

**WEST DIVIDE WATER CONSERVANCY DISTRICT  
818 Taughenbaugh Blvd., Suite 101  
Rifle, Colorado 81650**

**MINUTES OF BOARD OF DIRECTORS MEETING  
January 19, 2022**

**CALL TO ORDER**

The regular Board of Directors meeting was called to order at the District office at 9:00 a.m. by President Samuel B. Potter.

**ROLL CALL**

The following directors were present: President Samuel B. Potter, Vice President Dan R. Harrison, Secretary Richard L. McNeill, Director Tom Jankovsky and Director Kelly Couey. Also in attendance were Tammy Keenan, Office Manager; Wendy Ryan Colorado River Engineering, Inc.; Edward B. Olszewski, Counsel; Brendon Langenhuizen, Colorado River District, attended via zoom.

**PUBLIC COMMENT**

Kevin Atchinson with Property Professionals attended the meeting to learn a little bit about West Divide Water Conservancy District and to answer any questions about the Joseph Willey contract.

**MINUTES**

Richard L. McNeill moved the minutes of the December 8, 2022, meeting be approved as received; Dan R. Harrison seconded; motion carried.

**FINANCE REPORT**

**Bills to be Paid:** Richard L. McNeill moved the attached list of bills be paid; Dan R. Harrison seconded; motion carried.

**Financial Statements:** Richard L. McNeill moved the November and December 2022, Financial Statements prepared by Barnes, Pearson & Rudow, LLC be accepted; Dan R. Harrison seconded; motion carried.

**Blair and Associates, P.C. Engagement Letter:** Richard L. McNeill moved and directed the President to accept and sign the engagement letter; Tom Jankovsky seconded; motion carried.

## RIVER DISTRICT REPORT

Brendon Langenhuizen with the Colorado River District shared a summary of the recent Colorado River District 1<sup>st</sup> quarterly board meeting held on January 17 and 18, 2023. All meetings can be watched on the Colorado River District You Tube Channel (<https://www.youtube.com/channel/UCralr1BDQPMIaShXZeIL7AQ>).

The snow pack looks good but it's too early for solid projections. Snow gages are showing at or above average snowpack.

Recently the Upper Colorado River Commission (UCRC) submitted a request for proposals for the System Conservation Pilot Program, \$125 million, Bureau of Reclamation funded. The program proposes to pay water users to leave their water in the system to mitigate the impacts of depleted storage and continued drought in the Upper Colorado River Basin. The Colorado River District shared concerns with the directors.

- If a landowner signs up how long does the program last?
- Who is responsible for the damage and return flow?
- How will long term dry up impact the agriculture development?

Colorado River District policies were recently updated and the contracts were revised to be more efficient and to keep water flowing.

The State of the River meetings have been set. Grand Junction 4/13/23 and Glenwood Springs 5/2/23.

## WATER CONTRACTS

**Joseph Willey**; Richard L. McNeill moved approval of this water allotment contract, 1.00 a.f., domestic, General Stored Water; seconded by Tom Jankovsky; motion carried

Richard L. McNeill moved approval of the following assignments; seconded by Dan R. Harrison; motion carried; assignments approved.

**Quinn and Brittany Garvik**; assignment from **Joseph Willey**, 1. a.f., domestic, General Stored Water.

**Charles Cyrus Ramsey**; assignment from **Matthew and Abbey Ehlers**, 1. a.f., domestic, General Stored Water.

**Keith and Catherine Nick**; assignment from **William & Albert Reynolds**, 1. a.f., domestic, Silt Interconnect.

**Joaquin and Teresa Bianco and Matthew and Susan Jurmu**; Richard L. McNeill moved approval of this amended contract, 1.00 a.f., domestic, General Stored Water amending from 2 dwelling units to 4 dwelling units; seconded by Dan R. Harrison; motion carried

**ROUNDTABLE REPORT**

There was no report this month, the next meeting is January 30, 2023.

**WATER RESOURCES' REPORT**

No report this month

**HYDROLOGISTS' REPORT**

Water Watch and Augmentation reports were provided and discussed.

**CHEVRON**

Chevron's engineer contacted Wendy Ryan about a contract for 2023. The proposed contract would be for 232 a.f. with an anticipated start date in August. The board discussed and agreed the rate would be set at \$235 per acre foot for a commercial contract with 100% consumptive use. Monthly meter readings and accounting will be required due to the large quantities

**CRYSTAL RIVER**

Wendy Ryan scheduled a meeting with AVLT, Pitkin County, Colorado River District and West Divide Water Conservancy legal counsels for January 23, 2023 to discuss conservation easements and storage projects.

She has not received any documents from CPW related to usable storage in Beaver Lake. The board requested she push for a survey and she will follow up with Ben Krause.

**ACTIVE CALLS**

Rifle Creek – Rifle Creek Cannon Ditch and the Colorado River at Shoshone are on active calls.

**ATTORNEY'S REPORT**

Received written and oral report from counsel.

**NEW BUSINESS**

The next meeting is scheduled for Friday, February 17, 2023.

Kenneth Call recently passed away; his son Brad will be reactivating the contract soon.

**ELECTION OF OFFICERS**

Tom Jankovsky moved the following slate of officers remain the same; seconded by Richard L. McNeill.; motion carried. Samuel B. Potter, President; Dan R. Harrison, Vice President; Tom Jankovsky, Treasurer; and Richard L. McNeill, Secretary; Kelly Couey, Director.

DIRECTORS' COMMENTS

Samuel B. Potter recently tuned into the water forum meeting and made a comment about the demand management and impact on the augmentation plans.

EXECUTIVE SESSION

Not necessary this month.

ADJOURN

Meeting adjourned at 10:55 a.m.

SIGNED:

  
Richard L. McNeill, Secretary

ATTEST:

  
Samuel B. Potter, President

West Divide Water Conservancy District-General Fund  
Bills to be Paid  
January 19, 2023

GENERAL FUND

Num	Name	Memo	Account	Amount
5629	Barnes, Pearson & Rudow, PC	Oct, Nov, Dec Financials	5150 · Accounting	2,040.00
5629	Barnes, Pearson & Rudow, PC	3rd Qtr PR Reports	5150 · Accounting	210.00
5629	Barnes, Pearson & Rudow, PC	2023 Budget	5200 · Budget Preparation	3,950.00
DD1118	Keenan, Tamara S	Direct Deposit	5221 · Salary	2,323.67
5625	Jankovsky, Tom		5020 · Director Fees	381.45
5630	General Stored Water Enterprise Fund	Auto 2023	5580 · Insurance-Autos	197.00
5630	General Stored Water Enterprise Fund	E & O 2023	5610 · Insurance-E&O	487.00
5630	General Stored Water Enterprise Fund	Prop & Liab 2023	5590 · Insurance-Prop. & Liability	1,236.00
5631	Bookcliff		5395 · Rent--Office unit	996.35
5631	Bookcliff		5394 · Rent-Prop.Taxes/Ins/Utilities	200.00
eft	Capital One, F.S.B.	Comcast	5390 · Telephone & Internet	180.65
eft	Capital One, F.S.B.	Zoom	5390 · Telephone & Internet	16.21
eft	Capital One, F.S.B.	water, Christmas treats	5100 · Office Supplies	115.05
eft	Capital One, F.S.B.	Satelite Monitoring	1415 · Due From General Stored Water	1,125.52
eft	Capital One, F.S.B.	Postage	5100 · Office Supplies	17.99
eft	Capital One, F.S.B.	QB Payroll updates	5100 · Office Supplies	650.00
eft	CEBT	TSK Health Ins	5222 · Medical Insurance--Employer	932.13
5626	Couey, W. Kelly		5020 · Director Fees	287.49
5627	Harrison, Dan R.		5020 · Director Fees	334.47
DD1119	McNeill, Richard L	Direct Deposit	5020 · Director Fees	376.23
5628	Potter, Samuel		5020 · Director Fees	661.85
eft	Pinnacol Assurance	2023 Premium	5080 · Worker Comp. Ins.	251.00
eft	Electronic Federal Tax Payment System	84-0976632	2205-FICA/MED/FWT Payable	1,007.88
eft	American Funds		2227 · Simple IRA Payable	98.12
eft	American Funds		2227 · Simple IRA Payable	261.64
5632	Olszewski, Massih & Maurer, P.C.	General	5280 · Legal	456.00
				<u>18,793.70</u>

*MW* *HP*

GENERAL STORED WATER

Num	Name	Memo	Account	Amount
2577	General Fund	Satelite Monitoring	7080 · Alsbury Maintenance	1,125.52
2578	Colorado River Engineering, Inc.	General	7032 · Hydrology--General	1,912.50
2579	Garfield County Clerk and Recorder	Memorandums	7070 · Memorandum Recording Fees	38.00
eft	Colo Special Districts Property & Liab.	Reservoir Liability	1510 · Prepaid Insurance	5,341.00
eft	Colo Special Districts Property & Liab.	Due from General Fund	Due from General Fund	1,920.00
2580	Bureau of Reclamation	O&M 100AF 2022 - 1803664231	1500 · Prepaid Water Lease	154.00
2580	Bureau of Reclamation	O&M 500AF 2022 - 1803615561	1500 · Prepaid Water Lease	870.00
2581	Olszewski, Massih & Maurer, P.C.	Directors	7047 · Legal--General	288.00
2581	Olszewski, Massih & Maurer, P.C.	CRWCD	7047 · Legal--General	264.00
2581	Olszewski, Massih & Maurer, P.C.	Contracts	7047 · Legal--General	80.00
2581	Olszewski, Massih & Maurer, P.C.	Crystal	7048 · Legal--Crystal River	88.00
2581	Olszewski, Massih & Maurer, P.C.	Martin Diligence	7046 · Legal--WD project Diligence	336.00
2581	Olszewski, Massih & Maurer, P.C.	Area A	7047 · Legal--General	280.00
2581	Olszewski, Massih & Maurer, P.C.	Scanlon Opp	7047 · Legal--General	170.00
				<u>12,867.02</u>

*MW* *HP*

West Divide Water Conservancy District-General Fund  
Bills to be Paid  
January 19, 2023

FOURMILE CREEK

Num	Name	Memo	Account	Amount
1987	Greenwald Children's Irrevocable Trust	Refund of 25% of 2022 fee paid on BOTH 2400	Due to Greenwald Trust	4,905.75
1988	Black Bear Ranch, LLLP	2023 Hughes Res.	8090 · Water Lease--Black.Paq, Zilm	1,043.52
1989	Elevations 6100, LLC		8090 · Water Lease--Black.Paq, Zilm	7,654.18
1990	Colorado River Engineering, Inc.	Mapping for amendment	8030 · Hydrology	105.00
1990	Colorado River Engineering, Inc.	Review Geotech bids	8033 · Hydrology -- Martin # 1 & 2	75.00
1991	Olszewski, Massih & Maurer, P.C.	General	8050 · Legal--General	1,682.58
				<u>15,466.03</u>

*Handwritten signature in blue ink*

SILT INTERCONNECT

Num	Name	Memo	Account	Amount
537	Olszewski, Massih & Maurer, P.C.	General	7801 · Legal	16.00
538	Colorado River Engineering, Inc.	Research Rifle Ck service area	7802 · Hydrology	130.00
539	Open Heart LLP	2023 Annual Payment	7300 · Roberts Pipeline	1,285.30
540	Silt Water Conservancy District	10% of fees & admin	7100 · SWCD Operating Expenses	4,946.94
541	Garfield County Clerk & Recorder	Memorandum	8000 · Memorandum Recording Fees	26.00
				<u>6,404.24</u>
			Grand Total	53,530.99

*Handwritten signature in blue ink*



November 30, 2022

To the Board of Directors and Management  
West Divide Water Conservancy District  
818 Taughenbaugh Blvd, Suite 101  
Rifle, Colorado 81650

We are pleased to confirm our understanding of the services we are to provide West Divide Water Conservancy District for the year ended December 31, 2022.

**Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of West Divide Water Conservancy District as of and for the year ended December 31, 2022. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement West Divide Water Conservancy District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to West Divide Water Conservancy District's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Budgetary Comparison Information for Major Governmental Funds

We have also been engaged to report on supplementary information other than RSI that accompanies West Divide Water Conservancy District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole:

- 1) Budgetary Comparison Information for Enterprise Funds

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

**Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable

**Certified Public Accountants**

assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Our audit of the financial statements does not relieve you of your responsibilities.

#### **Audit Procedures—Internal Control**

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of West Divide Water Conservancy District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

#### **Other Services**

We will also assist in preparing the financial statements of West Divide Water Conservancy District in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

#### **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing



activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

#### **Engagement Administration, Fees, and Other**

The audit documentation for this engagement is the property of Blair and Associates, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to regulatory agencies or their designees. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Blair and Associates, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to regulatory agencies or their designees. The regulatory agencies or their designees may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Pete Blair is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$8,300. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above

fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

**Reporting**

We will issue a written report upon completion of our audit of West Divide Water Conservancy District's financial statements. Our report will be addressed to management and those charged with governance of West Divide Water Conservancy District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.


We appreciate the opportunity to be of service to West Divide Water Conservancy District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

*Blair and Associates, P.C.*

**RESPONSE:**

This letter correctly sets forth the understanding of West Divide Water Conservancy District.

Management signature: <u></u>	Governance signature: _____
Title: <u><i>President</i></u>	Title: _____
Date: <u><i>11/19/2023</i></u>	Date: _____