**Meeting of the**

**Yellow Jacket Water Conservancy District**

**Thursday, December 4, 2014**

**2:00 p.m. to 4:00p.m.**

**Rio Blanco County**

**Commissioners’ Meeting Room**

**200 Main Street, Meeker, CO 81641**

Call to Order

The meeting was called to order at 2:05 p.m.

Roll Call

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| --- | --- |
| Directors Present:  Edward Coryell, President  David Smith, Vice-President  Mike Brennan  Kelly Sheridan  Walter Proctor |  |

Appointment of Secretary:

Scott Grosscup was appointed secretary of the meeting.

Approval of minutes:

Director Sheridan moved to approve the minutes from the September 20, 2014 meeting, with an amendment to include the word “had” between “that” and “been” in the first sentence of the Treasurer’s Report. Director Proctor second, all in favor.

Highland Ditch:

Scott reported that he had received a signed agreement with the White River Highland Ditch Company for lease of the District’s water right in the form that was presented at the last meeting. The agreement provides for a multi-year lease of the water right at a rate of $1,500 per year. He indicated that the next steps will include recording of the agreement and then taking steps to clean-up and extinguish the previous recorded documents.

Yellow Jacket Study Proposal:

Scott presented a letter from Applegate Group proposing a scope of services for continued evaluation of the District’s water rights. The proposal is for one year but could be extended in subsequent years upon board approval. The first year of the study would evaluate storage locations based upon the District’s remaining water rights, focusing on those sites that would be allowed under the terms of the various stipulations between the District and opposers in the recent water court proceedings. Director Proctor emphasized that the first year of the study would focus on what is remaining and reduce the previous study to the water rights remaining after the settlements. The initial phase of the study should not add sites. Applegate is proposing a contract based on time and materials not to exceed $10,000.

Director Appointments

Scott reported that the Rio Blanco Times and Craig Daily Press have both printed the requests for directors and that he had only received an inquiry from one person who is not eligible.

Budget

At 2:25 p.m., Director Proctor moved to open the hearing on the 2015 budget, Director Brennan second, all in favor.

Director Proctor walked the board through the proposed 2015 budget. He reported that the budget includes the required reserves as shown in the CD, that it reduces anticipated legal fees for 2015 and increases the engineering fees to $10,000 to continue the study of potential water storage projects. The budget maintains the current mill levy of 0.209 mills.

Director Smith inquired about the reduction in legal fees. Scott reported that this is based on present anticipated expenses and there are no known legal challenges in the near future.

Scott also indicated that he had received comments from Mr. Joseph Livingston requesting information on why end of year balances did not equal beginning year balances. He indicated that this is due to the cash basis form of accounting that the District uses and because the District will end the year with obligations from 2014 that will be paid in 2015 when the board next meets.

No other comments were received and no member of the public was in the audience to participate.

Director Smith moved to adopt the Resolution to Set Mill Levy for 2015 as proposed, Director Brennan second, all in favor.

Director Sheridan moved to adopt the Resolution to Adopt Budget as proposed, Director Brenan second, all in favor.

Director Proctor moved to adopt the Resolution to Appropriate Sums of Money, Director Brennan second, all in favor.

At 2:47 p.m., the budget hearing closed.

Treasurer’s Report

Director Proctor walked the board through several spread sheets concerning the District’s 2014 budget. Page 1 shows amounts billed and budgeted amounts. Page 2 highlights the balance of budgeted amounts after payment. Page 3 shows the re-allocation of moneys from previously budgeted items to increase budgeted amounts.

Director Proctor moved to re-allocate the amount remaining in the engineering line item to legal fees, director Brennan second, all in favor.

Director Proctor moved to re-allocate $332.09 from operating to legal fees, Director Brennan second, all in favor.

Director Proctor moved to re-allocate $4,000 into the legal fees, Director Brennan second, all in favor.

Director Proctor moved to pay the legal fees to Balcomb & Green in the amount of $2,121.58, Director Sheridan Second, all in favor.

Director Proctor moved to pay White & Jankowksi $12,000 for previous year’s legal fees, director Brennan second, all in favor.

New Business:

Scott reported that he had discussions with John McClow from the Rio Blanco Water Conservancy District to discuss potential use of the District’s water rights to fill its proposed Wolf Creek Reservoir.

Director Proctor moved to allow him to proceed with the end of year request for exemption from audit, Director Brennan second, all in favor.

Adjourn:

The meeting adjourned at 3:25 p.m.

Read and approved this \_\_th day of\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2015

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

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