**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**

Call to Order

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

Roll Call

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| --- | --- |
| Directors Present:  Edward Coryell, President  David Smith, Jr., Vice-President  Kelly Sheridan  Mike Brennan  Walter Proctor | Others Present  Scott Grosscup, General Counsel  Forest Nelson  Joe Conrado |

Appointment of Secretary:

Scott Grosscup was appointed secretary of the meeting.

Highland Ditch:

Scott gave an overview of the history of the leasing of the District’s Fourth Enlargement of the Highland Ditch water right to the White River Highland Ditch company. He indicated that the District has leased the Highland Ditch water right to the Ditch Company for a number of years. Originally, contracts were issued to a number of landowners who used the ditch in the 1980’s. Then, the Ditch Company incorporated and began making payments to the District. The amount charged has not changed over time. Scott indicated that he had prepared a proposed lease agreement and sent that to the Highland Ditch.

Mr. Forest Nelson, Secretary for the White River Highland Ditch Company, echoed Scott’s statements and indicated that the Ditch Company does see value in maintaining the water right. He indicated that the company has used the right in dry years. He indicated that the company had agreed to increase the rate from $792 per year to $1421 per year, but had some reservations about using the Consumer Price Index as the mechanism to adjust the price. He also asked that billing of the ditch company occur after the company’s annual meeting.

Mr. Joe Conrado also raised concerns about tying the increased rate to the Consumer Price Index because agricultural products are not tied to that index and fluctuate based on different factors.

After discussion, Scott was directed to revise the lease agreement to make it a fixed rate lease in the amount of $1,500 for a period of ten years. He would then provide a revised agreement to the Highland Ditch Company for its consideration. The Company also agreed to work with the individual shareholders to obtain an assignment of any rights that may exist under the previous agreements with the individual shareholders.

Executive Session:At 3:40:p.m. Director Smith 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 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.

Director Proctor moved for purposes of settlement of the District’s legal matters to present the settlement offer presented to the board to the various parties in the District’s cases, Director Brennan second, the motion carried with Director Smith opposed..

Adjourn:

The meeting adjourned at 4:55 p.m.

Read and approved this \_\_th day of\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2014

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

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