

**Minutes from the Meeting of the
Yellow Jacket Water Conservancy District
Thursday, December 6, 2012
Rio Blanco County
Commissioners' Meeting Room
200 Main Street, Meeker, CO 81641**

Call to Order

The meeting was called to order at 5:00 p.m.

Roll Call

Directors Present:

David Smith, Vice-President
Mike Brennan
Kelly Sheridan
Benjamin Rogers
Walter Proctor

Others Present:

Scott Grosscup, General Counsel
Erin Light, Division Engineer
Alden Vandenbrink
Wade Cox

Appointment of Secretary

Scott Grosscup, General Counsel, was appointed Secretary of the meeting.

Approval of Minutes

Director Proctor moved to approve the November 19, 2012 minutes as presented. Director Brennan second, all in favor.

Treasurer's Report

Director Brannan stated that after payments from the last meeting were approved, the District had \$8,401.63 in its checking account and \$10,000 in certificates of deposit.

Director Proctor discussed remaining amounts due for services and bills received in 2012. A spreadsheet demonstrating bills received and paid is annexed hereto. The following accounts payable were approved:

- \$4,000 to White and Jankowski for services in 2012 (m/s/c Proctor, Sheridan, all in favor)
- \$1,750 to AMEC, as budgeted in 2012, provided that AMEC gives notice that it wishes to receive payment for services billed in 2011 in light of pending litigation, discussion followed (m/s/c Proctor, Sheridan, all in favor)
- \$4123.82 to Balcomb & Green for legal services and for reimbursement of expenses, filing fees, travel, publication costs (m/s/c Proctor, Rogers, all in favor)

Director Proctor then discussed anticipated end of year expenses and the need to re-allocate funding from previously budgeted items. The Board approved the following re-allocation of moneys:

- \$1490.47 from the Yellow Jacket Study to pay anticipated legal fees (m/s/c Proctor, Sheridan, all in favor)
- \$345 from legal notices to legal fees (m/s/c Proctor, Sheridan, all in favor)
- \$541 from expenses to legal fees (m/s/c Proctor, Brennan, all in favor)

Director Proctor began discussion of cashing in the District's \$10,000 certificate of deposit, which discussion was tabled for later in the meeting.

Director Proctor then moved to authorize payment of generally anticipated bills, including insurance and accounting without need for prior approval by the board, subject to funds being available in the budget category, and that such payments do not exceed the budgeted amounts. Director Sheridan second, all in favor

Hearing on 2013 Budget

Director Smith re-opened the hearing on the 2013 Budget, continued from the November 19, 2012 meeting. Scott Grosscup described some of the changes from the previous budget, including the addition of new text in the budget statement. He then described the three proposed budget resolutions for the Board's consideration. A copy of the budget is attached. No members of the public were present. The Board took the following actions with respect to the Budget:

- Director Proctor moved adoption of the Resolution to Set Mill Levy 2013, reducing the present mill levy from 0.21 mills to 0.209 mills, Director Brennan second, all in favor.
- Director Brennan moved adoption of the Resolution to Adopt Budget as presented, Director Rogers second, all in favor.
- Director Sheridan moved adoption of the Resolution to Appropriate Sums of Money, Director Rogers Second, all in favor.
- Director Brennan moved that Scott Grosscup be authorized to certify the mill levy to the respective counties consistent with the Board's action on the 2013 Budget, director Proctor second, all in favor.

Director Brennan moved to close the hearing on the 2013 Budget, Director Proctor second, all in favor.

New Business – Highland Ditch

Director Proctor presented his findings on the history of the District's leasing of its interest in the Highland Ditch to the White River Highland Ditch Company. A summary of his findings prepared by Director Proctor are attached. Director Proctor indicated that since 2006, there were four years of non-payment, 2006, 2009, 2010 and 2011. Discussion followed regarding the history of the agreement with the Ditch Company and possible plans on moving forward with collecting on the amounts past due.

Scott Grosscup discussed the potential for conflicts of interests related in pursuing past amounts. He indicated that the law firm of Balcomb and Green represented the Highland Ditch Company in the 1990's. Directors Smith and Rogers also are shareholders in the Highland Ditch Company.

Director Proctor moved that District submit a bill to the White River Highland Ditch Company for use of the Fourth Enlargement in the amount of \$3,048 for the years 2006, 2009, 2010 and 2011, Director Brennan second, all in favor. Directors Smith and Rogers recused themselves from voting.

Director Proctor moved that District submit a bill to the White River Highland Ditch Company in the amount of \$762 for use of the Fourth Enlargement in 2012, Director Brennan second, all in favor. Directors Smith and Rogers recused themselves from voting.

Director Proctor moved that District adjust the rental fee for use of the Fourth Enlargement in 2013 to \$1,421, Director Sheridan second, all in favor. Directors Smith and Rogers recused themselves from voting.

Director Proctor requested that the Board review the amount charged for use of the Fourth Enlargement annually as part of the District's budgeting process.

Director Proctor moved that District request a joint meeting with the White River Highland Ditch Company to discuss its continued use of the Fourth Enlargement as soon as practical, Director Sheridan second, all in favor. Directors Smith and Rogers recused themselves from voting.

Director Proctor then indicated that there Ditch Company may be able to help in identifying individual contractees and clarifying the use of the water. Scott Grosscup was directed to contact the attorney for the Town of Meeker to regarding the Town's potential contractual interest in this water right.

Treasurer's Report Budget Discussion

Director Proctor moved to cash in the District's remaining CD and allocate half to the District's general operating account and put the other half into a separate savings account. Director Brennan second, all in favor.

New Business – Removal of Districts 8 and 9

Director Proctor raised the concern that the District does not have any water rights that could be used to the benefit of the constituents in Districts 8 and 9. The water rights located in Moffat County in which Districts 8 and 9 are located were abandoned in Case No. 08CW26. Discussion followed regarding whether the District should tax a property owners without having any water rights to serve this constituency.

Director Proctor moved that the Board direct Secretary/Counsel to begin investigations on the process to have Districts 8 and 9 removed from the District in 2013, Director Brennan second. The motion carried with Director Smith opposed.

Public comment

There were no members of the public present at the meeting.

The meeting adjourned at 5:15 p.m.

Read and approved this ___th day of _____, 2013.

Signed: _____

Attest: _____