

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR APRIL MEETING OF THE PUEBLO CONSERVANCY DISTRICT ON APRIL 3, 2001

DIRECTORS PRESENT: Sandstrom, Farley and Kelly.

ALSO PRESENT : Banner and Koester

The meeting was called to order at 7:30 a.m. on the above date with Gus Sandstrom chairing. The minutes of the March meeting were approved as prepared.

Treasurers report for March was not yet available but revised year end report for 2000 and February reports were reviewed and with an explanation by Attorney Banner of how the Tabor consideration was resolved with the City of Pueblo (see attached letter), the reports were approved to file. The Board resolved that it will not do any construction projects as Contractor over \$25,000 per year when a partner is involved. When a partner is involved in the project, such as a Fishing is Fun improvement grant, one of the other partners will be asked to be Contractor or this District will require payment up front from partners to avoid a TABOR "income" involvement.

The Board then reviewed the Application for Exemption from Audit prepared for the year ended December 31, 2000 by the accountants MBD & G, pc. and all three board members signed the application, and it will be forwarded for acceptance by the Office of the State Auditor (Denver). The Board then considered the engagement letter for MBD & G, pc., for the year 2001, and unanously approved having the chair sign off.

The Board approved the Growth Control agreement with Chem-Way for the year 2001, and authorized an up-front payment for services at a discount.

The Board then considered the bills for April and approved them for payment as follows:

1938	G. Sandstrom	Directors Fee	55.41
1939	K. Farley	Directors Fee	55.41
1940	P. Kelly	Directors Fee	55.41
1941	Banner	Legal Fee	310.00
1942	Engineer Koester	Eng/Admin Fee	480.00
		Rental Fees	100.00
1943	MBDG, pc	Bookkeeping Service	175.00
1944	Westplains Energy	Power at Runyon	90.00
1945	SCA Insurance	Renew Comm Package	1550.00
1946	Chem-Way	Part of 2001 Weed Program	6078.50

Pat Kelly then announced that Judy Kochevar was not yet complete with the HARP History, and would report at next months meeting when she would have an invoice for her work. The Board agreed to pay additionally the \$700 to \$875 she will request to cover all of her expenses of the research beyond the \$1225 base agreed amount.

Koester reported that Progress Rail has not yet moved, and aren't sure just where and when they will go, however the Pasquins are continuing with their negotiations on buy-back of the property from the Railroad interests. Koester also reported that the deeds to elxchange property between the PCD and the Railroad are to be received by Attorney Banner very soon.

Gus Sandstrom explained that the PCD by way of the Intergovernmental Agreement that is related to the HARP Authority (Pueblo City Council) will allow the Authority to affect policy matters.

There being no further business, the meeting was adjourned at 8:30 a.m. The regular May meeting is scheduled for Tuesday May 8, 2001 at 7:30 a.m. at the District Office.

APPROVED;

Patricia Kelly Karen Farley

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 MAY MEETING

DATE : MAY 8, 2001 (Tuesday)
TIME : 7:30 a.m.
PLACE : At District Office- 111 East 5th Street

- A G E N D A -

1. Roll Call
2. Approval of Minutes of April meeting.
3. Treasurers Report for March and April
 - a. Approve bills for May
4. Old Business -
 - a. Review J. Kochevar re-write
 - b. Update on Railroad land exchange
 - c. Update on removal of Progress Rail and repurchase of land/Pasquin et al.
5. New Business -
6. Set date for June meeting.
7. Adjourn.

pcd00.bud

THE PUEBLO CONSERVANCY DISTRICT:

ACCOUNTS PAYABLE - - - -

April Accounts Payable to Approve 04-03-01

1938	G. Sandstrom	Directors Fee (Apr) (81)	\$55.41
1939	K. Farley	Directors Fee (Apr) (81)	55.41
1940	P. Kelly	Directors Fee (Apr) (81)	55.41
1941	Banner	Legal Fee (Apr) (80)	300.00
1942	Engineer Koester	Eng/Admin (Apr) (83)	400.00
		Rental of Stor and Mtg (97)	100.00
1943	MBDG, PC	Bookeepg Serv (Mar) (90)	175.00
1944	Westplains Energy	Power ar Runyon (105)	90.00



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

March 2, 2001

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 2001 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 2001. 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, 2001 and 2000, 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 \$200, 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.

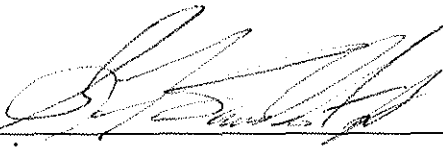
Sincerely,

McPherson, Breyfogle, Daveline & Goodrich, PC

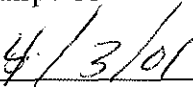


Larry A. Daveline, CPA
Shareholder

Acknowledged:
Pueblo Conservancy District



Chairperson



Date



740 Thatcher Building
P. O. BOX 918
Pueblo, CO 81002-0918
Phone (719) 543-0516
Fax (719) 544-2649

V/

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 March 31, 2001 and December 31, 2000, and the related comparative statement of revenue and expenditures - actual and budget - general fund for the one month and three months ended March 31, 2001, and the twelve months ended December 31, 2000, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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McPherson, Breyfogle, Daveline & Goodrich P.C.

April 3, 2001

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
MARCH 31, 2001 AND DECEMBER 31, 2000

	<u>3/31/01</u>	<u>12/31/00</u>
ASSETS		
MINNEQUA CHECKING	\$ 20,306	\$ (3,067)
MINNEQUA MONEY MARKET	282	3,290
BROKERAGE MONEY MARKET ACCOUNTS	72,369	168,364
MINNEQUA CERTIFICATE OF DEPOSITS	343,699	341,662
FNB COLORADO CERTIFICATE OF DEPOSIT	100,000	106,130
COLOTRUST INVESTMENT	190,000	101,000
DAIN RAUCHER INVESTMENT	202,719	201,407
FIRST UNION INVESTMENT	204,701	102,844
PIPER JAFFRAY INVESTMENT	66,777	69,633
ACCRUED INTEREST	18,537	20,527
DUE FROM OTHER ENTITIES	<u>-</u>	<u>77,436</u>
 TOTAL ASSETS	 <u>\$ 1,219,390</u>	 <u>\$ 1,189,226</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 265
PAYROLL TAXES PAYABLE	<u>83</u>	<u>82</u>
 TOTAL LIABILITIES	 <u>83</u>	 <u>347</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	96,840	113,840
UNDESIGNATED	<u>1,116,467</u>	<u>1,069,039</u>
 TOTAL FUND EQUITY	 <u>1,219,307</u>	 <u>1,188,879</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,219,390</u>	 <u>\$ 1,189,226</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURE
ACTUAL AND BUDGET - GENERAL FUND
FOR THE ONE AND THREE MONTH ENDED MARCH 31, 2001
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2000

	ACTUAL				
	CURRENT MONTH	YEAR TO DATE	2001 BUDGET	UNUSED BUDGET	2000 ACTUAL
REVENUES					
INTEREST INCOME					
CERTIFICATES OF DEPOSIT	\$ -	\$ 15,474	\$ -	\$ -	\$ 20,941
COLOTRUST	626	1,771	-	-	7,921
MONEY MARKET ACCOUNTS	281	705	-	-	3,692
DAIN RAUCHER	-	6,187	-	-	12,375
FIRST UNION	1,361	4,361	-	-	12,320
PIPER JAFFRAY	433	1,794	-	-	5,988
UNREALIZED GAINS (LOSSES)	1,978	4,178	-	-	6,509
TOTAL INTEREST INCOME	4,679	34,470	70,000	35,530	69,746
LEASE PAYMENTS	-	-	250	250	-
OTHER INCOME	-	-	-	-	87
TOTAL REVENUES	\$ 4,679	\$ 34,470	\$ 70,250	\$ 35,780	\$ 69,833
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 900	\$ 3,600	\$ 2,700	\$ 3,600
81 DIRECTORS FEES	180	540	3,000	2,460	2,160
82 FICA TAXES	-	41	240	199	83
83 ENGINEER/ADMINISTRATIVE	400	1,200	4,800	3,600	4,800
90 AUDIT & BOOKKEEPING	175	350	2,100	1,750	2,100
92 INSURANCE/BONDS	-	346	500	154	3,256
96 OFFICE EXPENSE	10	10	650	640	251
97 OFFICE RENT	100	300	1,200	900	1,200
100 PROFESSIONAL FEES	-	-	5,000	5,000	1,960
103 TRAVEL	108	175	500	325	170
105 REPAIRS & MAINTENANCE	90	180	25,000	24,820	18,032
108 CONTINGENCIES	-	-	500	500	-
109 EMERGENCY REPAIR	-	-	20,000	20,000	20,000
110 CAPITAL IMPROVEMENTS	-	-	25,000	25,000	4,422
111 PLANNING & DEVELOPMENT	-	-	25,000	25,000	-
112 HARP - O & M	-	-	50,000	50,000	48,800
TOTAL EXPENDITURES	1,363	4,042	167,090	163,048	110,834
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 3,316	\$ 30,428	\$ (96,840)	\$ (127,268)	\$ (41,001)

SEE ACCOUNTANTS' COMPILATION REPORT



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ACCOUNTANTS' COMPILATION REPORT

Board of Directors
The Pueblo Conservancy District
Pueblo, Colorado

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McPherson, Breyfogle, Daveline & Goodrich P.C.

March 23, 2001

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

	<u>12/31/00</u>	<u>12/31/99</u>
ASSETS		
MINNEQUA CHECKING	\$ (3,067)	\$ 42,835
MINNEQUA MONEY MARKET	3,290	3,225
BROKERAGE MONEY MARKET ACCOUNTS	168,364	54,129
MINNEQUA CERTIFICATE OF DEPOSITS	341,662	333,805
FNB COLORADO CERTIFICATE OF DEPOSIT	106,130	106,130
COLOTRUST INVESTMENT	101,000	187,000
DAIN RAUCHER INVESTMENT	201,407	199,781
FIRST UNION INVESTMENT	102,844	198,562
PIPER JAFFRAY INVESTMENT	69,633	82,266
ACCRUED INTEREST	20,527	18,068
DUE FROM OTHER ENTITIES	<u>77,436</u>	<u>5,236</u>
 TOTAL ASSETS	 <u>\$ 1,189,226</u>	 <u>\$ 1,231,037</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ 265	\$ 1,075
PAYROLL TAXES PAYABLE	<u>82</u>	<u>83</u>
 TOTAL LIABILITIES	 <u>347</u>	 <u>1,158</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	113,840	93,540
UNDESIGNATED	<u>1,069,039</u>	<u>1,130,339</u>
 TOTAL FUND EQUITY	 <u>1,188,879</u>	 <u>1,229,879</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,189,226</u>	 <u>\$ 1,231,037</u>

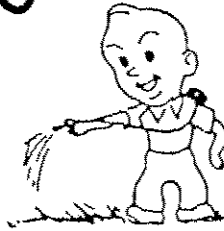
SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURE
ACTUAL AND BUDGET - GENERAL FUND
FOR THE ONE AND TWELVE MONTHS ENDED DECEMBER 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	\$ 4,050	\$ 20,941	\$ -	\$ -	\$ 23,311
COLOTRUST	378	7,921	-	-	9,137
MONEY MARKET ACCOUNTS	736	3,692	-	-	3,709
DAIN RAUCHER	3,062	12,375	-	-	12,375
FIRST UNION	(2,403)	12,320	-	-	15,311
PIPER JAFFRAY	416	5,988	-	-	7,897
UNREALIZED GAINS (LOSSES)	<u>5,248</u>	<u>6,509</u>	<u>-</u>	<u>-</u>	<u>(19,592)</u>
TOTAL INTEREST INCOME	11,487	69,746	73,000	3,254	52,148
LEASE PAYMENTS	-	-	250	250	-
OTHER INCOME	<u>-</u>	<u>87</u>	<u>-</u>	<u>(87)</u>	<u>3,600</u>
TOTAL REVENUES	\$ 11,487	\$ 69,833	\$ 73,250	\$ 3,417	\$ 55,748
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	-	83	240	157	165
83 ENGINEER/ADMINISTRATIVE	400	4,800	4,800	-	4,800
90 AUDIT & BOOKKEEPING	350	2,100	2,100	-	2,100
92 INSURANCE/BONDS	-	3,256	500	(2,756)	500
96 OFFICE EXPENSE	20	251	650	399	604
97 OFFICE RENT	100	1,200	1,200	-	1,200
100 PROFESSIONAL FEES	-	1,960	5,000	3,040	4,619
103 TRAVEL	-	170	500	330	83
105 REPAIRS & MAINTENANCE	90	18,032	45,000	26,968	17,177
108 CONTINGENCIES	-	-	500	500	-
109 EMERGENCY REPAIR	-	20,000	20,000	-	-
110 CAPITAL IMPROVEMENTS	-	4,422	25,000	20,578	15,231
111 PLANNING & DEVELOPMENT	-	-	25,000	25,000	63
112 HARP - O & M	<u>48,800</u>	<u>48,800</u>	<u>50,000</u>	<u>1,200</u>	<u>36,800</u>
TOTAL EXPENDITURES	<u>50,240</u>	<u>110,834</u>	<u>187,090</u>	<u>76,256</u>	<u>89,102</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (38,753)</u>	<u>\$ (41,001)</u>	<u>\$ (113,840)</u>	<u>\$ (72,839)</u>	<u>\$ (33,354)</u>

SEE ACCOUNTANTS' COMPILATION REPORT

CHEM-WAY



February 16, 2001

1017 S. SANTA FE AVE., PUEBLO, COLORADO 81006
Raymond F. Koester 719-543-7910
Pueblo Conservancy District
PO Box 234
Pueblo, Co. 81002

Dear Ray,

Account #'s 3596 & 43459

Thank you for your continued confidence in Chem-Way, Inc. I would like to submit this bid for the 2001 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 near 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 near 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 \$7,797.00. If you prepay 75% of the total \$7,797.00 by April 30, 2001, we will allow a 6% discount on the prepaid portion.

$\$7,797.00 \times 75\% = \$5,847.75$ less 6% (\$350.87) = \$5496.88

If pre-payment is made the balance of \$1,949.25 will be due August 1, 2001.

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, 2001.

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

Sincerely,

Jack Day

581.62
5496.88

6078.50