

**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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