

**Meeting of the
Yellow Jacket Water Conservancy District
Thursday, February 13, 2014
3:00 to 5:00 p.m.**

**Rio Blanco County
Commissioners' Meeting Room
200 Main Street, Meeker, CO 81641**

Agenda

1. Call Meeting to Order.
2. Approval of November 26, 2013 Minutes
3. Treasurer's Report – Approval of Accounts Payable
4. Highland Ditch Discussion
5. Attorney's Report
6. Executive Session: Upon the affirmative vote of two-thirds of the Directors, the Board will adjourn to executive session pursuant to C.R.S. §§ 24-6-402(4)(b) and (e) to confer with its attorney for the purpose of receiving a status update and legal advice on a specific legal question and determining positions relative to matters subject to litigation, specifically *Livingston v. Yellow Jacket Water Conservancy District*, 12CV49 and the District's pending water court applications in Cases No. 09CW48 and 09CW50.
7. New Business
8. Adjourn

**Meeting of the
Yellow Jacket Water Conservancy District
Tuesday, November 26, 2013**

**Rio Blanco County
Commissioners' Meeting Room
200 Main Street, Meeker, CO 81641**

Call to Order:

The meeting was called to order at 3:30 p.m.

Roll Call:

Directors Present:
Ed Coryell, President
Kelly Sheridan
Benjamin Rogers
Walter Proctor

Others Present:
Scott Grosscup, General Counsel

Appointment of Secretary

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

Approval of Minutes:

Director Sheridan moved to approve the minutes from the meetings of July 17, 2013 and October 25, 2013, Director Proctor second, all in favor.

Treasurer's Report-Accounts Payable:

Director Brennan stated that the District had \$33,440.82 in its checking account and \$5,002.32 in its CD.

Scott informed the board that he is working with Mountain West Insurance on obtaining a new Directors' and Officers' insurance policy; that the existing policy terminates at the end of December and he expects to have the new policy in effect by the end of the year.

Director Proctor presented the attached accounting documents that show bills paid and amounts budgeted. He indicated that in order to pay present bills, certain of the funds would need to be re-allocated within the general operating budget. Director Proctor moved to re-program monies from several accounts to the legal account as follows: \$2,500 from the Yellow Jacket Study; \$3,000 from Engineering; and \$1,000 from operating expenses. Director Sheridan second, all in favor.

Director Proctor then moved to allocate miscellaneous income in the amount of \$3,283.22 to pay legal fees. Director Sheridan second, all in favor.

Director Proctor moved to pay Balcomb & Green in the amount of \$1340 to cover the October and November billing, as well as \$375.36 to cover expenses related to publication requirements, Director Brennan second, all in favor.

Director Proctor moved to pay White & Jankowski in the amount of \$20,000, director Sheridan second, all in favor.

2014 Budget Hearing:

Director Sheridan moved to open the hearing on the 2014 budget, Director Rogers second, all in favor.

By unanimous consent, Director Proctor's appointment as Budget Officer was confirmed by the board.

Director Proctor walked the Directors through the proposed budget, attached. In anticipation of ongoing litigation with respect to the District's water rights, the District has allocated the majority of its operating account to pay for legal services. Director Proctor discussed how the budget does include two separate columns for 2014, one that included revenues from Moffat County and one that did not. The concept being that portion of the District's boundaries lying within Moffat County no longer have any water rights to serve the constituency. This would result in a reduction of approximately \$5,724 from the 2014 Budget.

Director Proctor moved to reduce the mill levy for those properties within Moffat County from 0.209 mills to 0.0 mills. Director Rogers seconded the motion for purposes of discussion. The directors then discussed the pros and cons of eliminating the mill levy for a portion of the District's boundaries. Questions were raised regarding the ability to raise the mill levy in the future, effects to the overall budget, and potential for re-drawing of District boundaries. After discussion, the motion and second were withdrawn.

Director Sheridan moved to adopt a resolution setting the mill levy at 0.209 mills, attached, Director Rogers second, all in favor.

Director Sheridan moved to adopt the resolution adopting budget as proposed, attached, Director Rogers second, all in favor.

Director Sheridan moved to adopt a resolution appropriating sums of money, attached, Director Rogers second, all in favor.

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

Highland Ditch Update:

Scott reported that he had sent an invoice to the Highland Ditch company for \$659, which amount represented the amount remaining of the \$1421 billed for use of this water right in 2013. The Directors discussed possible alternatives for use of the Highland Ditch water rights.

Attorney's Report:

Scott stated that he had met with representatives from Shell who are looking at possibly selling their water rights in the White River Basin. Board members generally were interested in seeing whether there are any future opportunities for use of Shell's water rights within the District's boundaries.

Scott reported that the Colorado Supreme Court has not yet ruled on the District's appeal of the case dismissing the Districts conditional water rights. He also indicated that he is in the process of preparing initial disclosures in regards to the complaint filed by Mr. Livingston.

Adjourn:

The meeting adjourned at 4:45 p.m.

Read and approved this ___th day of _____, 2014

Signed: _____

Attest: _____

2013 BUDGET FORMAT 11/26/2013 BUDGET MEETING PREP SHEET. IF APPROVED INCLUDES CZB AGREEMENT AND AMEC AGREEMENT.

DATE UPDATED		11/23/13													
MEETING DRAFT		NOV 26, 2013		BASED ON NEW 2013		FORMAT									
EXPENSE CATEGORY		2013 BUDGETED AMNT		PAYEE		AMOUNT BILLED		REDUCED AMOUNT		ADJUSTED BALANCE		PAYMENTS		REMAINING BUDGETED	
LEGAL FEES		\$22,000.00		B&G TABOR JAN '13		\$1,370.00				\$0.00		\$1,370.00			
REPRO ADDITION		\$6,500.00		B&G GEN. JAN '13		\$540.00				\$0.00		\$540.00			
REPRO MISC INCOME		\$3,283.22		B&G GEN. MAY '13		\$2,210.00				\$0.00		\$2,210.00			
				B&G GEN. JUN '13		\$830.00				\$0.00		\$830.00			
				B&G GEN OCT '13		\$860.00				\$0.00		\$860.00			
				B&G GEN NOV '13		\$480.00				\$0.00		\$480.00			
				B&G GEN TABOR '13						\$0.00		\$0.00			
EST FOR NOV&DEC				B&G GEN		\$5,000.00				\$2,451.00					
LEGAL FEES/APEAL				W&J 9/30/13 STMNT		\$84,324.42		(\$47,080.29)		\$37,000.00					
OPTIONAL OBLIGATION				REQUESTED 2013		\$20,000.00									
OPTIONAL OBLIGATION				CZB 2/12/2013		\$0.00		(\$23,042.39)		\$0.00					
PROPOSED PAY				W&J 2013 REQUEST		\$20,000.00				\$0.00		\$20,000.00			
														\$4,284.22	
OPERATING EXPENSES		\$5,000.00		PINNACOL W.C.		\$282.00						\$282.00			
Postage, Supplies, Cks,				PHIL. INS. CO.		\$1,010.00						\$1,010.00			
CPA fees, Publication,				TREAS. ADMIN.		\$15.97						\$15.97			
Meetings, Meals, Misc.						0						\$0.00			
				B&G FILING FEES '13		\$25.50						\$25.50			
REPRO TO LEGAL		(\$1,000.00)		COLO. CPA		\$425.00						\$425.00			
				PO BOX FEE		\$58.00						\$58.00			
				C.N.A. ANNUAL BOND		\$100.00						\$100.00			
				B&G PUB FEES NOV		\$375.36						\$375.36			
														\$1,708.17	
ENGINEERING&SURVEY		\$3,000.00		AMEC		\$2,156.00				\$0.00					
REPRO TO LEGAL		(\$3,000.00)				\$2,808.00				\$0.00				\$0.00	
YJ STUDY		\$5,000.00		Project Manager B&G						\$0.00					
				INV #67269 5/1/13		\$1,352.00				\$0.00		\$1,352.00			
REPRO TO LEGAL		(\$2,500.00)												\$1,148.00	
RESERVE IN CD		\$4,999.29													
														\$27,859.81	
EXPENSE TOTALS		\$43,282.51				\$144,222.25		(\$70,122.68)		\$39,451.00		\$31,142.83		\$35,000.00	
INCOME	2013 BUDGETED		HELD FOR FUTURE	AVAILABLE	OUTSTANDING							REPORT BALANCE			
12/31/12 BALANCE	\$5,544.17			\$5,570.89	\$0.00										
CD	\$5,000.00		\$4,999.29	\$0.00	\$0.00							\$10,516.46	FUNDS AVAIL		
MILL LEVY														10/11/2013	
RIO BLANCO 2013	\$28,093.00			\$28,424.88	(\$331.88)										
MOFFAT 2013	\$5,560.00			\$5,618.30	(\$58.30)										
GARFIELD 2013	\$450.00			\$0.00	\$450.00										
HIGHLAND DITCH 2013	\$782.00			\$782.00	\$659.00		INC. IN FEE								
CD INTEREST				\$0.00								\$32,388.58	OCT. 31 2013		
MISC				\$3,283.22								\$21,872.12	PER BANK		
INCOME TOTALS	\$43,409.17		\$4,999.29	\$41,859.29	\$718.82								DIFFERENCE		
MISC. INCOME	INSURANCE PMNT		\$593.00				POSSIBLE								
	PINNACOL RFND		\$87.00				REPROGRAM								
	CRCD REFUND		\$2,603.22				TOTAL			(\$6,500.00)					

**YELLOW-JACKET WATER CONSERVANCY DISTRICT
BUDGET FOR 2014**

The attached budget is prepared for the Board of Directors of the Yellow Jacket Water Conservancy District (“District”). The primary funding source for the District comes from property tax revenues from Rio Blanco, Moffat, and Garfield Counties. The assessed value of property within the District has decreased from 2013. This budget considers maintaining the District’s present mill levy of 0.209 mills. In addition, the District has funds deposited in certificates of deposit, CDs, which generate a relatively small amount of interest based on current economic conditions. This budget considers a slight decrease in revenues for 2014.

Expenditures of the District, however, have increased considerably over the past several years due primarily to litigation over its portfolio of conditional water rights. These water rights were cancelled by court order in 2011 and an appeal of that decision was filed in 2012. A decision on that appeal is pending. The District incurred legal fees from outside counsel in 2012 that exceeded the budgeted amounts for 2012. Payment of these fees is subject to annual appropriation and the availability of funds. While these legal fees have been reduced, this budget considers partial payment for previously incurred fees as funds are available. The budget considers total legal fees in the amount of \$25,000 for 2014.

The District’s budget format follows the previous year’s format that separates “Operating Expenses,” which includes: Postage, Office Supplies, Checks, CPA Fees, Publication Fees, Meetings, Supplies, Meals and miscellaneous reimbursement for unanticipated expenses and “Legal Fees” are limited to such fees and do not include other costs.

The budgetary basis of accounting the District uses is cash basis.

INCOME	2012 Actual	2013 Estimated	2014 Proposed
Fund Balance January 1 st	\$1,686.21	\$5,44.17	\$8,176.45
YJ CDs	\$10,000.00	\$5,000.00	\$5,000.00
Property Tax	\$34,216.77		
Rio Blanco		\$26,097.70	\$21,501.00
Moffat		\$5,662.24	\$5,724
Garfield		\$450.00	\$281.00
Highland Ditch	\$762.00	\$1,421.00	\$1421.00
Misc. *	\$613.37	\$3,283.22	\$450.00
Total Available Funds	\$47,278.24	\$47,338.45	\$42,553

*Misc. includes CD interest, rebates from insurance, bank adjustments, etc.

Expenditures categories for 2013 have been slightly modified for 2013 for clarity and ease of use.

Expenditures	2012 Actual	2013 Estimated	2014 Proposed
Administration Costs: Filing/Fees/Secretary Counsel Fees/Board Meeting/Supplies/Meals /Diligence Litigation	\$29,725.00	Legal Fees \$30,810.00	Legal Fees \$25,000.00
Administration Costs: Insurance, Postage, Office Supplies, Checks, CPA Fees/Publication Fees	\$2,342.59	Operating Expenses \$2,000	Operating Expenses \$3,000.00
Engineering-Survey Fees	\$250.00	\$0.00	\$3,000.00
Consultant Fees	\$0.00	\$0.00	\$0.00
Travel Expenses, Director Education/Meetings	\$0.00	\$0.00	\$0.00
USGS Joint Funding	\$0.00	\$0.00	\$0.00
YJ Study Matching Funds	\$4,967.62	\$1,352.00	\$0.00
Reserve (new line)	\$5,000.00	\$5000.00	\$5,000.00
Ending Fund Balance	\$4,993.03	\$8,176.45	\$6,553

Discretionary obligations based on the availability of funds.

White & Jankowski	Requested \$16,000.00
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**YELLOW JACKET WATER CONSERVANCY DISTRICT
RESOLUTION TO SET MILL LEVY 2014**

A RESOLUTION LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2014 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE YELLOW JACKET WATER CONSERVANCY DISTRICT IN GARFIELD, MOFFAT, AND RIO BLANCO COUNTIES, COLORADO FOR THE 2014 BUDGET YEAR.

WHEREAS, the Board of Directors of the Yellow Jacket Water Conservancy District, has adopted the annual budget in accordance with the Local Government Budget Law, on November 26, 2013;

WHEREAS, the amount of money available to balance the budget for general operating purposes from property tax revenue is \$27,506.00;

WHEREAS, the amount of money necessary to balance the budget for bonds and interest is \$0.00; and

WHEREAS, the 2014 valuation for assessment for the Yellow Jacket Water Conservancy District as certified by the County Assessors for Garfield, Moffat, and Rio Blanco Counties totals \$131,575,085.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE YELLOW JACKET WATER CONSERVANCY DISTRICT:

1. That for the purposes of meeting the general operating expenses of the Yellow Jacket Water Conservancy District during the 2014 budget year, there is hereby levied a tax of **0.209** mills upon each dollar for the total valuation for assessment of all taxable property within the District for the year 2014;
2. That the established tax levy for the Yellow Jacket Water Conservancy District be certified to the respective County Commissioners for Garfield, Moffat, and Rio Blanco Counties

ADOPTED, this 26th day of November, 2013, by a unanimous vote of the Yellow Jacket Water Conservancy District Board of Directors

Attest:

Ed Coryell, President
Yellow Jacket Water Conservancy District

Mike Brennan, Treasurer
Yellow Jacket Water Conservancy District

**YELLOW JACKET WATER CONSERVANCY DISTRICT
RESOLUTION TO ADOPT BUDGET**

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES AND ADOPTING A BUDGET FOR THE YELLOW JACKET WATER CONSERVANCY DISTRICT IN GARFIELD, MOFFAT, AND RIO BLANCO COUNTIES, COLORADO FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2014 AND ENDING ON THE LAST DAY OF DECEMBER 2014 BUDGET YEAR.

WHEREAS, the Board of Directors of the Yellow Jacket Water Conservancy District has appointed Walt Proctor, Director, to prepare and submit a proposed budget to said governing body at the proper time;

WHEREAS, Walt Proctor, Director, has submitted a proposed budget to this governing body on October 14, 2013;

WHEREAS, upon due and proper notice published and posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 26, 2013, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE YELLOW JACKET WATER CONSERVANCY DISTRICT IN GARFIELD, MOFFAT, AND RIO BLANCO COUNTIES, COLORADO;

1. That the budget as submitted, amended, and herinabove summarized is approved and adopted as the budget of the Yellow Jacket Water Conservancy District for 2014.
2. That the budget hereby approved and adopted shall be signed by the President and Treasurer of the Board of Directors of the Yellow Jacket Water Conservancy District and made a part of the public records of the District.

Adopted this 26th day of November, 2013, by a unanimous vote of the Yellow Jacket Water Conservancy District Board of Directors.

Attest:

Ed Coryell, President
Yellow Jacket Water Conservancy District

Mike Brennan, Treasurer
Yellow Jacket Water Conservancy District

**YELLOW JACKET WATER CONSERVANCY DISTRICT
RESOLUTION TO APPROPRIATE SUMS OF MONEY**

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE GENERAL FUND OF THE YELLOW JACKET WATER CONSERVANCY DISTRICT IN GARFIELD, MOFFAT, AND RIO BLANCO COUNTIES, COLORADO FOR THE 2014 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on November 26, 2013 and;

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is necessary to appropriate revenues provided in the budget to and for the purposes described below.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE YELLOW JACKET WATER CONSERVANCY DISTRICT IN GARFIELD, MOFFAT, AND RIO BLANCO COUNTIES, COLORADO;

The following sums are hereby appropriated from the General Fund for the purposes stated:

General Operations:	\$37,000
Reserves:	\$5,000

TOTAL GENERAL FUND \$36,000

Adopted this 26th day of November, 2013, by a unanimous vote of the Yellow Jacket Water Conservancy District Board of Directors.

Attest:

Ed Coryell, President
Yellow Jacket Water Conservancy District

Mike Brennan, Treasurer
Yellow Jacket Water Conservancy District