agreement.

Director Jim Nieslanik inquired about ceasing the mill levy. Chris Geiger responded that it's an option and the District could set it at zero. However, once set there, the District would likely have to take it to popular vote to increase it again. The Board discussed the operations of the mill levy.

EXECUTIVE SESSION

None.

CONCLUSION

At 9:02 p.m., Director Jeff Nieslanik moved to conclude the meeting. Director Jim Nieslanik seconded the motion, and it was approved unanimously.