

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MARCH MEETING OF THE
PUEBLO CONSERVANCY DISTRICT ON MARCH 7, 2000

DIRECTORS PRESENT: Sandstrom, Kelly and Farley

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 February meeting were approved as prepared.

The Treasurers report for January and February were approved as prepared. The following bills for March were approved for payment:

1814	Cornell's Country Cafe	F is F	\$ 86.00
1815	G. Sandstrom	Directors Fee	55.41
1816	K. Farley	Directors Fee	55.41
1817	P. Kelly	Directors Fee	55.41
1818	Banner	Legal Fee	300.00
1819	Engineer Koester	Eng/Admin Fee	830.00
		Rental Fees	100.00
1820	MBKD, pc	Bookkeeping Service	175.00
1821	Westplains Energy	Power at Runyon	90.00
1822	NorthStar Eng.	Eng Service/X-Road	3185.00
1823	Chem-Way, Inc.	Growth Control 2k	6077.50
1824	Jay Furney Const.	Constr. Est. #1	70,053.30

The Board then reviewed the Year End Statement for 1999 and the Application for Exemption from Audit prepared by Larry Daveline and staff at MBLD, and approved a motion to execute the Application and forward to the State department of local affairs. (copy attached) The Board also reviewed and approved the Engagement Letter for MBLD for bookkeeping service for the year 2000. The reorting has been excellent and worked well in 1999, and Administrator Koester urged the practice be continued, whereupon the Board approved the Letter of agreement at the agreed cost of \$175 per month. Attorney Banner indicated that this District has been urged to purchase workmen's compensation insurance from Pinnacol Assurance, but since past years policy premium has been returned, that formally obtaining a policy that is not needed or used is deemed unnecessary until this District does have an employee, in addition to the present consultants who perform for fees.

The Board then reviewed the progress of the Railroad property trade and the Water Works transfer, to learn that the Board of Works would like to get a deed to the property they are to get right away so that construction permits can be obtained. Sandstrom will contact the Water Works attorney to prepare an agreement that will allow this District to negotiate a trade for Water Works controlled land to be agreed upon as to location and acreage, and Banner will then review the deed of land to the Water Works and have it ready for execution by this Board.

Engineer Koester reported on the Levee repairs that have taken place near the Power Company dam. All work is complete, and the maintenance contractor for the District, Spaccamonti Excavating are preparing the time and materials billing for that work, to be submitted to the Board at the April meeting.

A report was given by Koester regarding an inquiry by Pueblo Tree Service for approval to do Growth Maintenance on the property at 1341 West Abriendo that overlooks the Arkansas River and the old Railroad Right of Way this District now owns and maintains as a River Trail for the City of Pueblo Parks Department. No action is required as the letter of reply by Koester (copy attached) indicates no approval or permission is required by this District until either the work is to be done on District Property and/or the Districts property is to be used for access to the private property.

There being no further business, the meeting was adjourned at 8:30 a.m. with the regular April meeting scheduled for Tuesday April 4, 2000 at 7:30 a.m. at the District Office at 111 East 5th Street.

APPROVED;

Kathleen M. Farley Patricia Kelly
[Signature]

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

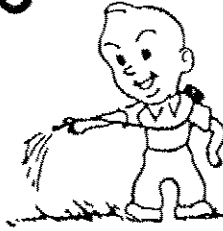
NOTICE OF APRIL MEETING

DATE : April 4, 2000 (Tuesday)
TIME : 7:30 a.m.
PLACE : District Office--111 East 5th Street
NorthStar Conference Room -

- A G E N D A -

1. Roll Call
2. Approval of Minutes of March meeting.
3. Treasurers Report for March 2000
 - a. Approve bills for April
4. Old Business -
 - a. Report on Board of Water Works trade agreement.
 - b. Hear report on HARP Boat concession.
 - c. Hear report on application for County's funding of Cross-over
 - d. Hear report and approval of payment of Levee repair work done in February.
5. New Business -
6. Date for May meeting affirmed as May 2, following FisF.
7. Adjourn

CHEM-WAY



1017 S. SANTA FE AVE., PUEBLO, COLORADO 81006
719-543-7910

February 22, 2000

Raymond F. Koester
Pueblo Conservancy District
PO Box 234
Pueblo, CO 81002

Dear Ray:

Account No. 3596 and 43459

Thank you for your continued confidence in Chem-Way, Inc. I would like to submit this bid for the 2000 growing season.

Chem-Way, Inc. will treat the areas of the Arkansas and Horse Creek River channels as we have in the past to control the deciduous growth. The general vegetation on the rip-rap on the south side of the river on either side of the Union Avenue bridge will also be done.

We will treat the north concrete levee for all vegetation control. The area to include all of the joints in the concrete slope from the top of the levee down to the water's edge from the West 11th street bridge down stream to approximately 200 yards east of the Santa Fe Avenue bridge. It will also include the gunnite face of the back side of the levee that faces Union Depot for about 1300 feet. There will be no vegetation in the cracks that would need to be cut after the growing season by a maintenance crew. The south side of the Arkansas River channel will be treated from the waters edge up to the established spray line, from the stadium to the Santa Fe Avenue bridge to control the deciduous growth.

Total cost for this year's contract will be \$7,797. If you prepay 75% of the total \$7,797 by April 30, 2000, we will allow a 6% discount on the prepaid portion.

$\$7,797 \times 75\% = \$5,847.75$ less 6% (\$350.87) = \$5,496.88

The balance of \$2,300.12 will be due August 1, 1999.

5,496.88
2,300.12

7,797.00

5,496.88
581.62

6,078.50

February 22, 2000
Pueblo Conservancy District
Page 2

We will control the weeds on the back side of the levee at the Grove as we have in the past for a season total of \$618.75 less 6% (\$37.13) = \$581.62 if prepaid by April 30, 2000.

If you have any questions concerning this bid, please call me at the Chem-Way office.

Sincerely,


Jack Day

581.62



740 Thatcher Building
P. O. BOX 918
Pueblo, CO 81002-0918
Phone (719) 543-0516
Fax (719) 544-2849

1 File

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 February 29, 2000 and December 31, 1999, and the related comparative statement of revenue and expenditures - actual and budget - general fund for the one month and two months ended February 29, 2000, and the twelve months ended December 31, 1999, 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, 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.

McPherson, Breyfogle, Lichlyter & Daveline P.C.

March 2, 2000

PCD00.bud<

PUEBLO CONSERVANCY DISTRICT -
MARCH - 2000 -

BOARD OF DIRECTORS

Kathleen Farley Treasurer (to 1/1/01)
Patricia Kelly Secretary
Gustave Sandstrom President

COURT
APPT. TILL -
06/05/02
03/19/03
04/11/02

LEASES -

	RATE -	DUE DATE -
Stewart	\$50.00 (1/25/94)	01/25 yrly
D&RGW	\$1,000.00 (5/31/94)	05/31 yrly
Patterson	\$200.00 (11/6/98)	11/06 yrly

84-6002506 - CERTIFICATES OF DEPOSIT - GPD

Purchase Date	Amount	Term	Rate %	Mo. Intr.	Yearly Yield	BANK & CD Acct. No.
07/07/99	\$100,000	07/07/00	5.00	Qrtrly	5.000	Minnequa B. 115439
02/01/00	\$100,000	08/01/00	6.10	Accum	6.100	First Union
05/18/99	\$150,000	05/18/01	5.00	Semi-A	5.00	Minnequa B. 115371
05/21/98	\$ 80,000	05/21/00	5.96	Semi-A	6.09	Minnequa B. 114728
03/05/98	\$100,000	02/05/01	6.13	0 (all @ mat.)	6.13	1st Nat. B. 0100010930
12/16/94	\$100,000	On call	Vari- able	Pay Mo.		COLOTRUST + 79-7080
02/23/95	\$ 87,000	On call (check)	Vari- able	Pay Mo.		COLOTRUST 80-2726-1

TREASURY NOTES -

Amount	Purchase Date	Matures	Rate	Note Series #	Institution
\$100,000	12/06/99	08/10/04	6.150%	09-V	First Union
\$100,000	01/30/97	12/31/01	6.125%		Dain B
\$100,000	01/30/97	01/31/02	6.225%		Dain Bx

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THE PUEBLO CONSERVANCY DISTRICT<

ACCOUNTS PAYABLE - - -

March Accounts Payable to Approve 03-07-00

1814	Cornell's Country Cafe	F is F Brkfst (103)	\$ 86.00
1815	G. Sandstrom	Directors Fee (Mar) (81)	\$ 55.41
1816	K. Farley	Directors Fee (Mar) (81)	55.41
1817	P. Kelly	Directors Fee (Mar) (81)	55.41
1818	Banner	Legal Fee (Mar) (80)	300.00
1819	Engineer Koester	Eng/Admin (Mar) (83)	400.00
		Extra Engineering (100)	430.00
		re: Levee Repair	
		Rental of Stor and Mtg (97)	100.00
1820	MBKD, PC	Bookeepg Service (Feb) (90)	175.00
1821	Westplains Energy	Power at Runyon (105)	90.00
1822	NorthStar Eng.	Eng. Fees/Road work (110) (Feb)	3,185.00
1823	Chem-Way, Inc.	Y2000 Growth Control Program	
		75% prepay w/6% disc.	6,077.50
1824	Jay Furney Const.	Completion of X-Over Road and Trails portion.	70,083.30
		(Advance From RESERVES)	

TOTAL \$ 81,063.03

WEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
FEBRUARY 29, 2000 AND DECEMBER 31, 1999

	<u>02/29/2000</u>	<u>12/31/1999</u>
ASSETS		
MINNEQUA CHECKING	\$ 51,002	\$ 42,835
MINNEQUA MONEY MARKET	3,230	3,225
BROKERAGE MONEY MARKET ACCOUNTS	51,040	54,129
MINNEQUA CERTIFICATE OF DEPOSITS	335,743	333,805
FNB COLORADO CERTIFICATE OF DEPOSIT	106,130	106,130
FIRST UNION CERTIFICATE OF DEPOSIT	100,000	-
COLOTRUST INVESTMENT	187,000	187,000
DAIN RAUCHER INVESTMENT	198,407	199,781
FIRST UNION INVESTMENT	97,125	198,562
PIPER JAFFRAY INVESTMENT	82,266	82,266
ACCRUED INTEREST	<u>18,068</u>	<u>18,068</u>
 TOTAL ASSETS	 <u>\$ 1,230,011</u>	 <u>\$ 1,225,801</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 1,075
PAYROLL TAXES PAYABLE	<u>27</u>	<u>83</u>
 TOTAL LIABILITIES	 <u>27</u>	 <u>1,158</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	113,840	93,540
UNDESIGNATED	<u>1,110,144</u>	<u>1,125,103</u>
 TOTAL FUND EQUITY	 <u>1,229,984</u>	 <u>1,224,643</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,230,011</u>	 <u>\$ 1,225,801</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES
ACTUAL AND BUDGET - GENERAL FUND
FOR THE ONE AND TWO MONTHS ENDED FEBRUARY 29, 2000
AND THE TWELVE MONTHS ENDED DECEMBER 31, 1999

	<u>ACTUAL</u>				
	<u>CURRENT</u>	<u>YEAR</u>	<u>2000</u>	<u>UNUSED</u>	<u>1999</u>
	<u>MONTH</u>	<u>TO DATE</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES					
INTEREST INCOME					
CERTIFICATES OF DEPOSIT	\$ 1,938	\$ 3,198	\$ -	\$ -	\$ 23,311
COLOTRUST	1,726	1,726	-	-	9,137
MONEY MARKET ACCOUNTS	5	5	-	-	3,709
DAIN RAUCHER	3,125	3,125	-	-	12,375
FIRST UNION	3,875	3,875	-	-	15,311
PIPER JAFFRAY	539	539	-	-	7,897
UNREALIZED GAINS (LOSSES)	<u>(2,811)</u>	<u>(2,811)</u>	<u>-</u>	<u>-</u>	<u>(19,592)</u>
TOTAL INTEREST INCOME	8,397	9,657	73,000	63,343	52,148
LEASE PAYMENTS	-	-	250	250	-
OTHER INCOME	<u>-</u>	<u>84</u>	<u>-</u>	<u>(84)</u>	<u>3,600</u>
TOTAL REVENUES	\$ 8,397	\$ 9,741	\$ 73,250	\$ 63,509	\$ 55,748
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 600	\$ 3,600	\$ 3,000	\$ 3,600
81 DIRECTORS FEES	180	360	3,000	2,640	2,160
82 FICA TAXES	-	-	240	240	165
83 ENGINEER/ADMINISTRATIVE	400	800	4,800	4,000	4,800
90 AUDIT & BOOKKEEPING	175	175	2,100	1,925	2,100
92 INSURANCE/BONDS	-	-	500	500	500
96 OFFICE EXPENSE	-	-	650	650	604
97 OFFICE RENT	100	200	1,200	1,000	1,200
100 PROFESSIONAL FEES	-	-	5,000	5,000	4,619
103 TRAVEL	-	-	500	500	83
105 REPAIRS & MAINTENANCE	90	180	45,000	44,820	17,177
108 CONTINGENCIES	-	-	500	500	-
109 EMERGENCY REPAIR	-	-	20,000	20,000	-
110 CAPITAL IMPROVEMENTS	2,085	2,085	25,000	22,915	20,468
111 PLANNING & DEVELOPMENT	-	-	25,000	25,000	63
112 HARP - O & M	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>36,800</u>
TOTAL EXPENDITURES	<u>3,330</u>	<u>4,400</u>	<u>187,090</u>	<u>182,690</u>	<u>94,339</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 5,067</u>	<u>\$ 5,341</u>	<u>\$ (113,840)</u>	<u>\$ (119,181)</u>	<u>\$ (38,591)</u>

SEE ACCOUNTANTS' COMPILATION REPORT

Don
JAW *2K* *Ram*

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 January 31, 2000 and December 31, 1999, and the related comparative statement of revenue and expenditures - actual and budget - general fund for the one month and one month ended January 31, 2000, and the twelve months ended December 31, 1999, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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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 P.C.

January 27, 2000

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
JANUARY 31, 2000 AND DECEMBER 31, 1999

	<u>01/31/2000</u>	<u>12/31/1999</u>
ASSETS		
MINNEQUA CHECKING	\$ 45,027	\$ 42,835
MINNEQUA MONEY MARKET	3,225	3,225
BROKERAGE MONEY MARKET ACCOUNTS	51,067	54,129
MINNEQUA CERTIFICATE OF DEPOSITS	333,805	333,805
FNB COLORADO CERTIFICATE OF DEPOSIT	106,130	106,130
COLOTRUST INVESTMENT	187,000	187,000
DAIN BOSWORTH INVESTMENT	199,781	199,781
FIRST UNION INVESTMENT	198,562	198,562
PIPER JAFFRAY INVESTMENT	82,266	82,266
ACCRUED INTEREST	18,068	18,068
ACCOUNTS RECEIVABLE	<u>-</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 1,224,931</u>	 <u>\$ 1,225,801</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 1,075
PAYROLL TAXES PAYABLE	<u>14</u>	<u>83</u>
 TOTAL LIABILITIES	 <u>14</u>	 <u>1,158</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	113,840	93,540
UNDESIGNATED	<u>1,105,077</u>	<u>1,125,103</u>
 TOTAL FUND EQUITY	 <u>1,224,917</u>	 <u>1,224,643</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,224,931</u>	 <u>\$ 1,225,801</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURE
ACTUAL AND BUDGET - GENERAL FUND
FOR THE ONE AND ONE MONTH ENDED JANUARY 31, 2000
AND THE TWELVE MONTHS ENDED DECEMBER 31, 1999

	<u>ACTUAL</u>				
	<u>CURRENT</u>	<u>YEAR</u>	<u>2000</u>	<u>UNUSED</u>	<u>1999</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	\$ 1,260	\$ -	\$ -	\$ 23,311
COLOTRUST	-	-	-	-	9,137
MONEY MARKET ACCOUNTS	-	-	-	-	3,709
DAIN RAUCHER	-	-	-	-	12,375
FIRST UNION	-	-	-	-	15,311
SMITH BARNEY	-	-	-	-	-
PIPER JAFFRAY	-	-	-	-	7,897
UNREALIZED GAINS (LOSSES)	-	-	-	-	(19,592)
TOTAL INTEREST INCOME	1,260	1,260	73,000	71,740	52,148
LEASE PAYMENTS	-	-	250	250	-
OTHER INCOME	84	-	-	-	3,600
TOTAL REVENUES	\$ 1,344	\$ 1,260	\$ 73,250	\$ 71,990	\$ 55,748
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 300	\$ 3,600	\$ 3,300	\$ 3,600
81 DIRECTORS FEES	180	180	3,000	2,820	2,160
82 FICA TAXES	-	-	240	240	165
83 ENGINEER/ADMINISTRATIVE	400	400	4,800	4,400	4,800
90 AUDIT & BOOKKEEPING	-	-	2,100	2,100	2,100
92 INSURANCE/BONDS	-	-	500	500	500
96 OFFICE EXPENSE	-	-	650	650	604
97 OFFICE RENT	100	100	1,200	1,100	1,200
100 PROFESSIONAL FEES	-	-	5,000	5,000	4,619
103 TRAVEL	-	-	500	500	83
105 REPAIRS & MAINTENANCE	90	90	45,000	44,910	17,177
108 CONTINGENCIES	-	-	500	500	-
109 EMERGENCY REPAIR	-	-	20,000	20,000	-
110 CAPITAL IMPROVEMENTS	-	-	25,000	25,000	20,468
111 PLANNING & DEVELOPMENT	-	-	25,000	25,000	63
112 HARP - O & M	-	-	50,000	50,000	36,800
TOTAL EXPENDITURES	1,070	1,070	187,090	186,020	94,339
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 274	\$ 190	\$ (113,840)	\$ (114,030)	\$ (38,591)

SEE ACCOUNTANTS' COMPILATION REPORT



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

10 Thatcher Building
P. O. BOX 918
Pueblo, CO 81002-0918
Phone (719) 543-0516
Fax (719) 544-2849

9 1999

ACCOUNTANTS' COMPILATION REPORT

Board of Directors
The Pueblo Conservancy District
Pueblo, Colorado

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McPherson, Breyfogle, Lichlyter & Daveline P.C.

January 27, 2000

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

	<u>12/31/1999</u>	<u>12/31/1998</u>
ASSETS		
MINNEQUA CHECKING	\$ 42,835	\$ 4,776
MINNEQUA MONEY MARKET	3,225	3,161
BROKERAGE MONEY MARKET ACCOUNTS	54,129	63,412
MINNEQUA CERTIFICATE OF DEPOSITS	333,805	330,000
FNB COLORADO CERTIFICATE OF DEPOSIT	106,130	100,000
COLOTRUST INVESTMENT	187,000	187,000
DAIN BOSWORTH INVESTMENT	199,781	208,437
FIRST UNION INVESTMENT	198,562	206,187
PIPER JAFFRAY INVESTMENT	82,266	123,318
ACCRUED INTEREST	18,068	18,443
ACCOUNTS RECEIVABLE	<u>-</u>	<u>19,000</u>
 TOTAL ASSETS	 <u>\$ 1,225,801</u>	 <u>\$ 1,263,734</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ 1,075	\$ 500
PAYROLL TAXES PAYABLE	<u>83</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>1,158</u>	 <u>500</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	93,540	93,540
UNDESIGNATED	<u>1,125,103</u>	<u>1,163,694</u>
 TOTAL FUND EQUITY	 <u>1,224,643</u>	 <u>1,263,234</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,225,801</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 TWELVE MONTHS ENDED DECEMBER 31, 1999
AND THE TWELVE MONTHS ENDED DECEMBER 31, 1998

	ACTUAL				
	CURRENT MONTH	YEAR TO DATE	1999 BUDGET	UNUSED BUDGET	1998 ACTUAL
REVENUES					
INTEREST INCOME					
CERTIFICATES OF DEPOSIT	\$ 1,925	\$ 23,311	\$ -	\$ -	\$ 24,657
COLOTRUST	848	9,137	-	-	7,193
MONEY MARKET ACCOUNTS	770	3,709	-	-	2,127
DAIN RAUCHER	3,062	12,375	-	-	26,058
FIRST UNION	3,686	15,311	-	-	22,678
SMITH BARNEY	-	-	-	-	1,708
PIPER JAFFRAY	422	7,897	-	-	11,138
UNREALIZED GAINS (LOSSES)	(4,638)	(19,592)	-	-	-
TOTAL INTEREST INCOME	6,075	52,148	80,000	27,852	95,559
LEASE PAYMENTS	-	-	1,250	1,250	200
OTHER INCOME	-	3,600	-	(3,600)	600
TOTAL REVENUES	\$ 6,075	\$ 55,748	\$ 81,250	\$ 25,502	\$ 96,359
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 3,600	\$ 3,600	\$ -	3,600
81 DIRECTORS FEES	180	2,160	3,000	840	2,160
82 FICA TAXES	41	165	240	75	165
83 ENGINEER/ADMINISTRATIVE	400	4,800	4,800	-	4,800
90 AUDIT & BOOKKEEPING	350	2,100	3,000	900	1,800
92 INSURANCE/BONDS	-	500	500	-	2,360
96 OFFICE EXPENSE	77	604	650	46	260
97 OFFICE RENT	100	1,200	1,200	-	1,200
100 PROFESSIONAL FEES	2,360	4,619	5,000	381	400
103 TRAVEL	-	83	500	417	357
105 REPAIRS & MAINTENANCE	90	17,177	20,000	2,823	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	2,618	20,468	25,000	4,532	5,656
111 PLANNING & DEVELOPMENT	-	63	25,000	24,937	23,477
112 HARP - O & M	36,800	36,800	36,800	-	29,076
TOTAL EXPENDITURES	43,316	94,339	174,790	80,451	150,895
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (37,241)	\$ (38,591)	\$ (93,540)	\$ (54,949)	\$ (54,536)

SEE ACCOUNTANTS' COMPILATION REPORT



740 Thatcher Bldg
P.O. BOX 918
Pueblo, CO 81002-0918
Phone (719) 543-0516
Fax (719) 544-2849

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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 February 29, 2000 and December 31, 1999, and the related comparative statement of revenue and expenditures - actual and budget - general fund for the one month and two months ended February 29, 2000, and the twelve months ended December 31, 1999, 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, 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.

McPherson, Breyfogle, Lichlyter & Daveline P.C.

March 2, 2000

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
FEBRUARY 29, 2000 AND DECEMBER 31, 1999

	<u>02/29/2000</u>	<u>12/31/1999</u>
ASSETS		
MINNEQUA CHECKING	\$ 51,002	\$ 42,835
MINNEQUA MONEY MARKET	3,230	3,225
BROKERAGE MONEY MARKET ACCOUNTS	51,040	54,129
MINNEQUA CERTIFICATE OF DEPOSITS	335,743	333,805
FNB COLORADO CERTIFICATE OF DEPOSIT	106,130	106,130
FIRST UNION CERTIFICATE OF DEPOSIT	100,000	-
COLOTRUST INVESTMENT	187,000	187,000
DAIN RAUCHER INVESTMENT	198,407	199,781
FIRST UNION INVESTMENT	97,125	198,562
PIPER JAFFRAY INVESTMENT	82,266	82,266
ACCRUED INTEREST	<u>18,068</u>	<u>18,068</u>
 TOTAL ASSETS	 <u>\$ 1,230,011</u>	 <u>\$ 1,225,801</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 1,075
PAYROLL TAXES PAYABLE	<u>27</u>	<u>83</u>
 TOTAL LIABILITIES	 <u>27</u>	 <u>1,158</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	113,840	93,540
UNDESIGNATED	<u>1,110,144</u>	<u>1,125,103</u>
 TOTAL FUND EQUITY	 <u>1,229,984</u>	 <u>1,224,643</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,230,011</u>	 <u>\$ 1,225,801</u>

SEE ACCOUNTANTS' COMPILATION REPORT

JEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
ACTUAL AND BUDGET - GENERAL FUND
FOR THE ONE AND TWO MONTHS ENDED FEBRUARY 29, 2000
AND THE TWELVE MONTHS ENDED DECEMBER 31, 1999

	ACTUAL				
	CURRENT MONTH	YEAR TO DATE	2000 BUDGET	UNUSED BUDGET	1999 ACTUAL
REVENUES					
INTEREST INCOME					
CERTIFICATES OF DEPOSIT	\$ 1,938	\$ 3,198	\$ -	\$ -	\$ 23,311
COLOTRUST	1,726	1,726	-	-	9,137
MONEY MARKET ACCOUNTS	5	5	-	-	3,709
DAIN RAUCHER	3,125	3,125	-	-	12,375
FIRST UNION	3,875	3,875	-	-	15,311
PIPER JAFFRAY	539	539	-	-	7,897
UNREALIZED GAINS (LOSSES)	(2,811)	(2,811)	-	-	(19,592)
TOTAL INTEREST INCOME	8,397	9,657	73,000	63,343	52,148
LEASE PAYMENTS	-	-	250	250	-
OTHER INCOME	-	84	-	(84)	3,600
TOTAL REVENUES	\$ 8,397	\$ 9,741	\$ 73,250	\$ 63,509	\$ 55,748
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 600	\$ 3,600	\$ 3,000	\$ 3,600
81 DIRECTORS FEES	180	360	3,000	2,640	2,160
82 FICA TAXES	-	-	240	240	165
83 ENGINEER/ADMINISTRATIVE	400	800	4,800	4,000	4,800
90 AUDIT & BOOKKEEPING	175	175	2,100	1,925	2,100
92 INSURANCE/BONDS	-	-	500	500	500
96 OFFICE EXPENSE	-	-	650	650	604
97 OFFICE RENT	100	200	1,200	1,000	1,200
100 PROFESSIONAL FEES	-	-	5,000	5,000	4,619
103 TRAVEL	-	-	500	500	83
105 REPAIRS & MAINTENANCE	90	180	45,000	44,820	17,177
108 CONTINGENCIES	-	-	500	500	-
109 EMERGENCY REPAIR	-	-	20,000	20,000	-
110 CAPITAL IMPROVEMENTS	2,085	2,085	25,000	22,915	20,468
111 PLANNING & DEVELOPMENT	-	-	25,000	25,000	63
112 HARP - O & M	-	-	50,000	50,000	36,800
TOTAL EXPENDITURES	3,330	4,400	187,090	182,690	94,339
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 5,067	\$ 5,341	\$ (113,840)	\$ (119,181)	\$ (38,591)

SEE ACCOUNTANTS' COMPILATION REPORT

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Application for Exemption from Audit

For the year ended December 31, 1999

Entity: The Pueblo Conservancy District

Address: 111 E. 5th Street, Pueblo, CO 81003

Telephone: 719-544-6823

Year Last Audited: 12/31/97

The Local Government Audit Law, Section 29-1-604, C.R.S., requires local governments to meet the following criteria in order to be considered for approval for exemption from audit requirements by the Office of the State Auditor.

Revenues or Expenditures	Exempt from Audit?	Who completes exemption form?
Less than \$100,000	Yes	*Person <u>skilled</u> in governmental accounting
More than \$100,000 but less than \$300,000	Yes	** <u>Independent accountant</u> with knowledge of governmental accounting requirements
More than \$300,000	No (Audit is required)	Not Applicable

*This means possessing sufficient knowledge of governmental accounting to complete the exemption form.

**Independent means someone who is separate from the entity.

Certification of Preparer

I certify that I meet the requirements above to complete this Application for Exemption from Audit and that the information in this Application is complete and accurate to the best of my knowledge.

Name: Larry A. Daveline, CPA Title: Shareholder

Firm Name: McPherson, Breyfogle, Lichlyter & Daveline, PC

Firm Address: 740 Thatcher Building, Pueblo, CO 81003

Date Prepared: March 3, 2000 Phone Number: 719-543-0516

Signature: *Larry A. Daveline*

The Audit Law requires that a person independent of the entity complete the Application if revenues or expenditures are more than \$100,000 but less than \$300,000. Please describe what your relationship is with the entity. Independent Certified Public Accounting Firm

Governing Body Approval

We, the undersigned, certify that this application for exemption has been:

- < Prepared consistent with Section 29-1-604, C.R.S., which states that an application with revenues and expenditures less than \$100,000 **must** be prepared by a person skilled in governmental accounting **OR** an application with revenues and expenditures more than \$100,000 but less than \$300,000 **must** be prepared by an independent accountant with knowledge of governmental accounting.
- < Completed to the best of our knowledge and is **accurate** and **true**.
- < Reviewed and approved by a **majority** of the governing body at a meeting of the governing body.

Name (please print or type)	Date Term Expires	Signature
<u>Patricia D. Kelly</u>	<u>03/19/2003</u>	<i>Patricia Kelly</i>
<u>Kathleen M. Farley</u>	<u>06/05/2002</u>	<i>Kathleen M. Farley</i>
<u>Gus F. Sandstrom, Jr.</u>	<u>04/11/2002</u>	<i>Gus F. Sandstrom</i>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
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Application for Exemption from Audit
Balance Sheet for All Funds and Account Groups

	GENERAL			GENERAL FIXED ASSET	
	Fund	Fund	Fund	**Account Group	Total
Assets:					
Cash & Cash Equivalents	100,189			0	100,189
Investments	1,107,544			0	1,107,544
Receivables:					
Accounts Receivable	0			0	0
Taxes	0			0	0
Other: Interest	18,068			0	18,068
					0
Due from other Entities or Funds	0			0	0
Restricted Assets: (specify)	0			0	0
					0
Property and Equipment:					
Land	0			0	0
Buildings	0			0	0
Machinery and Equipment	0			3,395	3,395
Furniture and Fixtures	0			0	0
Accumulated Depreciation	0			0	0
Amt. to be provided for long-term debt	0			0	0
Other: Land Improvements	0			5,415,574	5,415,574
					0
*Total Assets:	1,225,801	0	0	5,418,969	6,644,770
Liabilities and Fund Equity:					
Liabilities:					
Accounts Payable	1,075			0	1,075
Accrued Payroll and Related Liabilities	83			0	83
Accrued Interest Payable	0			0	0
Due to other Entities or Funds	0			0	0
Deferred Revenue	0			0	0
Bank Loans Payable	0			0	0
Farmer's Home Admin. Payable	0			0	0
Bonds Payable:					
General Obligation Bonds Payable:					
Current	0			0	0
Long-term	0			0	0
Revenue Bonds Payable:					
Current	0			0	0
Long-term	0			0	0
Lease Purchase Agreements	0			0	0
Other: (specify)	0			0	0
					0
Total Liabilities:	1,158	0	0	0	1,158
Equity:					
Investment in General Fixed Assets	0			5,418,969	5,418,969
Contributed Capital	0			0	0
Fund Balance and/or Retained Earnings:					
Emergency Reserves	6,000			0	6,000
Other Designations/Reserves	93,540			0	93,540
Undesignated/Unreserved	1,125,103			0	1,125,103
Total Equity:	1,224,643	0	0	5,418,969	6,643,612
*Total Liabilities and Equity:	1,225,801	0	0	5,418,969	6,644,770

* Total Assets should equal Total Liabilities and Total Equity.

**This column may be used to record financial information for a Fund or an Account Group. Please specify.

Note: Attach additional sheets as necessary.

Application for Exemption from Audit
Operating Statement - All Governmental and Expendable Trust Funds

(Includes General, Special Revenue, Debt Service, Capital Projects, and Expendable Trust Funds)

	GENERAL	Fund	Fund	Fund	Fund	Total Carry- Forward to Page 9
	Fund					
Revenues and Other Financing Sources:						
Taxes:						
Property	0					0
Specific Ownership	0					0
Sales and Use Tax	0					0
Other: (specify)	0					0
						0
Licenses and Permits	0					0
Intergovernmental:						
Highway User Tax	0					0
Mineral Leasing	0					0
Conservation Trust Fund	0					0
Community Development Block Grant	0					0
Fire & Police Pension	0					0
Other: (specify)	0					0
Charges for Sales and Services	0					0
Fines and Forfeits	0					0
Special Assessments	0					0
Interest/Investment Income	52,148					52,148
Debt Proceeds	0					0
Sale of Fixed Assets	0					0
Other: Tree replacement	3,600					3,600
						0
Total Revenues and Other Financing Sources:	55,748	0	0	0	0	55,748
Expenditures and Other Financing Uses:						
Current:						
General Government:	0					0
Judicial:	0					0
Public Safety:						
Law Enforcement	0					0
Fire	0					0
Other: (specify)	0					0
Public Works:						
Highways & Streets	0					0
Solid Waste	0					0
Other: (specify)	0					0
Health	0					0
Culture and Recreation:	73,871					73,871
Other: (specify)	0					0
						0
Capital Outlay	20,468					20,468
Debt Service:						
Principal	0					0
Interest	0					0
Bond Issuance Costs	0					0
Total Expenditures and Other Financing Uses:	94,339	0	0	0	0	94,339
Net Interfund Transfers:	0					0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures & Other Uses:	(38,591)	0	0	0	0	(38,591)
Fund Balance, January 1:	1,263,234					1,263,234
Fund Balance, December 31:	1,224,643	0	0	0	0	1,224,643

Note: Attach additional sheets as necessary.

Application for Exemption from Audit
Operating Statement - Proprietary and Similar Trust Funds
(Includes Enterprise, Internal Service, Nonexpendable Trust, and Pension Trust Funds)

	Fund	Fund	Fund	Total	Total from Page 6	Total All Funds
Revenues and Other Financing Sources:						
Taxes:						
Property				0		
Specific Ownership				0		
Sales and Use Tax				0		
Other: (specify)				0		
Grants and Subsidies:						
Mineral Leasing				0		
Community Development Block Grant				0		
Conservation Trust Fund				0		
Fire & Police Pension				0		
Other: (specify)				0		
Charges for Sales and Services				0		
Rental Income				0		
Interest Revenue				0		
Other: (specify)				0		
Sub-Total Revenues:	0	0	0	0		
Other Financing Sources:						
Tap fees				0		
Development fees				0		
Debt proceeds				0		
Sale of Fixed Assets				0		
Other: (specify)				0		
Sub-Total Other Financing Sources:	0	0	0	0		
Total Revenues and Other Financing Sources:	0	0	0	0	55,748	55,748
Expenses and Other Financing Uses:						
General Operating & Administrative				0		
Salaries				0		
Payroll Taxes				0		
Contract Services				0		
Employee Benefits				0		
Insurance				0		
Accounting and Legal fees				0		
Repair and Maintenance				0		
Supplies				0		
Utilities				0		
Capital Outlay				0		
Debt Service:						
Debt Principal				0		
Interest				0		
Other: (specify)				0		
Total Expenses and Other Financing Uses:	0	0	0	0	94,339	94,339
Net Interfund Transfers:				0		
Reconciling Items:						
Subtract: Other Financing Sources Subtotal				0		
Depreciation				0		
Add back: Capital Outlay				0		
Debt Principal				0		
Other: (specify)				0		
Total Reconciling Items:	0	0	0	0		
Net Income:	0	0	0	0		
Retained Earnings, January 1:				0		
Retained Earnings, December 31:	0	0	0	0		

Note: Attach additional sheets as necessary. For assistance in completing these financial forms, see the Application instructions.

General Questions Concerning the Entity

1. What type of services does the entity provide? (check the applicable services)

☐ Police	☐ Electric	☐ Cemetery
☐ Street Maint.	☐ Traffic Control	☐ Sewer
☐ Fire	☐ Health	☐ Parks & Recreation
☐ Pest Control	☐ Trash Removal	☐ Street Lighting
☐ Water	☒ Other-Maintenance of flood control improvements along Arkansas River & river trail system	

2. Does the entity provide services in cooperation with any other governmental unit (i.e., mutual aid or intergovernmental agreements)? Yes ☒ No ☐ N/A

If so, list service and name of other government entity. City of Pueblo and
Historic Arkansas Riverwalk of Pueblo Authority – maintenance of Riverwalk

Is the entity financially accountable for any other organizations?

Yes ☐ No ☒ N/A

Note: Financially accountable is defined by governmental standards as, AThe level of accountability that exists if a primary government appoints a voting majority of an organization=s governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. @

If so, what are the names of the other organizations?

3. Pension Information:

a) How many employees does the entity have? N/A Volunteers? N/A

2) Please indicate amount of pension contributions applicable to the following employee/volunteer plans:

	Employer/Local Contribution
Social Security	\$0
Public Employees Retirement Assn. (PERA)	\$0
Fire and Police Pension Assn. (FPPA)	\$0
* Other	\$0

*Please provide a plan name and description if Other@ employee/volunteer pension plan is indicated above. N/A

1) If the State contributes to local fire and police pension plans, please indicate the amount.
\$ N/A

4. Interfund Transfers: Please list interfund transfers by fund and amount.

<u>Interfund Transfers From:</u>		<u>Interfund Transfers To:</u>	
<u> </u> N/A	Fund \$ <u> </u>	<u> </u> N/A	Fund \$ <u> </u>
<u> </u>	Fund \$ <u> </u>	<u> </u>	Fund \$ <u> </u>
<u> </u>	Fund \$ <u> </u>	<u> </u>	Fund \$ <u> </u>
<u> </u>	Fund \$ <u> </u>	<u> </u>	Fund \$ <u> </u>

5. Does the entity take an annual inventory of individual items of property, including equipment and fixtures, in accordance with Section 29-1-504, C.R.S., inventory requirements?

Yes X No N/A

6. Are the entity's deposits entirely covered by Federal Insurance?

Yes No X N/A

If 6 is no, are the deposits collateralized in accordance with the Public Deposit Protection Act? (The entity may need to consult with its financial institution to answer this question.)

Yes X No N/A

7. Please list the amount and types of investments your entity holds, in accordance with Section 24-75-601.3, C.R.S.

Certificates of Deposit	\$ <u>439,935</u>
Colostrust	\$ <u>187,000</u>
U.S. Treasury Notes	\$ <u>398,343</u>
GNMA Pool	\$ <u>29,266</u>
FHLMC Pool	\$ <u>53,000</u>

8. Budget Information:

- a) Did the entity file a budget with the Department of Local Affairs, in accordance with Section 29-1-103, C.R.S.?

Yes X No N/A

- b) Please list the expenditures portion of the adopted budget, including any supplementals, of the reporting year by fund. (A budget to actual statement may be substituted.)

<u>Fund Type</u>	<u>Adopted Budget</u>
General Fund	<u>\$ 174,790</u>
<u> </u> Fund	
<u> </u> Fund	
<u> </u> Fund	
<u> </u> Fund	
<u> </u> Fund	
Total	<u>\$174,790</u>

9. Debt Information: (Please attach a copy of the entity's debt schedule for any debt, including general obligation bonds and revenue bonds.)

a) Is the entity current in its debt service payments? Yes ___ *No ___ N/A X
(*If no, please explain in the comments section provided below.)

b) Does the entity have any authorized, but unissued, bonds? Yes ___ No ___ N/A X
If so, what amount? \$ _____ What year(s) authorized?

c) Does the entity have refunded/defeased debt? Yes ___ No ___ N/A X
If so, include amount outstanding.

d) Lease Agreements:
What is being leased? _____ N/A
What is the original date of the lease? _____ N/A
How many years is this lease for? _____ N/A
Is this lease subject to annual appropriation? _____ N/A
What are the entity's annual lease payments? \$ _____ N/A

10. Does the entity believe it is in compliance with all provisions of TABOR? Yes X No ___ N/A
If no or N/A, please explain. _____

11. Are there any pass-through grants or other resources that are not included in the financial information submitted? Yes ___ No ___ N/A
If yes, please describe. _____

12. Comments: _____

13. Mail Form to: Office of the State Auditor
Local Government Audits
Legislative Services Building
200 E. 14th Avenue
Denver, CO 80203 - 2211



740 Thatcher Building
P.O. BOX 910
Pueblo, CO 81002-0918
Phone (719) 543-0516
Fax (719) 544-2849

John BLC

January 27, 2000

Board of Directors
Pueblo Conservancy District
P.O. Box 234
Pueblo, CO 81002

This letter is to confirm our understanding of the terms and objectives of our engagement for 2000 and the nature and limitations of the services we will provide.

We will perform the following services:

1. Post the general ledger monthly from coded check copies and deposit receipts;
2. Reconcile business bank accounts monthly;
3. Adjust investment portfolio to market value quarterly;
4. Adjust books to accrual basis at year-end;
5. Prepare monthly compiled financial statements for the general fund only;
6. Prepare annual application for exemption from audit.

You will need to provide us each month with the following:

1. Board approved listing of checks issued, coded checks, and invoices;
2. Bank statements (including savings accounts, certificates of deposit, and investment accounts), with cancelled items;
3. Copy of duplicate deposits and receipts, (including detail of deposited items);

We will compile, from information you provide, the annual and monthly balance sheets – general fund only – and the related comparative statements of revenue and expenditures – actual and budget – general fund, of the Pueblo Conservancy District for the year 2000. We will not audit or review such financial statements. Our report on the annual financial statements of The Pueblo Conservancy District is presently expected to read as follows:

“We have compiled the accompanying balance sheets – general fund only - of the Pueblo Conservancy District as of December 31, 2000 and 1999, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the years then ended, 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.”

If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

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

Our fees for these services are as follows:

Compiled financial statements and monthly accounting – A monthly fee of \$175, payable each month upon completion of the prior month’s work;

and

Preparation of annual application for exemption from audit – No additional charge.

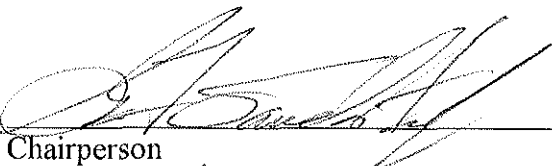
Please indicate your acceptance of the above understanding by signing below. A copy is enclosed for your records. If your needs change during the year, the nature of our services can be adjusted appropriately. Likewise, if you have special projects with which we can assist, please let us know.

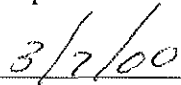
Sincerely,

McPherson, Breyfogle, Lichlyter & Daveline, PC


Larry A. Daveline, CPA
Shareholder

Acknowledged:
Pueblo Conservancy District


Chairperson


Date

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 14, 2000

Pueblo Tree Specialists
223 West Orman Avenue
Pueblo, CO 81004

Attn: Rich Gonzales

Re: 1341 West Abriendo

Dear Rich,

This letter is in response to your request to the Pueblo Conservancy District for "permission" or "approval" to perform surgery on growth, mainly trees, on the bluff slope below 1341 West Abriendo Avenue.

The ownership of property on which 1341 occupies is not known to us at this time, but assuming the ownership includes the slope down to the old Railroad Right-of-Way at the bottom of the slope adjacent to the Arkansas River, this District or the City of Pueblo Parks Department have no jurisdiction of what the property should or can do in regard to growth and its maintenance. Both the City and this District does however urge that maintenance of the property continue the growth on this environmentally fragile slope to provide a deterrent to erosion of soils from the slope downward onto the Districts property and its improvement of a trail system on the former railroad bed.

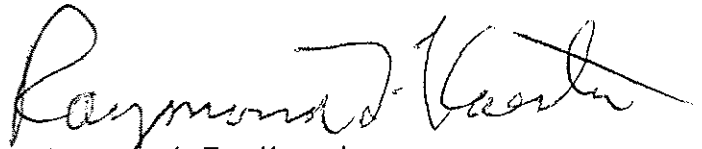
With this in mind, we encourage land owners adjacent to the trail system to cultivate and maintain their ownership that will provide a good looking and pleasant appearance from the trail and parks areas by the river. The District owns the old Right-of-Way for 50 feet south of the centerline of the old track and the approximate center of the trail at this time, and District wants to keep all growth on its property, however a tall tree can be topped or "crotch cut" if necessary to provide view of river bottom from 1341, but not necessarily view of the trail. We also appreciate being notified regarding work that is to be done in the maintenance efforts, and we understand that at this location some trimming of growth, shaping and topping of trees is contemplated during this dormant stage of growth. The District wishes to extend the use of the trail area at the bottom for an access to the work area so that all cuttings and debris cleaned from the slope could be removed from the site and the trail left in as good a condition as it was found.

It is to be remembered that former cuttings and work done for neighbors in this area had continued their cutting onto the area owned by the District, and deposited cuttings into the river near the trail. This ended in fines by the District in addition to cleaning of the site imposed on the owner.

Very truly yours,

THE PUEBLO CONSERVANCY DISTRICT

By:

A handwritten signature in cursive script, appearing to read "Raymond F. Koester".

Raymond F. Koester,
Engineer and Administrator
for the District

STATE OF COLORADO

DIVISION OF LOCAL GOVERNMENT

Department of Local Affairs



Bill Owens
Governor
Bob Brooks
Executive
Director

MEMORANDUM

TO: Special District Boards of Directors
FROM: Lucia Smead, Special District Election Officer
DATE: February 24, 2000
RE: Attorney General's Opinion 00-2 - Term Limits

Rec'd & Filed

Since the passage of Amendment 17 in 1994, there have been differing opinions regarding the calculation of term limits for special district boards of directors; especially regarding partial terms of office and appointed positions. This opinion addresses both of these issues.

Question:

"Do Amendment 17 term limits apply to terms of office that began prior to January 1, 1995, or terms of office that result from interim appointments made to fill partial terms?"

Answer:

"The limitations of Amendment 17 are calculated prospectively, i.e., for purposes of calculating the two or three term limitations of Amendment 17, only those terms of office which came into being as a result of the 1994 general election or thereafter are counted. In addition, the term limitations of Amendment 17 have no application to partial terms of office, but rather, apply only to full terms of office."

You can access the entire opinion on the Attorney General's homepage:
www.state.co.us/gov_dir/dol/ago/ago00.htm

If you have additional questions or concerns, please contact me at 303-866-4990.

PINNACOL
ASSURANCE

720 S. Colorado Blvd
Suite 100, North Tower
Denver, CO 80246-1938
www.pinnacol.com

POLICY CANCELLED: 01/01/2000

January 11, 2000
Policy #: 23825

INSURED:
PUEBLO CONSERVANCY DISTRICT
P O BOX 234
PUEBLO CO 81002

*Not needed
as checks have
been returned
in past years
per
Don Banner
3-7-2K*

Dear Policyholder,

Your policy was cancelled because **Did not renew** effective January 1, 2000.

If you want a new policy, you will have to submit information for audit on your cancelled policy.
In addition to the final audit, any unpaid premium must be paid before a new policy can be issued.

IMPORTANT

You can submit this information by mail. If you want to expedite new coverage, we can schedule an appointment for you to bring the necessary records into one of our area offices so the final audit can be completed.

Please contact us at the numbers below to schedule an audit appointment and be advised of the type of records needed.

All correspondence must include your policy number.

(303) 782-2292 / (888) 852-2292
Fax: (303) 782-2216 / (888) 329-2216