**Meeting of the**

**Yellow Jacket Water Conservancy District**

**Thursday July 20, 2017**

**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 Craig Ullman, Applegate Group

Ben Rogers

Walter Proctor Others Present

David Smith Shane Phelan

Shawn Welder Greg Papez

Baily Franklin Shanna Lewis

Little Beaver Reservoir

Director Sheridan introduced Shane Phelan and Greg Papez. Director Sheridan indicated that he had approached the two as they are current landowners of property that would be inundated by the Little Beaver Reservoir identified as a potential storage location for a portion of the District’s water rights. The two landowners, while understanding the benefits of having upstream storage for all water users within the White River basin, also expressed concerns of how a reservoir on their properties would affect their agricultural operations and saw very little direct benefit from a reservoir for their individual needs. The conceptual reservoir would inundate most the landowners irrigated lands. The Board thanked the landowners for coming and expressing their concerns.

The Board then discussed whether there were additional options to make the reservoir more appealing to the landowners. Scott indicated that the construction timing of building a reservoir could take more than 10 years to complete. During this period, there may be changes in landowners or current landowners could have a change in heart.

Director Proctor moved that staff should develop a follow-up letter to the landowners that would include additional options for negotiation with the landowners to allow for the District to move the water rights to the Little Beaver location and circulate that offer to the Board prior to next meeting for consideration and comment by board members, subject to ratification at the next meeting. Director Franklin second, all in favor.

Director Proctor then discussed the potential to put portions of the District’s water rights in other private reservoirs to increase the capacity of those reservoirs while at the same time providing some storage capacity for the District’s uses. The Board discussed possible locations for smaller incremental storage and issues related to landowner approval and consent.

Approval of Minutes from December 8, 2016

Director Proctor moved to approve the minutes from December 8, 2016 as presented. Director Smith second, all in favor.

Approval of Accounts Payable

Director Proctor discussed current account balances and indicated that the District finished 2016 with a positive balance.

Director Proctor moved to pay Balcomb & Green invoices from 2016 and through June of 2017. Director Smith second, all in favor.

Director Proctor moved to pay Applegate Group for its invoices through May of 2017. Director Smith second, all in favor.

Yellow Jacket Water Storage Feasibility Study

Craig Ullman discussed the activities that Applegate Group has been tasked with performing in 2017 as follows:

* Request that Applegate Group prepare a short letter that could be shared with landowners underlying the Little Beaver Creek Reservoir outlining potential impacts of such a reservoir and potential benefits

Craig stated that these letters had been prepared and were presented to the landowners as discussed earlier in the meeting.

* Analyze potential hydro-power uses on the Highland Ditch

Craig discussed the status of the White River Electric Association’s efforts to establish a hydro-power facility on the Miller Creek Ditch. He indicated that the project was proceeding. Scott stated that he had met with attorneys for WREA and they had expressed interest in potentially using District water rights on the Highland Ditch for potential hydro-power use on that ditch. Discussion followed about potential on the Highland Ditch as well as other ditches, and potential difficulties in developing hydro-power, including winter freezing and access in winter months. Based on the efforts on Miller Creek, the Board directed Applegate to wait and see how that project proceeds and allow WREA to do analysis on the Highland Ditch before further action by Applegate to evaluate hydro-power on other ditches.

* Continue analysis of moving water rights to Lake Avery

Craig discussed ongoing analysis of Lake Avery and potential to increase capacity in the reservoir is ongoing. He indicated that the District may be able to raise lake levels by 3-4 feet without increasing the dam size. The dam size could be increased by up to 10 feet, but this could result in temporary flooding of adjacent properties during high flood scenarios. Craig will prepare a memorandum for the Board that evaluates anticipated costs for increasing storage capacity. Staff was also directed to prepare a letter to the adjacent landowner to explore willingness to accommodate temporary flooding during a high flood scenario.

* Refine augmentation demands

Craig discussed his memorandum to the Board that further refined anticipated augmentation needs for domestic wells and several gravel pits. This analysis looked at fewer wells that could be subject to curtailment in the event of a call placed by the Colorado Water Conservation Board for its instream flow water right on the White River. Water users within this reach could not benefit from storage releases from downstream storage. This analysis identified a need for augmentation releases, but was limited in duration compared to the potential for a call from the Taylor Draw Reservoir. The analysis concluded that there is a need for upstream storage to protect water users from a call placed by the CWCB.

Director Proctor suggested that perhaps storing the District’s water in the proposed Wolf Creek Reservoir could provide the benefit for the Taylor Draw call without the need to build Tom Little Reservoir. Staff will check on the status of the Wolf Creek Reservoir project and report to the Board at the next meeting.

Director Welder raised questions about whether the Sawmill Mountain Reservoir location could be beneficial to provide water to Little Beaver Creek. The Board discussed the difficulties with such a plan and prior agreement to not transfer water from one basin into another.

* Analyze the potential financial return for construction of Tom Little Reservoir and confirm whether water would need to be pumped into the Reservoir.

Craig presented the Analysis of providing a gravity fed diversion to the Tom Little Reservoir. This analysis concluded that the headgate would need to be a number of miles upstream, would need to be an open canal and likely not financially feasible, as well as include a number of technical difficulties. The Board discussed how the canal would be constructed. Applegate’s estimated pumping costs were based on filling and draining each year, and are likely greater than would be required depending upon actual use. The reservoir would likely have a hydro-power component that would offset pumping costs.

Appointment of Budget Director

Director Proctor accepted appointment of Budget Director for preparation of the 2018 Budget.

Director Proctor also stated that he has not yet received notice of whether the requested exemption from audit for 2016 had been accepted.

Board Vacancies

Scott reported that the terms for Districts 3 and 8 expire in October of 2017. Director Welder and Franklin expressed an interest continuing to serve on the Board for those Districts. Scott will follow the statutory procedures for appointing new directors and give notice that there remains a vacancy in District 4. Board members will solicit interest for a new board member to fill the vacant seat.

New Business

Director Proctor indicated that he had seen that the Colorado Water Congress had an incorrect mailing address and phone number for the Yellow Jacket Water Conservancy District. Scott will contact the Colorado Water Congress to have this corrected.

Scott reported that he had received an inquiry from Moffat County whether the District desires to participate in the 2017 Coordinated Election for purposes of certification of any TABOR notices. The Board did not express any interest in raising the mill levy at this time.

Scott reported that he and Director Sheridan had participated in a meeting with Augustus Energy for the potential for that company to use a portion of the District’s water rights in energy development. Nothing further has come of that initial discussion.

Director Proctor discussed whether it would be good to modify the District’s boundaries to remove District 8 and combine Districts 8 and 9 into one. No action was taken.

Adjourn

The meeting adjourned at 4:15 p.m.

Read and approved this \_\_\_ day of \_\_\_\_\_\_\_\_\_, 2017

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

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