

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR NOVEMBER MEETING OF THE
PUEBLO CONSERVANCY DISTRICT ON NOVEMBER 4, 1999

DIRECTORS PRESENT: Sandstrom, Kelly and Farley

ALSO PRESENT : Koester and Doug Kwitek for Banner, and John Stiehl, Pueblo Locomotive & Rail Historical Society, Inc.

The meeting was called to order at 8:00 a.m. on the above date, and the minutes of the October meeting was approved as prepared.

The Treasurers report for October was approved as prepared, and the following bills for November were approved for payment:

November	1776	G. Sandstrom	Directors Fee	\$ 55.41
	1777	K. Farley	Directors Fee	55.41
	1778	P. Kelly	Directors Fee	55.41
	1779	Banner	Legal Fee	300.00
	1780	Engineer Koester	Eng/Admin Fee	400.00
			Rental Fees	100.00
	1781	MBKD, pc	Bookkeeping Service	175.00
	1782	Westplains Energy	Power at Runyon	90.00
	1783	NorthStar Eng.	Eng Service/X-Road	2618.33

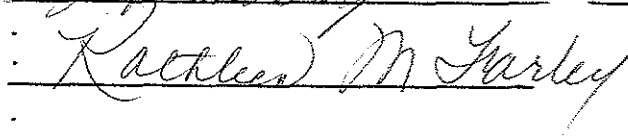
The Board then conducted a Public Hearing for the Year 2000 Budget for this District as advertised. No one was present to question or offer comments, and the Directors each had no changes to be made, and so by unanimous vote approved the Budget as prepared, and authorized the Chairman to sign the Budget Message and for Attorney Banner to present a copy of the 2000 Budget to the Court and the State.

A presentation was then made by John Stiehl, giving the Directors an overview of PLRS past and present activities in Southern Colorado. Then Stiehl talked about a proposal to establish a Railroad Museum on what is now recognized as the Progress Rail Operation adjacent to Thomas Phelps Creek. He also spoke to land use issues of the PLRS as well as those of COPAA and the City Parks and Recreation, and how they could impact the uses the PCD has already designated, and proposed uses as indicated on the Conceptual Plan done by Design Studios West. Both the City of Pueblo and PLRS now, and the County of Pueblo and the PCD in the past have worked with the Union Pacific Railroad to gain use of the old railroad right of ways in the development of the Runyon area, so it seems appropriate that all entities need to do some serious planning in a way that the community gets development that is useful and in the best interests of all concerned. This District then offered whatever help Stiehl needed to be able to prepare a land use scheme, by way of mapping and ownership declarations that the District has in house. The Directors also asked to be kept informed of PLRS progress.

Neither Engineer Koester or Attorney Banner had anything to report on the Union Pacific Lease/Purchase except that a letter to Union Pacific had been written yesterday urging them to act on payment of the Lease of Oil Storage Tanks soon. It is hoped they will also empower their Fred Jones in Pueblo to negotiate a solution quickly to the trade of land.

There being no further business, the meeting was adjourned at 9:00 a.m. with the regular December meeting scheduled for Thursday December 2, 1999 at 7:30 a.m. at the temporary location of the Conference Room of District Attorney Sandstrom's office, at 8th and Main Street, 8th floor.

APPROVED:

 Patricia Kelly
 Kathleen M. Farley



McPherson,
Breyfogle,
Lichlyter &
Daveline, PC
Certified Public Accountants

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ACCOUNTANTS' COMPILATION REPORT

Board of Directors
The Pueblo Conservancy District
Pueblo, Colorado

We have compiled the accompanying balance sheet - general fund only - of The Pueblo Conservancy District as of October 31, 1999 and December 31, 1998, and the related comparative statement of revenue and expenditures - actual and budget - general fund for the one month and ten months ended October 31, 1999, and the twelve months ended December 31, 1998, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements mentioned above, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The accompanying statements were prepared to present the activities of the general fund only and are not intended to be a complete presentation of the District's assets, liabilities, revenue, and expenditures.

This report is intended solely for the information and use of the board of directors and management of The Pueblo Conservancy District and should not be used for any other purpose.

McPherson, Breyfogle, Lichlyter & Daveline PC

November 1, 1999

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
OCTOBER 31, 1999 AND DECEMBER 31, 1998

	<u>10/31/1999</u>	<u>12/31/1998</u>
ASSETS		
MINNEQUA CHECKING	\$ 33,417	\$ 4,776
MINNEQUA MONEY MARKET	3,208	3,161
BROKERAGE MONEY MARKET ACCOUNTS	95,110	63,412
MINNEQUA CERTIFICATE OF DEPOSITS	330,000	330,000
FNB COLORADO CERTIFICATE OF DEPOSIT	106,130	100,000
COLOTRUST INVESTMENT	187,000	187,000
DAIN BOSWORTH INVESTMENT	202,094	208,437
EVEREN SECURITY INVESTMENT	201,969	206,187
PIPER JAFFRAY INVESTMENT	88,433	123,318
ACCRUED INTEREST	18,443	18,443
ACCOUNTS RECEIVABLE	<u>-</u>	<u>19,000</u>
 TOTAL ASSETS	 <u>\$ 1,265,804</u>	 <u>\$ 1,263,734</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 500
PAYROLL TAXES PAYABLE	<u>14</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>14</u>	 <u>500</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	93,540	93,540
UNDESIGNATED	<u>1,166,250</u>	<u>1,163,694</u>
 TOTAL FUND EQUITY	 <u>1,265,790</u>	 <u>1,263,234</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,265,804</u>	 <u>\$ 1,263,734</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
ACTUAL AND BUDGET - GENERAL FUND
FOR THE ONE AND TEN MONTHS ENDED OCTOBER 31, 1999
AND THE TWELVE MONTHS ENDED DECEMBER 31, 1998

	<u>ACTUAL</u>				
	<u>CURRENT</u>	<u>YEAR</u>	<u>1999</u>	<u>UNUSED</u>	<u>1998</u>
	<u>MONTH</u>	<u>TO DATE</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES					
INTEREST INCOME					
CERTIFICATES OF DEPOSIT	\$ 1,260	\$ 21,386	\$ -	\$ -	\$ 24,657
COLOTRUST	778	7,478	-	-	7,193
MONEY MARKET ACCOUNTS	352	2,547	-	-	2,127
DAIN RAUCHER	-	9,312	-	-	26,058
EVEREN	-	11,625	-	-	22,678
SMITH BARNEY	-	-	-	-	1,708
PIPER JAFFRAY	579	6,908	-	-	11,138
UNREALIZED GAINS (LOSSES)	(240)	(13,141)	-	-	-
TOTAL INTEREST INCOME	2,729	46,115	80,000	33,885	95,559
LEASE PAYMENTS	-	-	1,250	1,250	200
OTHER INCOME	-	3,600	-	(3,600)	600
TOTAL REVENUES	\$ 2,729	\$ 49,715	\$ 81,250	\$ 31,535	\$ 96,359
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 3,000	\$ 3,600	\$ 600	3,600
81 DIRECTORS FEES	180	1,800	3,000	1,200	2,160
82 FICA TAXES	41	123	240	117	165
83 ENGINEER/ADMINISTRATIVE	400	4,000	4,800	800	4,800
90 AUDIT & BOOKKEEPING	175	1,575	3,000	1,425	1,800
92 INSURANCE/BONDS	-	500	500	-	2,360
96 OFFICE EXPENSE	330	527	650	123	260
97 OFFICE RENT	100	1,000	1,200	200	1,200
100 PROFESSIONAL FEES	-	2,259	5,000	2,741	400
103 TRAVEL	-	83	500	417	357
105 REPAIRS & MAINTENANCE	4,771	16,998	20,000	3,002	50,584
105A CURRENT YEAR GRANT	-	-	25,000	25,000	25,000
108 CONTINGENCIES	-	-	500	500	-
109 EMERGENCY REPAIR	-	-	20,000	20,000	-
110 CAPITAL IMPROVEMENTS	-	15,231	25,000	9,769	5,656
111 PLANNING & DEVELOPMENT	-	63	25,000	24,937	23,477
112 HARP - O & M	-	-	36,800	36,800	29,076
TOTAL EXPENDITURES	6,297	47,159	174,790	127,631	150,895
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (3,568)	\$ 2,556	\$ (93,540)	\$ (96,096)	\$ (54,536)

SEE ACCOUNTANTS' COMPILATION REPORT

ACCOUNTS PAYABLE - -

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Check	VENDOR	PURPOSE	AMOUNT
November	Accounts Payable to Approve 11-04-99		
1776	G. Sandstrom	Directors Fee (Nov) (81)	\$ 55.41
1777	K. Farley	Directors Fee (Nov) (81)	55.41
1778	P. Kelly	Directors Fee (Nov) (81)	55.41
1779	Banner	Legal Fee (Nov) (80)	300.00
1780	Engineer Koester	Eng/Admin (Nov) (83)	400.00
		Rental of Stor & Mtg (97)	100.00
1781	MBKD, PC	Bookeepg Service (Oct) (90)	175.00
1782	Westplains Energy	Power at Runyon (105)	90.00
1783	NorthStar Engineering	Plans & Const. Bid (110)	2,618.33
		Cross-Over Road	

TOTAL \$ 3,849.56

THE PUEBLO CONSERVANCY DISTRICT

2 0 0 0 BUDGET

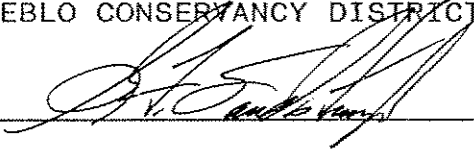
	1998 Actual	1999 Budget	Est. 1999 Rev. & Exp.	2000 BUDGET
REVENUES				
From Reserves:	\$ 13,896	\$ 93,540	\$ 11,185	\$ 62,840
Interest:	95,559	80,000.	63,000	73,000
Leases	200	1,250	200	250
TOTAL REVENUES	\$ 109,655.	\$174,790.	\$ 74,385.	\$136,090.
EXPENDITURES				
Directors Fees	\$ 2,160	\$ 3,000	\$ 2,160	\$ 3,000
FICA Taxes	165	240	165	240
Legal Fees	3,600	3,600	3,600	3,600
Eng, Adm & Stor	4,800	4,800	4,800	4,800
Audit & Bkpg Fees	1,800	3,000	2,100	2,100
Insurance & Bonds	2,360	500	500	500
Office Exp.	260	650	600	650
Office Rent	1,200	1,200	1,200	1,200
Professional Fees	400	5,000	2,260	5,000
Travel	357	500	100	500
Repairs & Mainten.	75,584	45,000	20,000	45,000
Contingencies	0	500	0	500
Emerg. Flood Repairs	0	20,000	0	20,000
Capital Improvements	5,656	25,000	25,000	25,000
Planning & Devel.	23,477	25,000	100	25,000
HARP O & M	29,076	36,800	36,800	50,000
TOTAL EXPENDITURES	\$150,895.	\$174,790.	\$ 99,385.	\$187,090.
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES (\$13,896.)			(\$11,185)	
BEGINNING RESERVE FUND BALANCE	\$1,304,974.		\$1,263,734.	
ENDING RESERVE FUND BALANCE	\$1,263,734		\$1,252,549.	

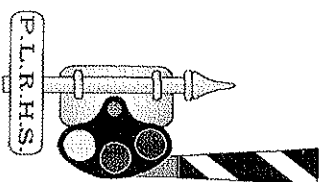
B U D G E T M E S S A G E <

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 Year 2000 BUDGET adopted by THE
PUEBLO CONSERVANCY DISTRICT on November 4, 1999.





Pueblo
Locomotive &
Rail
Historical
Society, Inc

THE PLRHS

A Significant Community Partner

By John Stiehl

President

About the PLRHS

- Mission: To preserve railroad history and provide direct community service
- Business Plan: Invest \$4.4 million over three years, resulting in:
 - Mission Achievement
 - Self-Sustaining Entity
 - 500% Return on Investment over 5 years
- Plan is already 28% funded

A History of Community Service

- Saved City over \$10K moving ATSF 2912
- Saved City \$50K in asbestos abatement
- Helped Trinidad VFW save C&S Caboose
- Helped CCRGRR prepare for operations
- Saved City over \$5K moving MOPAC Caboose
- Making assets available for local emergencies
- Partnering with PCC & local industries

PLRHS is highly fundable

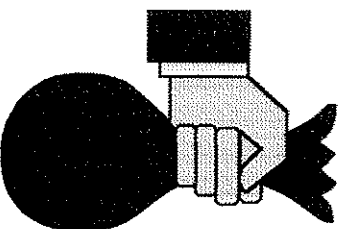
- Mission aligns with funding priorities of thousands of philanthropic foundations
- Over 100 foundations in US with over \$1 Billion in assets
- 90% of funding will come from outside of Pueblo

Best Use of Runyon Land

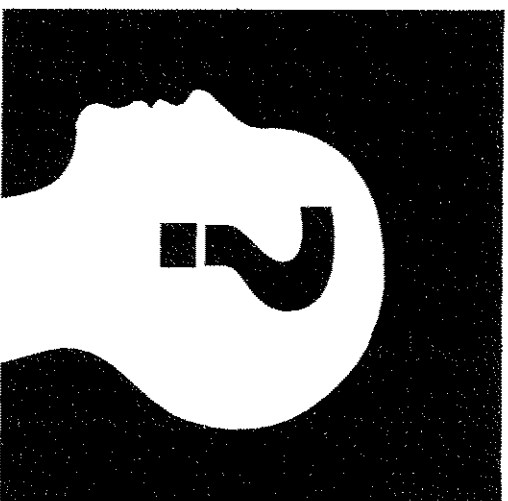
- Beautiful public access park
- Displaying cultural and historic treasures
- Railroader's Memorial
- Link between tourist attractions
- Significant Economic Benefits

Economic Benefits

- 50,000 new tourists per year
- \$61 Million Income in 1st 5 years
- 160 new jobs



Questions?



PLRHS RUNYON PARK DEVELOPMENT - ECONOMIC BENEFITS

Updated 11-1-99

(Reference the PLRHS Business Plan on Fares and RIMS Multipliers)

RAILROAD THEME PARK - First 5 Years

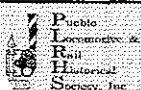
Estimated annual patronage for the first five years:		70,000
Average amount spent per patron at theme park:	Fares:	\$3.92
	Gift Shop:	\$1.57
	Museum:	\$1.66
	Snack Bar:	\$3.92
	Total:	<u>\$11.08</u>
Total PLRHS Income per average year: (70,000 x \$11.08)		\$775,600
RIMS Multiplier for Lodging & Amusements: 2.289		\$1,775,348
RIMS Multiplier for Eating & Drinking Establishments: 2.591		\$2,009,580
RIMS Multiplier for Transportation Service Providers: 2.407		\$1,866,869
Total Average Annual Income for Pueblo Community:		<u>\$6,427,397</u>
Total Five-Year Income for Pueblo Community:		\$32,136,986
Total New Jobs: (\$775,600 x 1.575/\$14,500)		84

PUEBLO INDUSTRIAL PARTNERSHIP CENTER - First 5 Years

Estimated Annual Contract Restoration Income:	\$350,000
Estimated Annual Contract Industrial Services Income:	\$250,000
Estimated Annual Contract Training Services Income:	\$20,000
Estimated Annual Sale of Goods & Materials Income:	\$35,000
Estimated Annual Space & Machine Time Rental Income:	<u>\$45,000</u>
Total Estimated Annual PIPC Income:	\$700,000
RIMS Multiplier for Lodging & Amusements: 2.289	\$1,602,300
RIMS Multiplier for Eating & Drinking Establishments: 2.591	\$1,813,700
RIMS Multiplier for Transportation Service Providers: 2.407	<u>\$1,684,900</u>
Total Average Annual Income for Pueblo:	\$5,800,900
Total Five-Year Income for Pueblo: (\$5,800,900 x 5)	\$29,004,500
Total New Jobs: (\$700,000 x 1.575/\$14,500)	76

TOTAL PLRHS 5-YEAR ECONOMIC IMPACT:

INCOME: (\$32,136,986 + \$29,004,500)	\$61,141,486
JOBS: (84 + 76)	160



PLRHS BUSINESS PLAN PROJECT & FUNDING SUMMARY

As of August '99

Project #	Project Description	Business Unit	Funding Req'ts	Funds Rec'd	Schedule	Status
0001-14, 19	2912 Restoration Projects	Steam Excursion	\$1,645K	\$126K***	2001	Underway
0015	Excursion Tool Car Development	Steam Excursion	\$28K	\$7K	1999	Underway
0016	Excursion Bottle Car Development	Steam Excursion	\$12K		2000	Awaiting Funds
0017	Excursion Crew Car Development	Steam Excursion	\$48K	\$30K	2000	Underway
0018	Excursion Passenger Train	Steam Excursion	\$120K	\$30K	2000	Underway
0020	Excursion Concession Car	Steam Excursion	\$15K*	\$15K	2000	Underway
	SUBTOTAL		\$1,868K	\$208K		
0021	Real Estate Procurement	Pueblo Industrial Partnership Center	\$275K		2000	Awaiting Funds
0022	Real Estate Site Preparation	Pueblo Industrial Partnership Center	\$175K		2000	Awaiting Funds
0023	PIPC Facility Construction	Pueblo Industrial Partnership Center	\$225K		2000	Awaiting Funds
0024	Driver & Wheel Drop Pits	Pueblo Industrial Partnership Center	\$250K		2001	Awaiting Funds
0025	Sandblast & Paint Booths	Pueblo Industrial Partnership Center	\$175K		2001	Awaiting Funds
0026	Heavy Machining Center	Pueblo Industrial Partnership Center	\$1,000K	\$1,000K	2000	Underway
	SUBTOTAL		\$2,100K	\$1,000K		
0027	Museum Start-up	Pueblo Railway Museum	\$11K		2000	Awaiting Funds
0028	Museum & Operations Ctr Constr.	Pueblo Railway Museum	\$108K*		2000	Awaiting Funds
0029	Computer & Staffing Plan	Pueblo Railway Museum	\$22K		2000	Awaiting Funds
0031	Donated Equipment Transport	Pueblo Railway Museum	\$30K	\$5K	2000	Underway
0032	Office Car Development	Pueblo Railway Museum	\$50K	\$32K	2000	Underway
	SUBTOTAL		\$221K	\$32.5K		
0028	Museum & Operations Ctr Constr.	Tourist Railroad	\$108K*		2000	Awaiting Funds
0030	Local Shuttle Equipment Developmt.	Tourist Railroad	\$75K	\$10K	2000	Underway
0033	Operations Center Furniture	Tourist Railroad	\$14K		2000	Awaiting Funds
0034	Audio Visual/Classroom Devel.	Tourist Railroad	\$20K		2000	Awaiting Funds
0046	Communications Development	Tourist Railroad	\$4K	\$1K	2000	Underway
	SUBTOTAL		\$221K	\$11K		
	GRAND TOTAL		\$4,410K	\$1,251.5K		

* Both Museum and Operations Center share the same facility and are each assigned half the cost.

** The Office Car will be converted to a concessions car once the Operations Center has been completed.

*** Note: The business plan discounted the donation of the ATSF 2912 which has a scrap value of \$200K, which is discounted in this report too.

ACCOUNTS PAYABLE - -

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Check	VENDOR	PURPOSE	AMOUNT
October	Accounts Payable to Approve 10-12-99		
1766	G. Sandstrom	Directors Fee (Oct) (81)	\$ 55.41
1767	K. Farley	Directors Fee (Oct) (81)	55.41
1768	P. Kelly	Directors Fee (Oct) (81)	55.41
1769	Banner	Legal Fee (Oct) (80)	300.00
1770	Engineer Koester	Eng/Admin (Oct) (83)	400.00
		Rental of Stor & Mtg (97)	100.00
		Move Big Safe to Storage (96)	330.00
1771	MBKD, PC	Bookeepg Service (Sept) (90)	175.00
1772	Westplains Energy	Power at Runyon (105)	90.00
1773	United States Treas	3rd Qtr Form 941 (105) 82	82.62
		FICA withheld (81)	41.31
		Empl Match (82)	41.31
1774	Spaccamonti Exc.	Cut weeds-Runyon (105)	2525.00
1775	Chem-Way, Inc.	Final 25% of Weed Control	2155.49
		(105)	
			x
			<

TOTAL \$ 6,324.34

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