

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR JANUARY MEETING OF THE
PUEBLO CONSERVANCY DISTRICT ON JANUARY 11, 1999

DIRECTORS PRESENT: Sandstrom, Farley and Kelly

ALSO PRESENT : Koester and Baur (for Banner)

The meeting was called to order at 7:30 A.M. on the above date, and the minutes of the December 10, 1998 meeting were approved as prepared.

The Treasurers reports for December were approved as prepared.

The following bills were approved for payment:

~~December~~ 1685	G. Sandstrom	Directors Fee	55.41
1686	K. Farley	Directors Fee	55.41
1687	P. Kelly	Directors Fee	55.41
1688	Banner	Legal Fee	300.00
1689	Engineer Koester	Eng/Admin Fees	820.00
1690	KLH Part	Office Rent	100.00
1691	Westplains Ener.	Power at Runyan	90.00
1692	NorthStar Eng	Eng & Sur Fees	500.00
1693	MBLD, PC	Set Up Charge	500.00

Attorney Baur indicated that the draft of a lease for the Colorado Outdoor Performing Arts Association (COPAA) is not ready but will likely have it ready shortly so that Board Members can have a look at it before the February meeting.

The Board discussed the Long Range Plans for investments and programs of Capital Improvements that could take place in the next five years with the aid of an addendum to the Treassurers Report copy attached. The Board reaffirmed that the emergency reserves of \$600,000 should not be changed, and for the next five years, the reserves should not go lower than \$1,000,000. This will provide for the existing committment to HARP through the year 2001 with some Capital Improvements each year with the necessary Operating and Maintenance being taken care of from income.

The Board reviewed the Construction Plan for the Cross-over Road at Runyan, and suggested that the Engineers and Planners from the County recommend an alternate routing of the Trail in this Plan, and talk with the County Road and Bridge regarding the inclusion of the County as a partner in the project identified as Grant No. 12. Koester will bring the project back to the February Board meeting for further discussion.

The Board then held their annual election of officers, and uannamously named for a one year term, Sandstrom Chair, Farley Treasurer and Kelly Secretary, and then named Farley to the HARP< Foundation Board for one year, and Kelly to HARP Authority for a two year term.

There being no further business, the meeting was adjourned at 8:30 a.m. with the regular February meeting scheduled for Tuesday February 16, 1999 at 7:30 a.m. at the District Office, 111 East 5th Street.

APPROVED:

Kathleen M. Farley 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

FEBRUARY 9, 1999

NOTICE OF FEBRUARY MEETING

DATE : February 16, 1999 (Tuesday)
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 January meeting
4. Treasurers Report for January 1999:
 - a. Pay bills for February
4. Old Business -
 - a. Review draft of COPAA Lease (Banner)
 - b. Report on County as a partner to do Crossover Road and Trail extension at Runyon. (Koester)
 - c. Review F is F meeting of Jan 26
5. New Business-
 - a. Hear outline of developable parcels of surplus PCD owned land. (Koester)
6. Set date for March Board meeting.
7. Adjourn

ACCOUNTS PAYABLE - -

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Check	VENDOR	PURPOSE	AMOUNT
February	Accounts Payable to Approve 2-16-99		
1694	Cornell's Country Cafe	F is F Breakfast (103))	\$
1695	G. Sandstrom	Directors Fee (Feb) (81)	55.41
1696	K. Farley	Directors Fee (Feb) (81)	55.41
1697	P. Kelly	Directors Fee (Feb) (81)	55.41
1698	Banner	Legal Fee (Feb) (80)	300.00
1699	Engineer Koester	Eng/Admin (Jan) (83)	400.00
1700	Engineer Koester	Rental of Stor & Mtg (97)	100.00
1701	Westplains Energy	Power at Runyon (105)	90.00
1702	NorthStar Eng & Sur	-HARP easement-(Dec(105)	855.00
		-Levee Road & parking (110)	2745.00
1703	MBLD, PC	Bookeeping Service (Jan) (90)	175.00

TOTAL \$

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ACCT No.	ACCOUNT	Spent 1998	1999 BUDGET	USED 01-01-99	CURRENT MONTH EXPENSE	USED to 01-31-99	UNUSED PORTION BUDGET
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80	Legal Fees	\$3,600	\$ 3,600	\$ 0	\$ 300	\$ 300	\$3,300
81	Director Fees	1,836	3,000	0	180	180	2,820
82	FICA Taxes	335	240	0	0	0	240
83	Engineer/Admin	4,800	4,800	0	400	400	4,400
90	Audit & Bkkpg	1,800	3,000	0	0	0	3,000
92	Insurance/Bonds	2,360	500	0	0	0	500
96	Office Expense	255	650	0	0	0	650
97	Office Rent	1,200	1,200	0	100	100	1,100
100	Prof. Fees	400.	5,000	0	500	500	4,500
103	Travel	357	500	0	0	0	500
105	Repairs/Maint.	12,098	20,000	0	270	270	19,730
.	1998 Grant	25,000	0				
105a	1999 Grant	0	25,000	0	0	0	25,000
108	Contingencies	0	500	0	0	0	500
109	Emergency Repair	0	20,000	0	0	0	20,000
110	Capital Impr.	5,336	25,000	0	320	320	24,680
111	Plan. & Dev	24,674	25,000	0	0	0	25,000
112	HARP - O&M	24,763	36,800	0	0	0	36,800

TOTALS: \$155,208 \$174,790 \$ 0 \$ 2,070 \$ 2,070 \$172,720

PCD9.bud ray

THE PUEBLO CONSERVANCY DISTRICT
111 East Fifth Street
Pueblo, Colorado

TREASURERS REPORT:

DATE: January 31, 1999

Vouchers No. 1685 through 1693
Total Expended during current Month: \$ 2,056
Deposits: \$ 6,293 (plus \$19,000 of accounts receivable)
@01/31/99:

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 Receiveable-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
Feb 4,922	Apr \$6,899	June \$5,422
		July \$9,292
		Aug \$6,493
		Sept \$1,387
		Oct \$5,811
		Nov \$5,926
		Dec \$6,293

ACCOUNTS PAYABLE - -

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1701	Westplains Energy	Power at Runyon (105)	90.00
1702	NorthStar Eng & Sur	-HARP easement-(Dec(105)	855.00
		-Levee Road & parking (110)	2745.00
1703	MBLD, PC	Bookkeeping Service (Jan) (90)	175.00

TOTAL \$

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PUEBLO CONSERVANCY DISTRICT

1 9 9 9 BUDGET

	1997 Actual	1998 Budget	Est. 1998 Rev. & Exp.	1999 BUDGET
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REVENUES

From Reserves:	\$ 76,786	\$192,800	\$ 59,281	\$ 93,540 ✓
Interest:	84,817	85,000.	85,000	80,000
Leases	0	1,050	2,100	1,250

TOTAL REVENUES	\$ 161,603.	\$278,550.	\$114,230.	\$174,790 ✓
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EXPENDITURES

Directors Fees	\$ 2,160	\$ 4,000	\$ 2,160	\$ 3,000
FICA Taxes	165	500	165	240
Legal Fees	2,400	3,600	3,600	3,600
Eng, Adm & Stor	4,800	4,800	4,800	4,800
Audit & Bkpg Fees	1,800	1,800	2,200	3,000
Insurance & Bonds	406	2,000	406	500
Office Exp.	608	650	600	650
Office Rent	1,200	1,200	1,200	1,200
Professional Fees	0	12,000	0	5,000
Travel	299	2,500	350	500
Repairs & Mainten.	46,460	75,000	30,900	45,000
Contingencies	0	500	0	500
Emerg. Flood Repairs	0	20,000	0	20,000
Capital Improvements	83,965	100,000	50,000	25,000
Planning & Devel.	17,340	25,000	25,000	25,000
HARP O & M	0	25,000	25,000	36,800

TOTAL EXPENDITURES	\$161,603.	\$278,550.	\$146,381.	\$174,790. <i>Corrected</i>
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EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(0.)	(0.)	(0.)	(0.)
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BEGINNING RESERVE FUND BALANCE	\$1,383,805.		\$1,307,019.	
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ENDING RESERVE FUND BALANCE	\$1,307,019		\$1,247,738.	
	\$1,325,910-Audit			
	18,891 A/R & Impr. etc.			

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TREASURERS REPORT<

Year end Cash and Investments:

per cash basis shown on monthly
statements :

@ 12/31/94	\$1,436,974 +- down \$25,000	(completed two Grants)
@ 12/31/95:	\$1,411,974 +- down \$34,000	(pledged \$75,000 to HARP)
@ 12/31/96:	\$1,377,974 down \$81,377	(pledged \$75,000 to HARP)
@ 12/31/97:	\$1,300,307 down \$77,667	(did HARP Sub and some title)
@ 12/31/98:	\$1,220,675 down \$79,632	(Quiet Title work & \$20,000 to HARP Fdn)

Bare Bones Expenses:

Direc	\$2160
& FICA	165
Legal	3600
Adm/Eng	4800
Audit & Bkkg	3000
Ins	400
Office Exp/Rent	1800
Travel & Misc.	350
Maintenance, Power Operations	40,000

Lease Income: \$1,250

Interest on all
investments: 73,000

\$ 56,275

\$ 74,250

Copy

I N V O I C E

November 1, 1998

Invoice No. 023

F is F Grant 10

CITY OF PUEBLO
City Hall
Pueblo, CO. 81003

For re-imburement on Grant money advanced on Cross-Connection
of Runyan and Fountain Lakes, work completed in 1998.

TOTAL OF ADVANCE AND AMOUNT DUE: \$19,000.00

*Extra
For
1999
Monthly
Book*

PUEBLO CONSERVANCY DISTRICT

1 9 9 9 BUDGET

	1997 Actual	1998 Budget	Est. 1998 Rev. & Exp.	1999 BUDGET
REVENUES				
From Reserves:	\$ 76,786	\$192,800	\$ 59,281	\$ 49,740
Interest:	84,817	85,000.	85,000	80,000
Leases	0	1,050	2,100	1,250
TOTAL REVENUES	\$ 161,603.	\$278,550	\$114,230.	\$130,990.
EXPENDITURES				
Directors Fees	\$ 2,160	\$ 4,000	\$ 2,160	\$ 3,000
FICA Taxes	165	500	165	240
Legal Fees	2,400	3,600	3,600	3,600
Eng, Adm & Stor	4,800	4,800	4,800	4,800
Audit & Bkpg Fees	1,800	1,800	2,200	3,000
Insurance & Bonds	406	2,000	406	500
Office Exp.	608	650	600	650
Office Rent	1,200	1,200	1,200	1,200
Professional Fees	0	12,000	0	5,000
Travel	299	2,500	350	500
Repairs & Mainten.	46,460	75,000	30,900	45,000
Contingencies	0	500	0	500
Emerg. Flood Repairs	0	20,000	0	20,000
Capital Improvements	83,965	100,000	50,000	25,000
Planning & Devel.	17,340	25,000	25,000	25,000
HARP O & M	0	25,000	25,000	36,800
TOTAL EXPENDITURES	\$161,603.	\$278,550.	\$146,381.	\$130,990.
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(0.)	(0.)	(0.)	(0.)
BEGINNING RESERVE FUND BALANCE	\$1,383,805.		\$1,307,019.	
ENDING RESERVE FUND BALANCE	\$1,307,019		\$1,247,738.	
	\$1,325,910-Audit 18,891 A/R & Impr. etc.			

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B U D G E T M E S S A G E<

The budgetary basis of accounting used by the Pueblo Conservancy District is based upon the cash basis method of accounting.

The budget includes the anticipated source of revenues, being revenues from interest on certificates of deposit and other investments as well as leasehold revenues. The budget includes the anticipated expenses by the Pueblo Conservancy District for capital improvements, emergency flood repairs, routine repairs and maintenance, engineering and administrative fees, as well as other expenses anticipated. The Pueblo Conservancy District was created by special statutory legislation for the purpose of constructing and maintaining a river levee system to protect the city and county of Pueblo from flooding on the Arkansas River. The District is no longer a taxing entity and derives its operational funds from reserve fund investments. The board of directors of the Pueblo Conservancy District supervises those repairs, maintenance and capital improvements necessary to maintain the levee. For Amendment 1 and all other purposes, expenditures by the district for capital improvements, emergency flood repairs and the first \$40,000 each year for repairs and maintenance, may be expended from reserve fund balances. All other expenditures of the district shall be expended from income.

Certified to be the 1999 BUDGET adopted by THE
PUEBLO CONSERVANCY DISTRICT on November 5, 1998.

PCD, byd

LAW OFFICES OF
BANNER, BUXMAN, ENCK & OHLSEN, P.C.
PROFESSIONAL CORPORATION

FAX: (719) 546-3457
TAX ID #84-1091902

601 N. MAIN STREET, SUITE 200
P.O. BOX 1423
PUEBLO, COLORADO 81002-1423
(719) 544-5081

DONALD J. BANNER
DARRIN L. BUXMAN
DALE R. ENCK
MARK A. OHLSEN

DOUGLAS J. KWITEK
KATHY D. SHAPIRO
JOSEPH D. BOWER

November 9, 1998

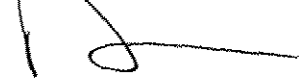
Mr. Scott K. Patterson
615 S. Main Street
Pueblo, CO 81004

Re: Pueblo Conservancy District

Dear Scott:

I am enclosing an original and two copies of a Non Exclusive License Agreement for the property you have previously been utilizing from the District. The only catch is the rent is \$200.00 for the year. If you agree forward your check payable to **The Pueblo Conservancy District** in the amount of \$200.00 together with the original and copies of this Non Exclusive License signed by you, and we will get them executed by Mr. Sandstrom and return a fully executed copy to you. If you are not interested please let me know.

Very truly yours,



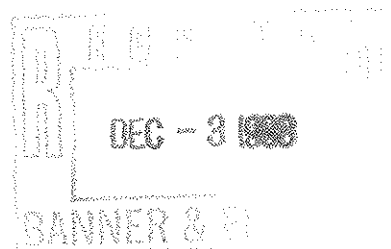
Donald J. Banner

DJB:skb

enclosure

c: Ray Koester/encl.

E:\puebcons\patterson.n09



Over fifty years of legal service.

To
Safe
file of
Leases

SCOTTIE'S OF PUEBLO, LLC.
615 S. MAIN 719-545-7557
PUEBLO, CO 81004

PAY
TO THE
ORDER OF

Pueblo Conservancy District



Canon National Bank
719-544-5522 101 W. 28th St.
Pueblo, Colorado 81003

FOR Lease - land - year

⑈007099⑈⑈107002516⑈ 01 851 8⑈

DATE 12-1-98

\$200.00

DOLLARS

7099

82-251/1970
BRANCH 002

[Signature]

NON EXCLUSIVE LICENSE

THIS AGREEMENT is entered into this 6th day of November, 1998, by and between **THE PUEBLO CONSERVANCY DISTRICT**, whose mailing address is P.O. Box 234, Pueblo, Colorado, 81002, hereinafter referred to as Licensor, and Scott K. Patterson, whose mailing address is 615 South Main Street, Pueblo, Colorado, 81004, hereinafter referred to as Licensee.

FOR AND IN CONSIDERATION of the following mutual covenants and conditions, the parties agree as follows:

1. Licensor grants to Licensee the non-exclusive license to enter upon and traverse for ingress and egress purposes and to occupy the surface of certain real property in Pueblo County, Colorado, described as follows:

A portion of Lots 2 through 6, both inclusive, Block 214 in Colorado Coal and Iron Company's Subdivision, of a certain portion of the former City of South Pueblo, now part of the consolidated City of Pueblo, according to the recorded plat of said subdivision and being more particularly described as follows:

Beginning at the Southernmost corner of said Lot 6; thence Northwesterly, along the Southwest lines of said Lots 2 through 6, a distance of 105 feet; thence Southeasterly, a distance of 135.1 feet to the Southeast line of said Lot 6; thence Southwesterly, along said Southeast line, a distance of 85 feet to the point of Beginning.
Containing 4,462 square feet.

The Licensee agrees to keep the street located on said property open for use by the public.

2. The terms of this Agreement shall be for a one-year period, commencing with the date hereof and terminating one year from the date hereof. Notwithstanding the foregoing, the term shall terminate immediately upon the happening of any one or more of the following conditions:

- a. The sale by Scott K. Patterson of any interest he may have in Lots 1, 2 and 3, in Block 2, Wayland Place, according to the recorded plat thereof, filed for record October 8, 1889, Pueblo County, Colorado.
- b. Written notice is given by Licensor to Licensee stating that Licensor desires to terminate the License Agreement.

3. Licensee agrees to pay Licensor the sum of \$200.00, receipt for which is hereby acknowledged, covering the license period during the term hereof. Should the term be terminated prior to the expiration of the one year period, Licensor agrees to refund a prorated portion of the license fee.

4. The parties may extend this license agreement for additional one year periods by entering into a simple memorandum to be signed by the parties setting forth any changes of the terms or conditions of the License Agreement.

5. The Licensee specifically acknowledges the right of the licensor to permit other persons to use the alleyways and streets situate upon the property for which this license is being given.

6. Licensee agrees to make no claims against Licensor for any damage which the Licensee may suffer of any kind, at any time, which results from the Licensee's use of the property described herein.

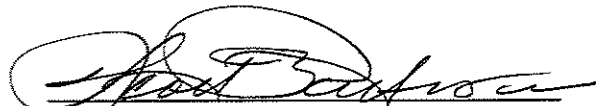
7. Licensee shall make no improvements to the property described herein without the written consent of the Licensor.

8. This License Agreement is non-assignable and non-transferable and any attempted transfer of the interest of the Licensee created by this agreement shall be void.

THE PUEBLO CONSERVANCY DISTRICT

By


G. F. Sandstrom, President


Licensee - Scott K. Patterson

Denver Regional Office
P.O. Box 5090
Denver, Colorado 80217-5090
(303) 773-2000

February 12, 1999

United States Fire Insurance Company
The North River Insurance Company

Pueblo Conservancy District
P.O. Box 234
Pueblo, Colorado 81002

*See MBLD -
for comments
Return to
Ray Kauter*

Re: Insurance Policies: #506-001574

Dear Policyholder:

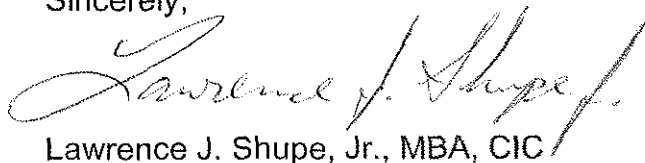
Your policy(ies) are scheduled to renew shortly, and the renewal policy(ies) will include endorsements concerning the Year 2000. The enclosed policyholder notices explain the purpose of the endorsements.

This notice may apply to more than one policy, and we've indicated below to which policy(ies) this notice applies.

If we provide coverage on a Package Policy, several of the policy's indicated below may be written on the Package, and more than one Year 2000 endorsement may be attached. If so, a separate policyholder notice is enclosed for each endorsement.

Please review the policyholder notice(s) and contact your agent if you have any questions.

Sincerely,


Lawrence J. Shupe, Jr., MBA, CIC

☐ Commercial Auto - Garage Coverage	☒ General Liability Coverage
☒ Commercial Property Coverage	☐ Crime Coverage
☐ Inland Marine Coverage	☐ Boiler and Machinery Coverage
☐ Commercial Umbrella Policy	☐ Commercial Excess Policy

cc: Shary Samuelson
SCA Insurance - Pueblo



United States Fire Insurance Company
The North River Insurance Company
Crum & Forster Indemnity Company
Crum & Forster Underwriters Co. of Ohio
Crum and Forster Insurance Company

**POLICYHOLDER NOTICE
YEAR 2000 AND YOUR INSURANCE COVERAGE**

**COMMERCIAL PROPERTY COVERAGE
ENDORSEMENT IL 09 35**

NO COVERAGE IS PROVIDED BY THIS POLICYHOLDER NOTICE NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS SUMMARY, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

PLEASE READ THIS NOTICE CAREFULLY.

Endorsement IL 09 35, Exclusion of Certain Computer-Related Losses, has been added to your policy to explicitly state that coverage is not provided for loss caused by a computer's inability, or that of computerized or other electronic equipment, to properly recognize a particular date or time. An example of this is a loss caused by the inability of the computer to recognize the year 2000 (Y2K). However, coverage is provided under certain circumstances: if the computer's inability to recognize a date or time results in a covered cause of loss - for example, fire - the loss resulting from that fire will be covered.

A Y2K survey form is enclosed. If your policy includes Business Income Coverage and/or Extra Expense Coverage, you may be able to purchase limited coverage for Y2K incidents. If you are interested, you should complete the survey form and contact your agent.



United States Fire Insurance Company
The North River Insurance Company
Crum & Forster Indemnity Company
Crum & Forster Underwriters Co. of Ohio
Crum and Forster Insurance Company

POLICYHOLDER NOTICE YEAR 2000 AND YOUR INSURANCE COVERAGE

GENERAL LIABILITY COVERAGE ENDORSEMENT CG 21 60

NO COVERAGE IS PROVIDED BY THIS POLICYHOLDER NOTICE NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISIONS OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS SUMMARY, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

THIS NOTICE HAS BEEN PREPARED IN CONJUNCTION WITH THE IMPLEMENTATION OF CHANGES TO YOUR POLICY. THIS NOTICE PROVIDES INFORMATION CONCERNING YOUR INSURANCE COVERAGE FOR BODILY INJURY, PROPERTY DAMAGE, AND PERSONAL INJURY AND ADVERTISING INJURY (OR PERSONAL AND ADVERTISING INJURY IF DEFINED AS SUCH IN YOUR POLICY) RESULTING FROM COMPUTER-RELATED OR OTHER ELECTRONIC PRODUCTS FAILURE TO RECOGNIZE THE CHANGE TO THE YEAR 2000.

PLEASE READ THIS NOTICE CAREFULLY.

When the year 2000 arrives, it is anticipated that many computer systems will fail to work. This is because they have been programmed to read only the last two digits of dates. The first two digits are assumed to be 19. Hence, today, a computer "sees" 97, and assumes that the year is 1997. When the year 2000 arrives, it will only read the 00, and then may assume that the year is 1900. For example, if an individual was born in 1970, the computer would calculate their age in 1999 as:

$$99-70 = 29$$

In the year 2000, the age would be calculated as

$$00-70 = -70$$

This problem is critical because programmers who are capable of fixing this problem are becoming scarce and the problem has to be corrected before the year 2000. Uncorrected, resulting losses may range from lost or corrupted data to damaged inventory. For example, some computers that monitor perishable inventory may destroy inventory as being too old or spoiled when in actuality, the inventory has not expired. The owner of such destroyed property may take legal action against the company that designed or programmed their computerized inventory system. There could be bodily injury claims as well. Computerized medical equipment may read dates incorrectly and malfunction, causing injury to patients who rely on them. Computer systems may cause pharmacies to refuse to refill prescriptions because they're read as expired.

Your individual business may be affected by the change to the year 2000. Each computer, computer-related system or other electronic product may experience problems, and the size, number and kind of problems can vary greatly. These problems could range from the failure of a mainframe computer system to function to a sprinkler system that automatically goes off at the change to the year 2000. Since each situation is unique, it is not possible to predict the possible computer-related and other electronic problems that you may experience due to the change to the year 2000. It is important that you examine and evaluate your current situation on an individual basis. In many situations it may be necessary for a professional computer consultant to analyze computers, computer-related systems and other electronic products for year 2000 compliance. It may be prudent to consult such a professional.

Endorsement **CG 21 60, Exclusion - Year 2000 Computer-Related and Other Electronic Problems**, is attached to your policy. Because this endorsement is attached to your policy, you do not have coverage for liability arising out of any injury or damage related to any computer or other electronic equipment's inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond. This exclusion will apply regardless of whether the computer or other electronic product or device (including computer chips) belongs to you or to others, or has been incorporated into your products or the products of others.

A Year 2000 survey form is enclosed. You may be able to purchase limited coverage for liability arising out of injury or damage related to the change to the year 2000 and beyond. If you are interested, you should complete the survey form and contact your agent.

Y2K EXPOSURE - Survey Form

Survey to be completed by the insured and signed on the signature line.

Insured name: PUEBLO CONSERVANCY DISTRICT
Address: 111 E. 5TH ST.
Insured policy number and/or effective date requested: 5060075751
Agent name: SCA INSURANCE
CFI Regional office location: _____

1. Does your company have a plan to address Year 2000 issues?

☐ Yes, a written plan
☒ Yes, an unwritten plan only
☐ Not yet
☐ Do not intend to address the issue

2. If you have a plan to address the Year 2000 issue, have you assigned the responsibility for plan success?

Name of Project Manager: M B L D P.C.
Title: ACCOUNTANT
Phone: (719) 543-0516
Fax E-Mail Address: (719) 544-2849

3. If your company has a plan:

☒ When was the plan adopted? 1/99 (month/year)
☐ When will your system be mostly compliant? _____ (month/year)
☐ When is your project's anticipated completion date? _____ (month/year)

4. Have you taken a physical inventory of your computer resources?

☒ Software only
☐ Hardware only
☐ Embedded chip systems
☐ All the above

The first step is to identify at-risk systems. Go beyond the normal computer systems to identify all other systems that might be at risk.

5. Have you completed a comprehensive survey of other software programs used in your company?

☒ Yes
☐ No

While your main software system is important, you may be surprised at how many other software programs are used. Every program should be verified for Year 2000 compliance. It may be necessary to order and install new versions of some programs.

*NO CUSTOMERS
NO ONE AFFECTED
EXCEPT OUR OWN
PAYROLL*

PUEBLO CONSERVANCY DISTRICT<

1 9 9 9 BUDGET

	1997 Actual	1998 Budget	Est. 1998 Rev. & Exp.	1999 BUDGET
REVENUES				
From Reserves:	\$ 76,786	\$192,800	\$ 59,281	\$ ~~49,740~~ 93,540
Interest:	84,817	85,000.	85,000	80,000
Leases	0	1,050	2,100	1,250
TOTAL REVENUES	\$ 161,603.	\$278,550.	\$114,230.	\$130,990. 174,790
EXPENDITURES				
Directors Fees	\$ 2,160	\$ 4,000	\$ 2,160	\$ 3,000 ✓
FICA Taxes	165	500	165	240 ✓
Legal Fees	2,400	3,600	3,600	3,600 ✓
Eng, Adm & Stor	4,800	4,800	4,800	4,800 ✓
Audit & Bkkpg Fees	1,800	1,800	2,200	3,000 ✓
Insurance & Bonds	406	2,000	406	500 ✓
Office Exp.	608	650	600	650 ✓
Office Rent	1,200	1,200	1,200	1,200 ✓
Professional Fees	0	12,000	0	5,000 ✓
Travel	299	2,500	350	500 ✓
Repairs & Mainten.	46,460	75,000	30,900	45,000 ✓ 2,000
Contingencies	0	500	0	500 ✓
Emerg. Flood Repairs	0	20,000	0	20,000 ✓
Capital Improvements	83,965	100,000	50,000	25,000 ✓
Planning & Devel.	17,340	25,000	25,000	25,000 ✓
HARP O & M	0	25,000	25,000	36,800 ✓
TOTAL EXPENDITURES	\$161,603.	\$278,550.	\$146,381.	\$130,990. 174,790
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(0.)	(0.)	(0.)	(0.)
BEGINNING RESERVE FUND BALANCE	\$1,383,805.		\$1,307,019.	
ENDING RESERVE FUND BALANCE	\$1,307,019		\$1,247,738.	
	\$1,325,910-Audit			
	18,891 A/R & Impr. etc.			

PCD 9. BOD