Meeting of the

Yellow Jacket Water Conservancy District

Thursday December 6, 2018

2:00 to 4:00 p.m.

Meeker Library

490 Main Street, Meeker, CO 81641

Call to Order

The meeting was called to order at 2:20 p.m.

Roll Call Staff Present

Directors Present Scott Grosscup, District Attorney

Kelly Sheridan

Walter Proctor Others Present

David Smith Shana Lewis, Water Commissioner

Shawn Welder

Bailey Franklin

Approval of Minutes from September 27, 2017

Director Smith moved to approve the minutes from September 27, 2018 as presented, Director Proctor second, all in favor.

Approval of Accounts Payable

Director Proctor presented a new spreadsheet showing bills for 2018. The only account payable was that to Balcomb & Green, P.C.

Director Proctor then moved to pay accounts payable to Balcomb & Green, P.C. ($2,858.45), director Smith second, all in favor.

Approval of 2019 Budget

At 2:27 p.m., Director Proctor moved to open the Budget Hearing on the District’s 2019 budget, Director Smith second, all in favor.

Scott indicated that a draft of the budget had been sent to the Directors on October 11, 2018, that he had posted notice of the budget hearing in the Rio Blanco Herald Times and in the Craig Daily Press. Copies of the draft budget were made available for inspection at the offices of the Clerk and Recorder for Rio Blanco and Moffat Counties. Scott had not received any comments from the public and no one from the public was present to comment on the draft budget. Having determined that notice provisions were complied with, the Board began discussion of the draft budget.

Scott reported that anticipated future tax revenues will decline due in part to the effects of the Gallagher Amendment. This is a common occurrence for many West Slope taxing entities that have limited commercial properties. He then said that revenues for 2019 appear relatively constant to 2018 receipts. The mill levy will remain constant at 0.209 mills. Scott also said that there was an overall reduction of $84 from the earlier budget due to recalculations by all three counties, portions of which the District covers.

Scott walked the Board through the budget that includes increased spending for legal fees due to the anticipated court filing to move water rights associated with Sawmill Mountain Reservoir to Lake Avery and continued engineering analysis that may be required in support of that water court application. Additional funds not spent will be added to the District’s Reserve Fund and to the Operating Fund.

Director Smith asked whether the anticipated legal budget was enough. Scott responded that he thought that it would be enough to get through 2019 and Director Proctor noted that monies could be moved around in the event of unforeseen fees and costs. The Directors then discussed the process for changes of water rights and timing of such an application.

Director Smith moved to adopt the Resolution to Set Mill Levy for the District at 0.209 mills with correction to date of budget hearing (December 6, 2018) and the overall revenues due to the amended certification of values from Rio Blanco County ($23,980) and assessment values ($114,306,284), Director Proctor second, all in favor.

Director Proctor moved to adopt the Resolution to Adopt Budget with correction to the date budget was made available (October 11, 2018) and with correction to date of budget hearing (December 6, 2018), Director Smith second, all in favor.

Director Smith move to adopt Resolution to Appropriate sums of money with correction to Total available Funds as presented in the Budget ($44,565), Director Franklin second, all in favor.

Director Proctor moved to close the budget hearing, Director Franklin second, all in favor.

Yellow Jacket Water Storage Feasibility Study

Scott reported that since the last meeting, he had received a letter from Colorado Parks and Wildlife (“CPW”) indicating its support to move water rights associated with Sawmill Mountain Reservoir into Lake Avery, provided that the parties would need to come to a future agreement about releases of water, reservoir expansion, and operations. The Board discussed CPW’s current ability to release 3,000 acre feet for stream enhancement purposes three out of ten years pursuant to existing law and how the District’s water rights could be used for such purposes and other purposes such as augmentation of existing and future wells.

Scott also reported that in 2019 Applegate Group will be analyzing the projected costs for the enlargement of Lake Avery based on whether the enlargement is done with a full or empty reservoir as this will change how the enlargement is completed. Discussion followed concerning additional storage on Big Beaver Creek including the Big Lick Reservoir and other projects in the area and current support by the District Administrator for the United States Forest for such projects.

Director Smith moved that staff be authorized to file an application for change of water rights to move the Sawmill Mountain Reservoir rights to Lake Avery and for staff to analyze whether there are any additional changes that may be required, director Franklin second, all in favor. Prior to filing any such application, Scott indicated that he would first circulate a draft for Director comment prior to filing and subsequent ratification at a future meeting.

There has not been any additional reaction from the landowners regarding potential to move water rights to their properties on Little Beaver Creek. Director Sheridan will follow-up with the affected landowners.

The Board then discussed the pending Wolf Creek Reservoir Project. The Rio Blanco Water Conservancy District is in the process of completing phase 2 of its report. Applegate Group would like to use that report for comparison purposes of anticipated construction costs.

The Board then discussed reports concerning questions raised by the Division Engineer with respect to the project feasibility and need and demand for the reservoir. The Colorado Water Conservation Board and Basin Roundtable have provided funding for the feasibility analysis. The Rio Blanco Water Conservancy District and Terra Carta Energy have applications bending before the water court for the reservoir.

Board Vacancies

The Board discussed the need to fill a seat at the Yampa/White/Green Basin Roundtable with a member from the District. The Board discussed political participation and that there is a need to rally support and promote projects such as the Lake Avery enlargement within the White River. The Board also discussed potential for adding of additional sources, such as irrigation rights, to the District’s proposal.

Director Proctor moved to appoint Director Welder to serve on the Yampa/White/Green Basin Roundtable with a member from the District, Director Smith second, all in favor.

Scott then stated that there are still two vacant seats. The Board discussed potential candidates and would respond to Scott if there is any interest.

New Business

There was no new business.

Adjourn

The meeting adjourned at 3:52 p.m.

Read and approved this \_\_\_ day of \_\_\_\_\_\_\_\_\_, 2019

Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Attest:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_