

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR NOVEMBER/DECEMBER MEETING OF THE
PUEBLO CONSERVANCY DISTRICT ON DECEMBER 10, 1998

DIRECTORS PRESENT: Sandstrom, Farley and Kelly

ALSO PRESENT : Koester and Banner

The meeting was called to order at 7:30 A.M. on the above date, and the minutes of the November 5, 1998 meeting were approved as prepared.

The Treasurers reports for October and November were approved as prepared. The following bills were approved for payment:

October-	1665	Colo Trust (Transfer of Funds)	\$100,000.00
	1666	Cornell's Cafe Fis Fun Meeting	103.00
	1667	G. Sandstrom Directors Fee	55.41
	1668	K. Farley Directors Fee	55.41
	1669	P. Kelly Directors Fee	55.41
	1670	Banner Legal Fee	300.00
	1671	Engineer Koester Eng/Admin Fees	412.50
	1672	KLH Part Office Rent	100.00
	1673	Westplains Ener. Power at Runyan	90.00
	1674	NorthStar Eng Engineering	3,801.00
	1675	Pueblo Chieftain Advertistment	20.16
November-	1676	G. Sandstrom Directors Fee	55.41
	1677	K. Farley Directors Fee	55.41
	1678	P. Kelly Directors Fee	55.41
	1679	Banner Legal Fee	300.00
	1680	Engineer Koester Eng/Admin Fees	820.00
	1681	KLH Part Office Rent	100.00
	1682	Westplains Ener. Power at Runyan	85.16
	1683	NorthStar Eng Eng & Sur Fees	2,915.00
	1684	Internal Revenue 4th Qtr FICA	82.62
	1645	HARP Authority 1998 PCD approp	20,000.00x

The request for re-instatement of a Lease for the Patterson property on South Main Street, has been satisfied with a new lease agreement and the Directors accepted the lease payment of \$200.

Attorney Banner indicated that he had not completed a draft of a lease for the Colorado Outdoor Performing Arts Association (COPAA) but will likely have it ready by the January meeting for review.

Attorney Banner indicated that the HARP subdivision plat changes have now been made by the City at this time, the Deed from the District to the City of Pueblo has been executed by the District.

The Board reviewed three proposals for a computerized bookkeeping engagement beginning January 1, 1999, from Gail Barker, Public Accountant, Terri's Accounting, Bookkeeping and Tax Service, and MBLD (Larry Daveline) CPA. The best proposal was presented by MBLD, for \$175 per month after a \$500 set-up charge, that includes an annual application for exemption from audit. The Board then unanimously approved accepting the engagement proposal of MBLD and then contracting for an audit every three years, the next audit being for the year 2000 in the year 2001.

There being no further business, the meeting was adjourned at 8:00 a.m. with the regular January meeting scheduled for Wednesday January 11, 1999 at 7:30 a.m. at the District Office, 111 East 5th Street.

APPROVED:

Kathleen M. Farley
[Signature]

Patricia Kelly
 Secretary

THE PUEBLO CONSERVANCY DISTRICT

BOARD OF DIRECTORS
P. KELLY
K. FARLEY
G. SANDSTROM

111 EAST FIFTH STREET
544-6823
PUEBLO, COLORADO

MAILING ADDRESS:
P. O. BOX 234
PUEBLO, COLO. 81002

JANUARY 6, 1999

NOTICE OF JANUARY MEETING

DATE : January 11, 1999 (Monday)
TIME : 7:30 a.m.
PLACE : District Office - 111 East 5th Street

- A G E N D A -

1. Roll Call
2. Approval of Minutes of November/December meeting
4. Treasurers Report for December 1998:
 - a. Pay bills for January
4. Old Business -
 - a. Review draft of COPAA Lease (Banner)
 - b. Review programing of 1998 Grant to do Crossover Road and Parking areas at Runyon.
 - c. Discuss the Districts 5 year Business Plan
5. New Business-
 - a. Hold election of Board members to new posts: Pres. Gus Sandstrom
Treas. Kathy Farley
Sec. Pat Kelly
 - b. Designate Board member to HARP posts.
6. Set date for February Board meeting. x
7. Adjourn

.x

ACCOUNTS PAYABLE - -

<

Check	VENDOR	PURPOSE	AMOUNT
January	Accounts Payable to Approve	1-11-99	
1685	G. Sandstrom	Directors Fee (Jan) (81)	55.41
1686	K. Farley	Directors Fee (Jan) (81)	55.41
1687	P. Kelly	Directors Fee (Jan) (81)	55.41
1688	Banner	Legal Fee (Jan) (80)	300.00
1689	Engineer Koester	Eng/Admin (Jan) (83)	400.00
1690	KLH Partnership	Office Rent (Dec) (97)	100.00
1691	Westplains Energy	Power at Runyon (105)	90.00
1692	NorthStar Eng & Sur	-HARP easement-(Nov(105)	180.00
		-Levee Road & parking (110)	320.00
1693	MBLD, PC	Set Up charge for PCD Books (100)	500.00

TOTAL \$ 2,056.23

x

<

< †

.<

THE PUEBLO CONSERVANCY DISTRICT
111 East Fifth Street
Pueblo, Colorado

TREASURERS REPORT:

DATE: December 31, 1998

Vouchers No. 1675 through 1684 plus 1645
Total Expended during current Month: \$ 24,469
Deposits: \$ 6,293 (with \$19,000 in accounts receivable)
@12/31/98:

Minnequa Money Market (1)	\$ 3,161.		
CNB Savings (2)	\$ closed		
Minnequa Checking (3)	\$ 4,776.		
Piper Jaffray MoneyMkt (4)	\$ 11,610 (@1-1-98)		
Norwest Money Market (5)	\$ closed		
Colo Trust	\$ 187,000.		
Total CD's: \$ 430,000.		Treasury Bills: \$ 500,000.	
		Treasury Inv. : \$ 165,128.	

TOTAL of @12/31/96 = \$1,377,974
of ALL @12/31/97 = \$1,300,307.
Accounts: @12/31/98 = \$1,220,675

@ 1st of Mo.	Income	Expenses	@ end of Mo.
(\$1,219,851 + \$6,293 - \$ 5,469 = \$1,220,675)			
Checking Account Balance (3&4)	@ 11/30/98:	\$	2,759.
Savings Account Balances (1,2&5)	@ 10/31/98:		3,154.
Matured Treasury Bills			0.
Matured CD's			0.
Interest Earned - CD's			0.
	Colo Trust		725.
	Savings Accounts		6.
	Dain Raucher		0.
	Smith Barney		0.
	Everen		3,875.
	Piper Jaffray		1,687.
	Minnequa Bank (C.D.)		0.
Lease Payments			200.
Other Income (Account Receivable-City of Pueblo)	19,000.		-

	\$ 31,406.
Money Market - Piper Jaffray	\$ 0.
Money Market Transfer(Colo Trust)	(20,000.)
CD's Purchased	0.
Treasury Bills Purchased	\$ 0.
Current Months Vouchers	\$ 24,469.

CASH BALANCE @ 12/31/98 (1,2,3,& 5)	\$ 7,937.
+ Acct Rec.	\$ 26,937.
Interest Earned in 1998:	TOTAL TO DATE: \$ 75,800.
Jan \$10,412 Mar \$4,278 May \$8,687 Sept \$1,387	
Feb 4,922 Apr \$6,899 June \$5,422 Oct \$5,811	
	July \$9,292 Nov \$5,926
	Aug \$6,493 Dec \$6,293

TREASURER'S REPORT

DATE: December 31, 1998

ACCT No.	ACCOUNT	Spent 1997	1998 BUDGET	USED @ 11-30-98	CURRENT MONTH EXPENSE	USED to 12-31-98	UNUSED PORTION BUDGET
-------------	---------	---------------	----------------	--------------------	-----------------------------	---------------------	-----------------------------

80	Legal Fees	\$2,400	\$ 3,600	\$ 3300	\$ 300	\$ 3600	\$ 0
81	Director Fees	2,160	4,000	1984	180	2164	1,836
82	FICA Taxes	165	500	124	42	165	335
83	Engineer/Admin	4,800	4,800	4400	400	4800	0
90	Audit Fees	1,800	1,800	1800	0	1800	0
92	Insurance/Bonds	406	2,000	2360	0	2360	(360)
96	Office Expense	606	650	255	0	255	395
97	Office Rent	1,200	1,200	1200	100	1,200	0
100	Professional Fees	0	12,000	400	0	400	11,600
103	Travel	299	2,500	357	0	357	2,143
105	Repairs/Maint.	31,440	75,000	36388	1,710	37098	37,902
	A/R (advance)			19000	0	19000	
105a	1997 Grant	12,500	12,500	12499	0	12499	1
	1998 Grant	0	25,000	25,000	0	25,000	0
108	Contingencies	0	500	0	0	0	500
109	Emergency Repair	0	20,000	0	0	0	20,000
110	Capital Impr.	59,261	53,048	3626	1.710	5336	47,712
110b	OLD Grants	2,734	9,452	8500	0	8500	952
111	Plan. & Dev	17,520	25,000	24,674	(L) (E) 0	24674	326
112	HARP - O & M	0	25,000	4763	(eng) 237 (1gl) 0	4763 237	0 0
				0 HARP	20,000	20,000	0

TOTALS: \$155,181 \$278,550 \$130,766 \$24,442 \$155,208 \$123,342

PCD.bud ray

MBLD PCMcPherson,
Breyfogle,
Lichlyter &
Daveline, PC
Certified Public AccountantsThatcher Building
P O BOX 918
Pueblo, CO 81002-0918
Phone (719) 543-0518
Fax (719) 544-2849

November 2, 1998

Board of Directors
Pueblo Conservancy District
C/O Ray Koester
P. O. Box 234
Pueblo, CO 81002

Members of the Board:

This letter is to propose our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide:

NATURE OF OUR ENGAGEMENT

1. We will compile, from information your provide, the statement of assets, liabilities and fund equity - cash basis of the Pueblo Conservancy District as of each month end during 1999, and the related statements of revenues and expenditures - cash basis for each month end during 1999. We will not audit or review such financial statements.
2. We will also assist in the preparation of the annual application for exemption from audit as provided under current Colorado law if the Board elects not to have an annual audit performed.

Our engagement cannot be relied upon to disclose errors, fraud or illegal acts that may exist. However, we will inform you of any material errors, fraud or illegal acts that come to our attention unless clearly inconsequential.

PROFESSIONAL FEES

Since this engagement represents initial set-up and on-going monthly time requirements, we propose an initial set-up charge of \$500, along with a monthly fee of \$175. In addition, our assistance in the preparation of the annual application for exemption from audit would be provided at no charge beginning with the application for the calendar year 1999.

We appreciate the opportunity to provide this proposal. If you should have any questions regarding this arrangement, please feel free to contact us.

Sincerely,

LARRY A. DAVELINE, C.P.A.

LAD:jm

175 x 12 = 2100
Enc.
Exc. for
audit

Gail Barker
Public Accountant
4704 Scarlet Sage Dr.
Pueblo, CO 81001
Phone: (719)543-1112 Fax (719)544-1436

September 25, 1998

Board of Directors
The Pueblo Conservancy District
111 East Fifth Street
Pueblo, CO 81003

Re: Accounting Service Proposal

Board of Directors:

Thank-you for your invitation to bid for the job of Accountant for the Pueblo Conservancy District. Having familiarized myself with your governmental entity by reviewing the December 31, 1997 audit report, you can be confident that I fully understand the fund accounting policies which must be used to report the District's financial position and to demonstrate legal compliance of government functions and activities.

It is my understanding that you need an accountant that has the capabilities to computerize the District's accounting system in order to provide a complete audit trail for the CPA at year end. I use DacEasy Accounting and Payroll software which is designed to follow GAAP to ensure that records are structured and maintained to accurately reflect your ongoing financial position. As the District's accountant I would perform the following functions:

1. Maintain the General Ledger on a monthly basis
2. Provide monthly reports prior to the board meeting consisting of the Balance Sheet, Income Statement, Budget to Date Report, Investment Report, Check Register and Bank Reconciliations
3. Maintain an Accounts Payable subsidiary ledger and print all checks necessary for the monthly meeting
4. Process payrolls and prepare quarterly and annual payroll reports necessary to comply with State and Federal regulations
5. Furnish complete information to the CPA for the annual audit

The monthly rate would be \$160 to provide these accounting services. There would also be a one time fee of \$400 to create your computerized accounting system. In the event that I take over the accounting functions before the 1998 audit is completed, there would be an additional charge of \$400 to balance the General Ledger for 1998.

Thank-you for your interest in my company. I look forward to working with the District to help accomplish its mission of providing flood control, repairs and maintenance of river trail systems, and other worthwhile projects along the Arkansas River.

Sincerely,

Gail Barker

Gail Barker

160 x 12 = 1920

Terri's Accounting, Bookkeeping & Tax Service
2502 Court Street, Suite D
Pueblo, CO 81003
(719) 546-2220

To the Board of Directors
Pueblo Conservancy District
111 E. 5th Street
Pueblo, CO 81003

The following is a partial list of services available from Terri's Accounting, Bookkeeping, & Tax Service. I hope to better meet your expectations of service from my firm by clearly identifying the particular services to be provided and their frequency. None of the services can be relied on to detect errors, irregularities, or illegal acts that may exist.

I have marked the frequency of the services that I expect to provide. Please review the information below.

	Monthly	Quarterly	Annually
Bookkeeping services:			
Record journals	X		
Post general ledger	X		
Reconcile bank statements	X		
Reconcile investment statements	X		
Payroll Services:			
Post earnings records	X		
Prepare quarterly payroll tax reports		X	
Prepare W-2s and 1099s			X
Compiled Financial Statements:			
Balance Sheet	X		
Statement of income and expenses	X		
Treasurer's Report	X		

150 x 12 = 1800
200
4450 =
MISC -
50
9 2050
gw

My fee for monthly bookkeeping services will be \$150.00 and would be billed monthly. The fee for preparation of quarterly payroll reports will be an additional \$50.00 per quarter end. The fee for annual W-2's and 1099's would be \$5.00 per form. If your needs change during the year, the nature of my services can be adjusted appropriately. If these fees are acceptable to you and you would like for me to begin your bookkeeping needs please notify me. If you have any questions please feel free to call me.

Sincerely,

Terri Pellecchia

Terri Pellecchia
November 24, 1998