**Minutes from the Meeting of the**

**Yellow Jacket Water Conservancy District**

**Monday, November 19, 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

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| Directors Present:  Ed Coryell, 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 Brennan moved to approve the Minutes of the August 30, 2012 proceedings as amended to correct a typo graphical error 3012 to 2012, and to reference a proposal from the Rio Blanco Water Conservancy District for a meeting between the two Districts, Director Proctor second, all in favor.

New Business – Rio Blanco Water Conservancy District

Wade Cox and Alden Vandenbrink from the Rio Blanco Water Conservancy District introduced themselves. Mr. Cox indicated that there is a need for water storage in the White River Basin and that the two water conservancy districts could work together for some form of joint project. Mr. Vandenbrink said such a project could benefit the entire county. He referenced the upcoming SWSI Report from the Colorado Water Conservation Board, which is identifying need and possible projects within the basin. He also discussed the role that water plays in economic development within the county and that flows in the White River were 80 cfs less than average this year.

YJWCD Feasibility Study

Scott Grosscup reported that he and Director Sheridan met with the Yampa/White/Green Basin Round Table to discuss the District’s grant for a reservoir feasibility study. At the conclusion of that meeting, the BRT determined to finish funding for Phase I of the study. That funding had been on hold. The BRT elected to stop funding for additional phases of the study while the District awaited resolution of its Diligence filings now on appeal to the Colorado Supreme Court. This stoppage of funding does not preclude the District from re-applying to the BRT in the future, subject to available funding and approval by the BRT.

Status of Appeal

Scott Grosscup reported that Philip Lopez from White and Jankowksi, LLP argued the District’s position before the Colorado Supreme Court and that a link to a recording of the argument is available on the Supreme Court’s webpage. A decision will be rendered in several months, but the timing is uncertain.

Treasurer’s Report – Budget Discussion

Director Brennan reported that he had paid one bill to CNA Insurance and had received an additional tax payment resulting in a balance of $10,716.37 in the operating fund and a CD in the amount of $10,000.

Director Proctor then began a discussion of reallocation of moneys in the District’s operating budget from the amounts that had been scheduled to the District’s share of the feasibility study.

Of the $20,000 previously designated to the YJ Study, the Board allocated these moneys as follows:

* Allocate $4,000 to pay White and Jankowski for legal fees incurred in 2012 (m/s/c Proctor, Brennan, all in favor)
* Allocate $4,000 to pay Balcomb & Green, P.C. for legal fees incurred in 2012 (m/s/c Proctor, Brennan, all in favor)
* Allocate $2,000 to pay AMEC for engineering services not paid in 2012 (m/s/c Proctor, Brennan, all in favor)
* Allocate $1,000 for general expenses of the District incurred in 2012 (m/s/c Proctor, Brennan, all in favor)
* Reduce the remaining amount available for the District’s matching share of the study by $2,541.94, leaving a total amount of $6,458.06 to pay for the District’s matching amount in 2012 (m/s/c Sheridan, Proctor, all in favor)

After consideration of the re-allocation of funds the following accounts payable were approved:

* $1,493.50 to Balcomb & Green, P.C. for services as general counsel (m/s/c Proctor, Brennan, all in favor)
* $721.50 to Balcomb & Green, P.C. for services as Project Manager for the feasibility study (m/s/c Proctor, Rogers all in favor)
* $10.00 to Balcomb & Green, P.C. for court filing fees (m/s/c Proctor, Brennan, all in favor)

Hearing on 2013 Budget

Director Proctor then moved to open the hearing on the 2013 Budget, Director Sheridan second, all in favor.

Scott Grosscup informed the Board that notice of the hearing was posted in three locations as required by statute, at the Rio Blanco County Commissioners’ Office, Moffat County Commissioners’ Office, and Meeker Post Office and that notice of the hearing was provided in the Rio Blanco Herald Times.

Scott Grosscup then described the budget, that in 2012 the District’s assed valuation increased. As a result, the District is required to reduce the mill levy in 2013 from 0.21 to 0.209 to stay within the statutory 5.5% limit. He then walked the District through the anticipated budget with revenues and expenditures, attached. The budget includes reference to payment for services rendered in 2011, provided that funds are available.

Board members then discussed revenues associated with the Highland Ditch. While the District has been leasing its interest in this water right, there are limited records of the terms for this arrangement. Furthermore, the District has not been receiving payment from the Highland Ditch Company for several years. The Board discussed options for recovery of these payments and decided to keep it in the budget as anticipated revenue.

There were no members of the public present to offer any testimony on the proposed budget. However, Scott Grosscup presented two letters, one from Joseph Livingston and the other from Ted Edmonds commenting on the budget. Copies of these letters are attached.

The hearing on the 2013 Budget was continued to the next meeting of the Board.

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

Scott Grosscup reported that he posted notice of vacancies but that no applications were submitted and that the court has ordered re-publication. Director Rogers indicated his intention to apply. Scott will re-notice the vacancies.

New Business

Director Proctor suggested that the Board should consider forming of a committee to discuss the future of the District and potential partnerships with the Rio Blanco Water Conservancy District.

Executive Session

At 6:16 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 Sheridan second, all in favor.

At 7:00 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.

Public comment

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

The meeting adjourned at 7:01 p.m.

Read and approved this ­­\_\_th day of December, 2012.

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

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