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

MINUTES OF BOARD OF DIRECTORS MEETING
February 20, 2020

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, Treasurer Bruce E. Wampler, Secretary Richard L. McNeill and Director Kelly
Couey was absent. Also in attendance were Tammy Keenan, Office Manager; Wendy
Ryan Colorado River Engineering, Inc.; Edward B. Olszewski, Counsel; Water
Commissioners Bill West and Glen Lund.

PUBLIC COMMENT
There was no comment from the public.

MINUTES
Bruce E. Wampler moved the minutes of the January 16, 2020, meeting be approved as
received; Richard L. McNeill seconded; motion carried.

FINANCE REPORT
Bills to be Paid: Bruce E. Wampler moved the attached list of bills be paid; Richard L.
McNeill seconded; motion carried.

Financial Statements: Bruce E. Wampler moved the January 2020, Financial Statements
prepared by Barnes, Pearson & Associates, LLC be accepted; Richard L. McNeill
seconded; motion carried.

Blair and Associates Management Letter: Bruce E. Wampler moved and directed the
President to accept and sign the management letter; Richard L. McNeill seconded; motion
carried.

Barnes Pearson and Rudow, PC Engagement Letter: Bruce E. Wampler moved and
directed the President to accept and sign the engagement letter; Richard L. McNeill
seconded; motion carried.
WEBSITE PROPOSAL
Align Multimedia, LLC proposed a generic outline of services they could provide with a new website. The board discussed different formats and ideas and has requested a more detailed proposal based on their specific needs.

WATER CONTRACTS
Zachary and Morgan Lyon and Hemp Collective, LLC; Bruce E. Wampler approval of this assignment from Terry Ostrom; 1 a.f. General Stored Water, Domestic; seconded by Richard L. McNeill; motion carried.

Chris Shaw and Chris Shaw 2; This amendment from 1 contract to 2, each contract for 1 a.f of water, total dwelling units 5, 14,500 sq. ft irrigation and 2 animals remains the same; was tabled for further information.

ROUNDTABLE REPORT
Received written and oral report from Dan R. Harrison of the past meeting. Jason Turner is the new chairman and the next meeting will be March 23, 2020.

WATER RESOURCES’ REPORT
Jake DeWolfe and Wendy Ryan discussed augmentation plans on Threemile and Fourmile.

HYDROLOGISTS’ REPORT
Water Watch and Augmentation reports were provided and discussed.

Received oral report on pending projects from Wendy Ryan.

CRYSTAL RIVER
Colorado River Engineering continues to work on WSRF updates for CWCB staff to present to the board in March. They have also met with several environmental groups to educate them on our efforts. There are several meetings scheduled in March to present information to various groups.

ATTORNEY’S REPORT
Received written and oral report from counsel.

NEW BUSINESS
The next meeting is scheduled for March 19, 2020.

Marilyn Latham has resigned.
ADJOURN
Meeting adjourned at 12:00 p.m.

SIGNED:

Richard L. McNeill, Secretary

ATTEST:

Samuel B. Potter, President
## GENERAL FUND

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## GENERAL STORED WATER

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## SILT INTERCONNECT

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**GRAND TOTAL**

$16,984.80
January 23, 2020

To Board of Directors and Management
West Divide Water Conservancy District
818 Taughnbaugh 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, 2019. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of West Divide Water Conservancy District as of and for the year ended December 31, 2019. Accounting standards generally accepted in the United States of America 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. 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 evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management’s Discussion and Analysis.
2) Budgetary Comparison Information for the General Fund.

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 auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a separate written report accompanying our auditor’s report on the financial statements or in a report combined with our auditor’s report on the financial statements:

1) Budgetary Comparison Schedules – Budget to Actual for Enterprise Funds.

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to 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. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. 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 Board of Directors of West Divide Water Conservancy District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. 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 may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.
An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable 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 a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. 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.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and if they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. 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 U.S. generally accepted accounting principles 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.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective 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 U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. 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, (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.

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 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 in communications from employees, former employees, 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 U.S. generally accepted accounting principles. 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.

You agree to assume all management responsibilities for 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.

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 these 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 $7,500. 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.

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 enclosed 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: [Signature] Governance signature: [Signature]

Title: [Title] Date: 2/20/2020
January 1, 2020

West Divide Water Conservancy District
P.O. Box 1478
Rifle, CO 81650

You have requested that we prepare the 2020 monthly financial statements of West Divide Water Conservancy District, which comprise the Statement of Assets, Liabilities, and Shareholder’s Equity-modified cash Basis, and the related Statement of Revenues and Expenses-modified cash basis for the period then ended. We are pleased to confirm our acceptance and understanding of this engagement to prepare the financial statements of West Divide Water Conservancy District by means of this letter.

Our Responsibilities

The objective of our engagement is to prepare financial statements in accordance with the modified cash basis of accounting based on information provided by you. We will conduct our engagement in accordance with Statements on Standards for Accounting and Review Services (SSARs) promulgated by the Accounting and Review Services Committee of the AICPA and comply with AICPA’s Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion or provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

Management Responsibilities

The engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare financial statements in accordance with the modified cash basis of accounting.

Management has the following overall responsibilities that are fundamental to our undertaking the engagement to prepare your financial statements in accordance with SSARs:

Over for Signature
West Divide Water Conservancy District
Page 2

a. The design, implementation, and maintenance of internal controls relevant to the preparation of financial statements that are free from material misstatement whether due to fraud or errors.

b. The prevention and detection of fraud.

c. To ensure that the entity complies with the laws and regulations applicable to its activities.

d. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements.

e. To provide us with:

i. Documentation, and other related information that is relevant to the preparation and presentation of the financial statements.

ii. Additional information that may be requested for the purpose of the preparation of the financial statements, and

iii. Unrestricted access to persons within West Divide Water Conservancy District of whom we determine necessary to communicate.

The financial statements will not be accompanied by a report. You understand and agree that the financial statements will clearly indicate that no assurance is provided on them.

Other Relevant Information

Fees for preparation of the financial statements will be $645 per month. All invoices are due and payable upon presentation.

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our engagement to prepare the financial statements described herein, and our respective responsibilities.

Sincerely yours,

Barnes Pearson & Rudow PC

Acknowledged and agreed on behalf of West Divide Water Conservancy District:

Signature: [Signature]

Date: 2/20/2020

Printed Name and Title: [Printed Name and Title]