

**Minutes from the Meeting of the
Yellow Jacket Water Conservancy District
Thursday, August 30, 2012
White River Electric
223 6th Street, Meeker, CO 81641**

Agenda

Call to Order

The meeting was called to order at 3:00 p.m.

Roll Call

Directors Present:

Ed Coryell, President

David Smith, Vice President

Mike Brennan

Kelly Sheridan

Walter Proctor

Others Present:

Scott Grosscup, General Counsel

Appointment of Secretary

Scott Grosscup, General Counsel, was appointed secretary of the proceedings.

Approval of Minutes

Director Smith commented on the minutes from May 24, 2012 and requested that his comments regarding the use of the District's water rights for oil shale purposes be clarified to indicate that it was his understanding that the District's water rights could be used for oil shale development within the District's boundaries if industry wished to contribute to construction of such a project.

Director Smith moved to approve the May 24, 2012 minutes with the addition regarding his understanding of how the District's rights could be used, Director Proctor second, all in favor.

Director Proctor moved to approve the July 25, 2012 minutes, director Brennan second, all in favor.

Treasurer's Report – Budget Discussion

Directors Brennan and Proctor presented the attached accounting of the District's amounts budgeted, billed, owed, and paid. The table indicates that the District has \$27,328.57 available and an accounts payable of \$66,410.112. Discussion followed concerning the amounts in the table.

The following accounts payable were approved:

- \$780.12 for payment to the Colorado River District for the Reservoir Feasibility Study (m/s/c Proctor, Smith all in favor)
- \$2,644.00 to Balcomb & Green for services as Project Manager for the feasibility study (m/s/c Proctor, Sheridan all in favor)
- \$3,000 to Cooley-Zagar Brown with notation to recognize that this is the amount that was budgeted in 2012 (m/s/c Proctor, Smith all in favor)
- \$6,000 to White and Jankowski (m/s/c Proctor, Brennan, all in favor)

- Re-appropriation the \$260 budgeted for advertising to accounting, for a total accounting budget of \$860.00 for 2012 (m/s/c Proctor, Smith, all in favor)

Director Proctor was designated the budget officer for preparing the budget for 2013, pursuant to section 29-1-104, C.R.S.

Executive Session

At 4:00 p.m. Director Brennan moved that the Board go into Executive Session pursuant to C.R.S. §§ 24-6-402(4)(b) and (e) to confer with its attorney for the purpose of receiving legal advice on a specific legal question and determining positions relative to matters subject to negotiations, Director Proctor second, all in favor.

At 4:45 p.m. the Executive session concluded. The participants in the executive session included those directors present and above counsel. No party who participated in the Executive Session raised any objection to the matters discussed therein, or stated that any improper action occurred during the Executive Session in violation of the Open Meetings Law.

YJWCD Feasibility Study

Scott Grosscup stated that he and Scott Balcomb had meet with representatives from the Colorado River Water Conservation District to discuss the next steps in YJWCD's reservoir feasibility study. He also said that he had received notice from the Yampa/White/Green Basin Roundtable indicating that it will withhold payment until members from the YJWCD discuss the next steps for the study. Due to the funding stoppage, the study is at a standstill.

Director Sheridan offered to present at the next roundtable meeting. The directors agreed that nothing further should be done on the study until the outcome of the YJWCD's appeal is known.

Appointment of Directors - Districts 3, 6, 7 and 8

Scott Grosscup reported that the appointments for the directors from Districts 3, 6 and 7 are expiring, and there is a present vacancy in District 8. He will begin the process to publish notification of the vacancies and discuss with the existing directors of their desire to continue.

New Business

Director Sheridan discussed a conversation with the Farm Bureau regarding potential funding. Scott Grosscup will investigate the implications from TABOR and report to the Board.

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 ____ day of _____, 2012.

Signed: _____

Attest: _____

| DATE UPDATED | | BANK STATEMENTS | | BALANCE | | | |
|---------------------|--------------------|---------------------|---------------|----------------|-----------------------|-----------------------|--------------------|
| 25-Aug-12 DEC - JUL | | | | | | | |
| EXPENSE CATEGORY | 2012 BUDGETED AMNT | PAYEE | AMOUNT BILLED | REDUCED AMOUNT | ADJUSTED BALANCE | PAYMENTS | REMAINING BUDGETED |
| ACCOUNTING | \$600.00 | Colorado CPA | | | | \$400.00 | |
| | | | | | | | \$200.00 |
| ADVERTISING | \$260.00 | Dally Press | | | | | |
| | | RB Herald Times | | | | | \$260.00 |
| INSURANCE | \$1,500.00 | Mountain West Ins. | \$252.00 | | | \$252.00 | |
| | | Philadelphia Ins | \$1,010.00 | | | \$1,010.00 | \$238.00 |
| LEGAL NOTICES | \$500.00 | RB Herald Times | | | | | |
| | | Dally Press | | | | | \$500.00 |
| LEGAL FEES/APPEAL | \$10,000.00 | White & Jankowski | \$93,080.29 | (\$47,080.29) | | \$2,500.00 | |
| DEBT RELIEF | \$5,000.00 | | | | | \$6,500.00 | |
| | | | | | \$46,000.00 | | \$6,000.00 |
| LEGAL FEES SEC-CO | \$5,000.00 | CZB | \$28,042.39 | (\$11,042.39) | | \$1,000.00 | |
| | | | | | \$15,000.00 | \$1,000.00 | |
| | | B&G | \$12,988.00 | (\$12,988.00) | | \$0.00 | \$3,000.00 |
| YJ STUDY | \$20,000.00 | Applegate | \$780.12 | | | \$780.12 | |
| | | Project Manager B&G | \$2,644.00 | | | \$2,644.00 | |
| | | | | | | | \$20,000.00 |
| ENGINEERING&SURVEY | \$0.00 | AMEC | \$2,156.00 | | | \$1,906.00 | \$250.00 |
| | | JSC | \$80.00 | | | \$80.00 | (\$250.00) |
| EXPENSE PAYMENTS | \$0.00 | B&G | \$223.91 | | | \$223.91 | |
| | | USPS | \$56.00 | | | \$56.00 | |
| | | WITHDRAWAL | \$27.05 | | | \$27.05 | |
| | | | | | | | (\$306.96) |
| EXPENSE TOTALS | \$42,860.00 | | \$141,339.76 | (\$71,110.68) | \$66,410.12 | \$13,218.96 | \$29,641.04 |
| | | | | | | REPORT BALANCE | |
| INCOME | 2012 BUDGETED | HELD FOR FUTURE | AVAILABLE | OUTSTANDING | | | |
| 11/30/11 BALANCE | \$2,263.96 | | \$2,263.96 | \$0.00 | \$26,668.63 | | |
| CD | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$0.00 | \$21,868.63 W/O CD | | |
| MILL LEVY | \$31,099.00 | | \$32,210.28 | \$1,111.26 | \$21,868.63 PER BANK | | |
| HIGHLAND DITCH | \$762.00 | | \$115.49 | (\$762.00) | \$0.00 DIFFERENCE | | |
| CD INTEREST | | | \$497.88 | | | | |
| MISC | | | | | | | |
| INCOME TOTALS | \$39,124.96 | \$5,000.00 | \$40,087.59 | \$349.26 | | | |
| NEW DEPOSITS | | MILL LEVY PMNTS | \$459.94 | | \$27,328.57 AVAILABLE | | |