

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR APRIL MEETING OF THE
PUEBLO CONSERVANCY DISTRICT ON APRIL 9, 2002

DIRECTORS PRESENT: Sandstrom and Farley. with Kelly excused.

ALSO PRESENT : Ray Koester and Don Banner

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 and Special Meeting were approved as prepared.

The Treasurers report for March were reviewed, and the Board approved the reort as prepared. The Board then authorized payment of the following bills:

2051	G. Sandstrom	Directors Fees	\$ 110.82
2052	K. Farley	Directors Fee	110.82
2053	P. Kelly	Directors Fee	110.82
2054	Banner	Legal Fees	342.58
2055	Engineer Koester	Eng/Admin Fee	400.00
		Rental Fees	100.00
2056	MBDG, pc	Bookkeeping Service	200.00
2057	Westplains Energy	Power at Runyon	90.00
2058	My Friend the Printer	HARP History	1,840.00
2059	SCA Insurance	Liability Ins.	1,878.00
2060	U.S. Treassury	1st Qtr Form 941	82.62

The invoice of My Friend the Printer is now paid in full, and the PCD will be reimbursed by the Board of Water Works for their committment of \$1000 for the printing as the first copy of the History is delivered to them.

Attorney Banner prepared the reappointment petitions to the Court for Gus Sandstrom and Kathy Farley, and both of them accepted the reappointment and have been given the Oath of Office.

Banner also reported on the research and sitings of Governmental Investment of Funds, and recommended a representative of the industry be asked to give the Board first hand an overview of an investment opportunity that may be available. The Board agreed then to have Ken White give the PCD a presentation at the next regular Board meeting.

Banner (almost voiceless) also reviewed the water rights issue before the City of Pueblo and the Board of Water Works and advised that this District not file an objection, but resolve some water rights understanding between the PCD and the Board of Water Works. The Board then authorized Banner to write a letter regarding the PCD position on water rights on the Arkansas River.

Sandstrom reported that the meetings with the "HARP Partners" will continue but there is nothing else to report at this time.<

Engineer Koester indicated that the Pasquins have been advised that the adquisition of the Railroad right-of-way at Runyan is now complete, and had urged the Pasquins to press forward with their negotiations with Progress Rail.

There being no further business, the meeting was adjourned at 8:00 a.m. The regular May meeting is scheduled for Tuesday May 7, 2002 at 7:30 a.m. at the District Office, 111 East 5th Street.

APPROVED;

Kathleen Farley

[Signature]

Patricia Kelly

.X

NO. 1565 +

pcd00.bud<

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 7, 2002 (Tuesday) at 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 April 2002
 - a. Accept report
 - b. Approve bills for May
4. Hear from guest Ken White a presentation on Government Investments.
4. Old Business -
 - a. Review of published HARP History
 - b. Review of River Restoration plans plantings and access.
 - 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 04-09-02<

2051	G. Sandstrom	Directors Fee (Apr) (81)	55.41
		Directors Fee (Spec Mar) (81)	55.41
2052	K. Farley	Directors Fee (Apr) (81)	55.41
		Directors Fee (Spec Mar) (81)	55.41
2053	P. Kelly	Directors Fee (Apr) (81)	55.41
		Directors Fee (Spec Mar) (81)	55.41
2054	Banner	Legal Fee (Apr) (80)	300.00
		Out of Pocket Exp (96)	42.58
2055	Engineer Koester	Eng/Admin (Apr) (83)	400.00
		Rental of Stor and Mtg (97)	100.00
2056	MBDG, PC	Bookeepg Serv (Mar) (90)	200.00
2057	Westplains Energy	Power at Runyon (105)	90.00
2058	My Friend the Printer	-3rd one-third HARP (100)	1,840.00
2059	SCA Insurance	2002 Liability (92)	1,878.00
2060	U.S. Treasury	1st Qtr Form 941	82.62
		FICA Withheld (81) 41.31	
		Employee Match (82) 41.31	

PAYABLE TOTAL \$ 5,265.66

x
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To Court. 3/19/02

DISTRICT COURT, PUEBLO COUNTY, COLORADO Court address: 320 W. 10th St., Pueblo, CO 81003 Phone number: (719) 583-7125 (Information)		
IN THE MATTER OF THE PUEBLO CONSERVANCY DISTRICT.		
Donald J. Banner, #3026 Banner, Buxman, Kwitek & Ohlsen, P.C. Attorneys for the Pueblo Conservancy District 601 N. Main St., Suite 200 Pueblo, CO 81003 (719) 544-5081		▲ COURT USE ONLY ▲ Case No. _____ Div. No. _____
PETITION FOR REAPPOINTMENT		

COME NOW, Gus F. Sandstrom, Jr. and Kathleen M. Farley, both of whom have previously been appointed Directors of the Pueblo Conservancy District, by and through the attorneys for the Pueblo Conservancy District, Banner, Buxman, Kwitek & Ohlsen, P.C., and hereby petitions this Court for reappointment of the Directors and **STATE AS FOLLOWS:**

1. By Order of this Court of April 4, 1997, Gus F. Sandstrom, Jr. was reappointed a Director for a term expiring April 11, 2002. By Order of this Court of June 9, 1997, Kathleen M. Farley was reappointed a Director for a term expiring June 5, 2002.
2. Both Gus F. Sandstrom, Jr. and Kathleen M. Farley are willing to continue to serve as Directors of the Pueblo Conservancy District, and because of their knowledge of the affairs and history of the District, it would be in the District's best interest to reappoint these Directors.
3. Attached hereto are Oaths of Office for these two Directors, evidencing their willingness to serve as Director and agreement to honestly, faithfully, and impartially perform the duties of the office of Director on behalf of the Pueblo Conservancy District.

WHEREFORE, the undersigned prays that this Court would enter its Order of Appointment, reappointing Gus F. Sandstrom, Jr. as Director of the Pueblo Conservancy District for a term expiring April 11, 2007 and reappointing Kathleen M. Farley as Director for the Pueblo Conservancy District for a term expiring June 5, 2007.

RESPECTFULLY SUBMITTED this 19 day of March, 2002.

BANNER, BUXMAN, KWITEK & OHLSEN, P.C.

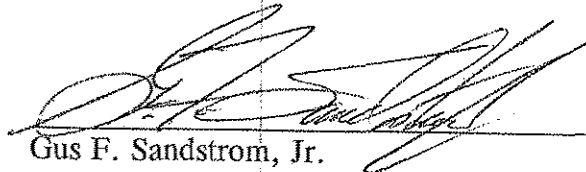
By Donald J. Banner

Donald J. Banner, #3026

Attorneys for the Pueblo Conservancy District

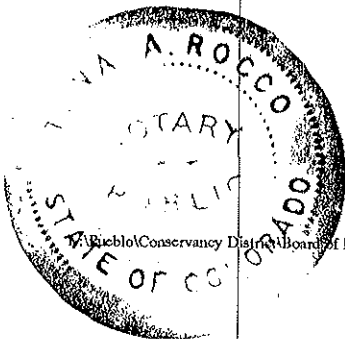
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OATH OF OFFICE		

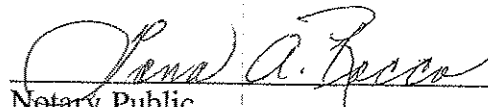
COMES NOW, Gus F. Sandstrom, Jr., having been duly sworn upon oath, and states that he will honestly, faithfully, and impartially perform the duties of his office as Director of the Pueblo Conservancy District and that he will not be interested, directly or indirectly, in any contract let by said District


 Gus F. Sandstrom, Jr.

STATE OF COLORADO)
) ss.
 COUNTY OF PUEBLO)

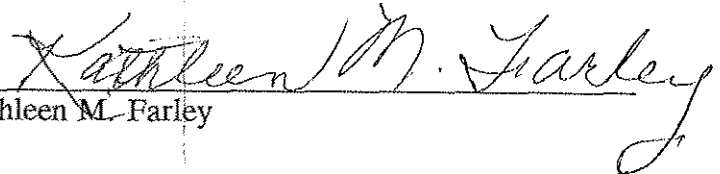
Subscribed and sworn to before me this 18th day of March, 2002, by Gus F. Sandstrom, Jr.




 Notary Public
 My Commission Expires:
 My commission expires June 15, 2002

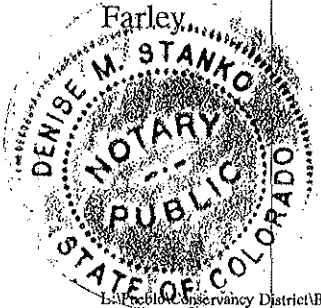
DISTRICT COURT, PUEBLO COUNTY, COLORADO Court address: 320 W. 10th St., Pueblo, CO 81003 Phone number: (719) 583-7125 (Information)		
IN THE MATTER OF THE PUEBLO CONSERVANCY DISTRICT.		
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OATH OF OFFICE		

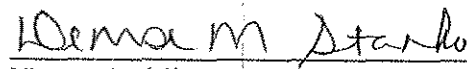
COMES NOW, Kathleen M. Farley, having been duly sworn upon oath, and states that she will honestly, faithfully, and impartially perform the duties of her office as Director of the Pueblo Conservancy District and that she will not be interested, directly or indirectly, in any contract let by said District


 Kathleen M. Farley

STATE OF COLORADO)
) ss.
 COUNTY OF PUEBLO)

Subscribed and sworn to before me this 19th day of March, 2002, by Kathleen M. Farley.




 Notary Public
 My Commission Expires: 11-21-05

Final

**ADDENDUM NO. 3 TO
THE INTERGOVERNMENTAL AGREEMENT
CREATING THE HISTORIC ARKANSAS RIVERWALK
OF PUEBLO AUTHORITY**

This Addendum No. 3 is between Pueblo, a Municipal Corporation (the "City"), Pueblo County, Colorado (the "County") and Pueblo Conservancy District (the "District"), the Board of Water Works of Pueblo, Colorado (the "Board"):

RECITALS

A. The City, County, District and Board by Intergovernmental Agreement dated December 1, 1997 (Intergovernmental Agreement) established and created a separate legal entity known as the Historic Arkansas Riverwalk of Pueblo Authority (Authority) to promote, manage, supervise, operate, develop and maintain the public project known as the Historic Arkansas Riverwalk of Pueblo (HARP).

B. The Intergovernmental Agreement sets forth the powers and duties of the Authority which in part need to be clarified and amended. All parties are willing to amend the Intergovernmental Agreement provided below.

AGREEMENT

In consideration of the above Recitals and following mutual covenants, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City, County, District and Board agree as follows: (underscoring indicates matter added)

1. Article III - Powers of the Authority, of the agreement is hereby amended by changing Article 3.1(a) to read as follows:
 - 3.1 The Authority may exercise any and all powers in furtherance of its function, purpose, and obligation which power shall include, but not be limited to the following powers
 - (a) To make and enter into contracts that are in furtherance of the function, purpose and obligation of the Authority with the parties to this Agreement (either jointly or separately), the State of Colorado, the Federal government, any other governmental body or unit, or any private person, partnership or corporation or other private entity; provided, however, that (i) before the purchase of supplies, materials, services or equipment ample opportunity be given for competitive bidding; and (ii) contracts for improvements be awarded to the lowest and best bidder by competitive sealed bidding after ample advertising. The Authority, however, may use design-build arrangements and

contracts with contractors and material suppliers when a donor's restrictions so limit the nature or scope of a construction project or the installation of a public improvement is so singularly unique that it does not lend itself to competitive sealed bidding procedures and requirements. The Authority shall, however, use its best efforts to solicit proposals from companies and contractors who build or supply materials for such unique projects before selecting any contractor or construction supplier for a design build project or purchase.

2. The Intergovernmental Agreement as amended by paragraph 1 above shall remain in effect, binding upon and inuring to the benefit of the parties hereto, the Authority and the HARP Council.
3. This Addendum No. 3 may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same agreement.

This Addendum is executed in Pueblo, Colorado and shall be effective on _____, 2002.

BOARD OF COUNTY COMMISSIONERS
OF PUEBLO COUNTY, COLORADO

PUEBLO, A MUNICIPAL CORPORATION

By: _____
Chairman of the Board

By: _____
President of the City Council

Attest: _____
County Clerk

Attest: _____
City Clerk

Approved as to form:

City Attorney

PUEBLO CONSERVANCY DISTRICT

BOARD OF WATER WORK OF PUEBLO,
COLORADO

By: _____

By: _____

Title: _____

Title: _____

Attest: _____

Attest: _____

Title: _____

Title: _____

LAW OFFICES OF
BANNER, BUXMAN, KWITEK & OHLSEN
PROFESSIONAL CORPORATION

601 N. MAIN STREET, SUITE 200
P. O. BOX 1423
PUEBLO, COLORADO 81002-1423
(719) 544-5081
FAX: (719) 546-3457
WWW.PUEBLOLAWYERS.COM

November 14, 2001

DONALD J. BANNER
DARRIN L. BUXMAN
DOUGLAS J. KWITEK
MARK A. OHLSEN
JOSEPH D. BOWER
J. E. CHOSTNER
KATHY D. SHAPIRO

HAND-DELIVERED

The Board of Directors of the
Pueblo Conservancy District

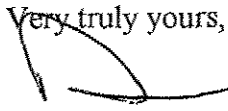
Dear Ladies and Gus:

With this letter, I want to remind you of when your terms expire as Directors of the Pueblo Conservancy District.

Gus' term expires April 11, 2002, Kathy's term expires June 5, 2002, and Pat's term expires March 19, 2003.

Please note these dates in your calendars and about a month prior to your term expiring, remind me to prepare appropriate documentation to request your continued service as Directors of the Pueblo Conservancy District.

Very truly yours,


Donald J. Banner

DJB/tr

(c) The joint budget committee shall recommend legislation to grant any waiver requested pursuant to this subsection (8) that the committee deems appropriate. The legislation, at a minimum, shall specify the fund for which the waiver is granted, the greater amount of uncommitted reserves authorized, and the time period for the waiver.

(9) For the fiscal year commencing on July 1, 2000, and ending June 30, 2001, a waiver of the target reserve requirement specified in subsection (3) of this section shall be allowed pursuant to paragraph (a) of subsection (8) of this section for the following:

(a) The educator licensure cash fund created in section 22-60.5-112, C.R.S., shall be allowed to retain an amount equal to two hundred thirty-eight thousand seven hundred twenty-four dollars in excess uncommitted reserves;

(b) The supplier database cash fund created in section 24-102-202.5 (2) shall be allowed to retain an amount equal to two hundred eighty-nine thousand three hundred twenty-two dollars in excess uncommitted reserves;

(c) The emergency services medical services account of the highway users tax fund created in section 25-3.5-603 (1), C.R.S., shall be allowed to retain an amount equal to three hundred ninety-six thousand seven hundred fifty dollars in excess uncommitted reserves;

(d) The wildlife cash fund created in section 33-1-112 (1), C.R.S., shall be allowed to retain an amount equal to two million six hundred twenty thousand four hundred eighty-eight dollars in excess uncommitted reserves; and

(e) The historical society enterprise services fund shall be allowed to retain an amount equal to fifty-five thousand nine hundred sixty-six dollars in excess uncommitted reserves.

Source: L. 98: Entire section added, p. 1311, § 1, effective June 1. L. 2001: (8)(a) amended and (9) added, p. 764, § 1, effective June 1.

PART 5

CASH REVOLVING FUND

24-75-501 to 24-75-506. (Repealed)

Source: L. 85: Entire part repealed, p. 1362, § 21, effective June 28.

Editor's note: This part 5 was originally enacted in 1983. For amendments prior to its repeal in 1985, consult the red book table distributed with the session laws, the 1982 replacement volume, and the 1983 and 1984 annual supplements.

PART 6

FUNDS - LEGAL INVESTMENTS

Cross references: For investments in U.S. agency obligations, see article 60 of title 11; for investment of teachers' retirement funds, see § 22-64-112; for investment by veterans administration fiduciaries, see part 3 of article 5 of title 28; for investment of public employees' retirement fund, see § 24-51-206; for investment of municipal funds, see § 31-20-303; for investment of police officers' and firefighters' pension funds, see part 5 of article 30.5 of title 31; for investments in special district bonds, see § 32-4-544 and 32-11-810.

24-75-601. Definitions. As used in this part 6, unless the context otherwise requires:

(1) "Public entity" means the state of Colorado; any institution, agency, instrumentality, authority, county, municipality, city and county, district, or other political subdivision of the state, including any school district and institution of higher education; any institution, department, agency, instrumentality, or authority of any of the foregoing, including any county or municipal housing authority; any local government investment pool organized pursuant to part 7 of this article; any public entity insurance pool organized pursuant to state law; and any other entity, organization, or corporation formed by intergovernmental agreement or other contract between or among any of the foregoing.

(2) "Public funds" means any funds in the custody, possession, or control of a public entity; any funds over which a public entity has investment control; any funds over which a public entity would have investment control but for the entity's delegation of that control to

another person; and any funds over which another person exercises investment control on behalf of or for the benefit of a public entity. "Public funds" includes, but is not limited to, proceeds of the sale of securities of a public entity and proceeds of certificates of participation or other securities evidencing rights in payments to be made by a public entity under a lease, lease-purchase agreement, or other similar arrangement, regardless of whether such proceeds are held by the public entity, a third-party trustee, or any other person.

(2.5) "Qualified provider" means either a state bank located in the state of Colorado or a national bank, either one of which:

- (a) Is insured by the federal deposit insurance corporation;
 - (b) Has a long-term debt rating of "A" or better from at least two nationally recognized rating organizations;
 - (c) Is financially and operationally stable as determined by the public entity;
 - (d) Has at least one other public fund customer participating in its securities lending program; and
 - (e) Has a securities lending program in place for a minimum of three years.
- (3) "Security" means any bond, note, bill, obligation, certificate of indebtedness or other evidence of indebtedness, or interest in any of the foregoing.

Source: L. 37: p. 799, § 1, 2. CSA: C. 176, § 126(1). CRS 53: § 83-1-1. C.R.S. 1963: § 83-1-1. L. 65: p. 848, § 1. L. 69: p. 688, § 1. L. 71: p. 948, § 1. L. 75: (3) amended, p. 392, § 6, effective July 14. L. 83: (1.5) added, p. 1007, § 1, effective April 28. L. 89: Entire section R&RE, p. 1101, § 1, effective July 1. L. 2000: (2.5) added, p. 182, § 1, effective August 2.

24-75-601.1. Legal investments of public funds. (1) It is lawful to invest public funds in any of the following securities if the period from the date of purchase of such security to its maturity date is five years or less or if the governing body of the public entity authorizes investment for such period in excess of five years:

(a) Any security issued by, guaranteed by, or for which the credit of any of the following is pledged for payment: The United States, a federal farm credit bank, the federal land bank, a federal home loan bank, the federal home loan mortgage corporation, the federal national mortgage association, the export-import bank, or the government national mortgage association;

(b) (I) Any security issued by, guaranteed by, or for which the credit of the following is pledged for payment: An entity or organization which is not listed in paragraph (a) of this subsection (1) but which is created by, or the creation of which is authorized by, legislation enacted by the United States congress and which is subject to control by the federal government which is at least as extensive as that which governs an entity or organization listed in paragraph (a) of this subsection (1).

(II) No security may be purchased pursuant to this paragraph (b) unless, at the time of purchase, the security is rated in its highest rating category by one or more nationally recognized organizations which regularly rate such obligations.

(c) (I) Any security issued by, guaranteed by, or for which the credit of any of the following is pledged for payment: The world bank, the inter-American development bank, the Asian development bank, or the African development bank.

(II) No security may be purchased pursuant to this paragraph (c) unless, at the time of purchase, the security is rated in one of its two highest rating categories by one or more nationally recognized organizations which regularly rate such obligations.

(d) (I) Any security that is a general obligation of any state of the United States, the District of Columbia, or any territorial possession of the United States or of any political subdivision, institution, department, agency, instrumentality, or authority of any of such governmental entities.

(II) No security may be purchased pursuant to this paragraph (d) unless, at the time of purchase, the security is rated in one of its three highest rating categories by one or more nationally recognized organizations which regularly rate such obligations.

(e) (I) Any security that is a revenue obligation of any state of the United States, the District of Columbia, or any territorial possession of the United States or of any political subdivision, institution, department, agency, instrumentality, or authority of any of such governmental entities.

(II) No security may be purchased pursuant to this paragraph (e) unless, at the time of purchase, the security is rated in one of its two highest rating categories by one or more nationally recognized organizations which regularly rate such obligations.

(f) (I) Any banker's acceptance that is issued by a state or national bank which has a combined capital and surplus of at least two hundred fifty million dollars.

(II) No security may be purchased pursuant to this paragraph (f) unless:

(A) The deposits of such bank are insured by the federal deposit insurance corporation; and

(B) At the time the security is purchased, the long-term debt of such bank or the holding company of such bank is rated in one of its three highest rating categories by one or more nationally recognized organizations which regularly rate such obligations.

(g) Commercial paper that, at the time of purchase, is rated in its highest rating category by one or more nationally recognized organizations which regularly rate such obligations;

(h) Any security of the investing public entity or any certificate of participation or other security evidencing rights in payments to be made by the investing public entity under a lease, lease-purchase agreement, or similar arrangement;

(i) Any interest in any local government investment pool organized pursuant to part 7 of this article;

(j) Any repurchase agreement concerning any securities referred to in paragraph (a) or (b) of this subsection (1) that can otherwise be purchased under this section if all of the conditions of subparagraphs (I) to (IV) of this paragraph (j) are met:

(I) Except for investments by the state treasurer, the securities subject to the repurchase agreement must have a coupon rate that is fixed from the time of settlement until its maturity date, and must be marketable.

(II) The title to or a perfected security interest in such securities along with any necessary transfer documents must be transferred to the investing public entity or to a custodian acting on behalf of the investing public entity.

(III) Such securities must be actually delivered to the public entity or to a third-party custodian or third-party trustee for safekeeping on behalf of the public entity.

(IV) Except for investments by the state treasurer, the collateral securities of the repurchase agreement must be collateralized at no less than one hundred two percent and marked to market no less frequently than weekly.

(k) Any money market fund that is registered as an investment company under the federal "Investment Company Act of 1940", as amended, if, at the time the investing public entity invests in such fund:

(I) The investment policies of the fund include seeking to maintain a constant share price;

(II) No sales or load fee is added to the purchase price or deducted from the redemption price of the investments in the fund;

(III) The investments of the fund consist only of securities with a maximum remaining maturity as specified in rule 2a-7 under the federal "Investment Company Act of 1940", as amended, or any successor regulation under such act regulating money market funds, so long as such rule 2a-7 is not amended to, or such successor regulation does not, increase the maximum remaining maturity of such securities to a period that is greater than three years, and if the fund has assets of one billion dollars or more, or has the highest current credit rating from one or more nationally recognized organizations that regularly rate such obligations, or consists of the following:

(A) Securities listed in paragraphs (a) to (j) of this subsection (1); or

(B) Perfected reverse repurchase agreements which mature within thirty days and which provide for the simultaneous sale and repurchase by the fund at a future date of securities listed in paragraphs (a) to (i) of this subsection (1); or

(C) Any securities not listed in paragraphs (a) to (j) of this subsection (1) the interest on which is not includable in gross income for federal income tax purposes if such securities do not exceed fifteen percent of the investments of the fund, based on the purchase price of all securities held by the fund; and

(D) (Deleted by amendment, L. 95, p. 772, § 1, effective May 24, 1995.)

(IV) The dollar-weighted average portfolio maturity of the fund meets the requirements specified in rule 2a-7 under the federal "Investment Company Act of 1940", as

amended, or any successor regulation under such act regulating money market funds, so long as such rule 2a-7 is not amended to increase the dollar-weighted average portfolio maturity of a fund to a period greater than one hundred eighty days.

(l) (I) Any guaranteed investment contract, guaranteed interest contract, annuity contract, or funding agreement issued by an insurance company, either domestic or foreign, as defined in section 10-1-102 (5), C.R.S., which holds a certificate of authority issued pursuant to section 10-3-105, C.R.S.

(II) No contract or agreement may be purchased under this paragraph (l) unless, at the time of purchase, the issuing company's ability to pay claims is rated in its highest rating category by one or more nationally recognized organizations which regularly rate the abilities of insurance companies to pay claims.

(III) A contract or agreement may be purchased under this paragraph (l) only if such contract or agreement is purchased with proceeds of the sale of securities of a public entity and proceeds of certificates of participation or other securities evidencing rights in payments to be made by a public entity under a lease, lease-purchase agreement, or other similar arrangement; except that, no contract or agreement may be purchased pursuant to this paragraph (l) with the proceeds of any of the foregoing which are held in an escrow or otherwise for the purpose of refunding bonds or other obligations of a public entity.

(m) (I) Any United States dollar denominated corporate or bank debt issued by a corporation or bank which is organized and operated within the United States and has a net worth in excess of two hundred fifty million dollars; except that the notes evidencing the debt must mature within three years from the date of settlement and, at the time of purchase, the debt must carry at least two credit ratings from any of the nationally recognized credit rating agencies and must not be rated below "AA- or Aa3" by any credit rating agency.

(II) At no time shall the book value of a public entity's investment in notes evidencing a debt pursuant to this paragraph (m) exceed the following:

(A) Thirty percent of the book value of the public entity's investment portfolio; or

(B) Five percent of the book value of the public entity's investment portfolio if the notes are issued by a single corporation or bank.

(n) A securities lending agreement using any securities authorized in paragraph (a) or (b) of this subsection (1) if all of the following conditions are met:

(I) The securities lending agreement is entered into with a qualified provider;

(II) The securities lending agreement requires the qualified provider to provide and maintain collateral with a mutually agreed-upon custodian. Such collateral shall be in the form of either cash, which the qualified provider may invest in a permitted investment stated in the securities lending agreement, or securities that are authorized investments for the public entity. Such collateral shall have a value that is equal to or greater than one hundred two percent of the value of the securities lent by the public entity plus any accrued interest. If the collateral is in the form of corporate securities, the collateral shall have a value that is equal to or greater than one hundred five percent of the value of the securities.

(III) Either the custodian or the qualified provider if verified by the custodian marks to market daily the value of the collateral with all differences in valuation resolved on a daily basis; except that, if all of the collateral is cash, the difference in valuation need only be resolved at such time as the value of the collateral is less than one hundred percent of the value of the securities;

(IV) With respect to permitted investments purchased with cash received as collateral to a securities lending agreement:

(A) A minimum of twenty percent of such permitted investments matures or is redeemable on any business day;

(B) A permitted investment in the form of an instrument that is issued or guaranteed by the United States government or any agency thereof and that has a variable rate of interest set off of a money market index, readjusted no less frequently than every ninety-five days, is treated, for purposes of this paragraph (n), as having a maturity equal to the period remaining until the next readjustment of the interest rate;

(C) A permitted investment in the form of an instrument that is issued by a corporation that has a variable rate of interest set off of a money market index, readjusted no less frequently than every ninety-five days, is a final maturity not to exceed four hundred thirty days or an unconditional put back to the issuer not to exceed ninety-five days;

(D) The maximum maturity on any fixed rate investments or repurchase agreements does not exceed one hundred ninety days; and

(E) The investment maturity or reset date for such permitted investment is not greater than ninety-five days unless the securities lending agreement term and the permitted investment are matched to each other.

(V) In the case of local government, the securities lending agreement is approved and designated by written resolution duly adopted by a majority vote of the governing body of such local government, which resolution shall be recorded in its minutes.

(1.3) (a) Except as provided in paragraph (b) of this subsection (1.3), public funds shall not be invested in any security on which the coupon rate is not fixed from the time the security is settled until its maturity date, other than shares in qualified money market mutual funds, unless the coupon rate is:

(I) Established by reference to the rate on a United States treasury security with a maturity of one year or less or to the United States dollar London interbank offer rate of one year or less maturity, or to the cost of funds index or the prime rate as published by the federal reserve; and

(II) Expressed as a positive value of the referenced index plus or minus a fixed number of basis points.

(b) A municipal index may be used for the investment of bond or note accounts from issues with coupons linked to the same index.

(c) For purposes of this section, "maturity date" means the last possible date, barring default, that principal can be repaid to the purchaser.

(1.5) Any firm that sells any financial instrument that fails to comply with the provisions of this section, except for instruments representing interests in a money market fund covered by the federal "Investment Company Act of 1940", as amended, to any public entity in the state of Colorado shall, upon demand of the public entity through the state treasurer, repurchase such instruments for the greater of the original purchase principal amount or the original face value, plus any and all accrued interest, within one business day of the demand.

(2) Investments made pursuant to this section shall be made in conformance with the standard set forth in section 15-1-304, C.R.S.

(3) Nothing in this section is intended to limit:

(a) The power of any public entity to invest any public funds in any security or other investment permitted to such public entities under any other valid law of the state; or

(b) The power of any home rule city, city and county, town, or county to invest any public funds in any security or other investment permitted under the charter or ordinance of such home rule city, city and county, town, or county; or

(c) The authority of the state board of regents to invest any funds available to the board in any security or other investment otherwise provided by law.

(3.5) Notwithstanding the limitations stated in the introductory portion to subsection (1) of this section, the securities subject to a repurchase agreement authorized in paragraph (j) of said subsection (1) may have a maturity in excess of five years.

(4) Nothing in this section is intended to apply to public funds held or invested as part of any pension plan, full or supplemental retirement plan, or deferred compensation plan.

Source: L. 89: Entire section added, p. 1102, § 2, effective July 1. L. 91: (4) amended, p. 1917, § 39, effective June 1. L. 93: (1)(k)(II), IP(1)(k)(III), and (1)(k)(III)(C) amended and (1)(k)(IV) added, p. 1260, § 7, effective June 6. L. 94: (1)(k)(III) amended and (1)(m) added, p. 449, § 1, effective March 29. L. 95: IP(1)(j), (1)(k)(III), (1)(k)(III)(C), and (1)(k)(III)(D) amended and (1.3) and (1.5) added, p. 772, § 1, effective May 24. L. 2000: (1)(n) added, p. 182, § 2, effective August 2; (3.5) added, p. 811, § 1, effective August 2.

24-75-601.2. Prior investments valid. Nothing in this article shall be construed so as to invalidate any legal investment made prior to July 1, 1989. Such investments shall continue to be authorized through their dates of maturity.

Source: L. 89: Entire section added, p. 1105, § 2, effective July 1.

24-75-601.3. Remedial actions - investments not made in conformance with statute. The audit of the financial statements of public entities required by part 6 of article

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1 of title 29, C.R.S., shall, in addition to all other requirements, include a supplemental listing of all investments held by the public entity at the date of the financial statement. The public entity shall divest itself of any investment which is not included as a lawful investment in section 24-75-601.1 or other statutory authority within six months of the initial disclosure of the existence of such investment.

Source: L. 89: Entire section added, p. 1105, § 2, effective July 1.

24-75-601.4. Liability of officials of public entities. Elected or appointed officials or employees of public entities who, in the good faith performance of their duties as public officials, comply with the standards established in this part 6 for the investment of public funds in securities shall not be liable for any loss of public funds resulting from such investment.

Source: L. 89: Entire section added, p. 1105, § 2, effective July 1.

24-75-601.5. Liability for sale of unlawful investments to public entities. (1) Any person who sells or causes to be sold to a public entity any investment which is not a lawful investment for such public entity pursuant to section 24-75-601.1 or other authority, and who knew or should have known that said investment was not a lawful investment, shall be liable to such public entity for any loss of investment principal resulting from such investment and, in addition, shall be liable for any reasonably foreseeable costs resulting from such loss, including but not limited to:

(a) Attorney fees; and

(b) Interest on the principal which would have resulted from the investment of said principal on the day the unlawful investment was made in one-year United States treasury bills at the market yield on such bills on such day.

Source: L. 89: Entire section added, p. 1105, § 2, effective July 1.

24-75-602. Bonds of housing authority as legal investments. Notwithstanding any restrictions on investments contained in any laws of this state, all banks, bankers, trust companies, savings banks and institutions, savings and loan associations, investment companies, and other persons carrying on a banking business and all insurance companies, insurance associations, and other persons carrying on an insurance business may legally invest any sinking funds, moneys, or other funds belonging to them or within their control in any bonds or other obligations issued by a housing authority pursuant to the "Housing Authorities Law", part 2 of article 4 of title 29, C.R.S., or issued by any public housing authority or agency in the United States when such bonds or other obligations are secured by a pledge of annual contributions to be paid by the United States government or any agency thereof, and such bonds and other obligations shall be authorized security for all public deposits. It is the purpose of this section to authorize any persons, firms, corporations, and associations, public or private, to use any funds owned or controlled by them, including, but not limited to, sinking, insurance, investment, retirement, compensation, pension, and trust funds, and funds held on deposit, for the purchase of any such bonds or other obligations. Public entities, as defined in section 24-75-601 (1), may invest public funds in such bonds or other obligations only if said bonds or other obligations satisfy the investment requirements established in this part 6. Nothing contained in this section shall be construed as relieving any person, firm, or corporation from any duty of exercising reasonable care in selecting securities.

Source: L. 39: p. 415, § 1. CSA: C. 176, § 126(2). CRS 53: § 83-1-2. C.R.S. 1963: § 83-1-2. L. 89: Entire section amended, p. 1129, § 65, effective July 1.

Law reviews. For article, "The 'Prudent Man Rule' Now Applies to Investments by Fiduciaries", see 28 Dicta 213 (1951).

24-75-603. Depositories. (1) It is lawful for the state of Colorado and any of its institutions and agencies, counties, municipalities, and districts, and any other political subdivision of the state, and any department, agency, or instrumentality thereof, or any political or public corporation of the state, whenever any of the foregoing have funds, and for any

bank, savings and loan association, industrial bank, credit union, fraternal benefit society, trust deposit and security company, trust company, or any other financial institution operating under the laws of this state having funds in their possession or custody, respectively, to deposit, or cause to be deposited either by or through the treasurer or such other custodian of funds as may be appointed, such funds so eligible for investment in any state bank, national bank, or state or federal savings and loan association in Colorado which is, at the time the deposit is made, a member of the federal deposit insurance corporation or the federal savings and loan insurance corporation to the extent that the deposit is insured by the federal deposit insurance corporation or the federal savings and loan insurance corporation or is secured by pledge of eligible collateral as required by statute.

(2) Notwithstanding any provisions of law of this state or any rule or requirement of any political subdivision thereof requiring security for deposits in the form of collateral, surety bond, or any other form, such security for deposits of public funds shall not be required to the extent said deposits are insured by the federal deposit insurance corporation or the federal savings and loan insurance corporation.

(3) Repealed.

Source: L. 39: p. 442, § 1. CSA: C. 176, § 126(3). L. 41: p. 365, § 2. CRS 53: § 83-1-3. L. 62: p. 179, § 1. C.R.S. 1963: § 83-1-3. L. 75: (1) amended, (2) R&RE, and (3) repealed pp. 855, 856, § 1-3, effective June 13. L. 77: (1) amended, p. 576, § 7, effective June 10.

Am. Jur.2d. See 63C Am. Jur.2d, Public Funds, § 5-32.

C.J.S. See 81A C.J.S., States, § 225.

Law reviews. For article, "The 'Prudent Man Rule' Now Applies to Investments by Fiduciaries", see 28 Dicta 213 (1951).

24-75-604. Investments in bonds issued by member institutions of the farm credit system. All savings banks, insurance companies, assurance, casualty, fidelity, and guaranty companies, and savings and loan associations which are permitted or directed by the laws of the state of Colorado to invest any of their moneys or deposits in securities may invest such moneys or deposits in bonds issued by any federal land bank or joint-stock land bank organized pursuant to an act of congress known as the "Farm Credit Act of 1971", and acts amendatory thereto. Such bonds shall be accepted as security for all public deposits and in all cases where bonds are required by law to be deposited with any department or public official of the state of Colorado; but this section shall not be so construed as to prohibit such moneys or deposits from being invested in such other securities as are provided for by law.

Source: L. 57: p. 274, § 3. CRS 53: § 83-1-4. C.R.S. 1963: § 83-1-4. L. 75: Entire section amended, p. 216, § 52, effective July 16.

Cross references: For the "Farm Credit Act of 1971", see 85 Stat. 583, 12 U.S.C.A. § 2001.

24-75-605. Legal investments - cities of twenty-five thousand or more population - limitation in class of investments. (1) Whenever cities having a population of twenty-five thousand or more, as determined by the last preceding federal decennial census, have moneys in policemen's or firefighters' pension funds, or other special funds of said cities, including pension, endowment, and trust funds, whether or not administered by a board or similar authority, it is lawful to invest or reinvest these moneys as set forth in this section if the authorization to invest moneys as provided in this section does not affect the administration of or control over the various funds, to wit:

(a) Class 1. Bonds or warrants of the United States, the state of Colorado, or in the bonds of any other state of the United States;

(b) Class 2. General obligation bonds of any city, town, or school district of the state of Colorado, the valuation for assessment of which city, town, or school district in the year next preceding the year in which such bonds may be purchased equals or exceeds two million dollars;

(c) Class 3. Obligations secured by first liens on real estate or by pledge of specific income or revenue and issued, insured, or guaranteed by any agency or instrumentality of the United States or the state of Colorado;

(d) Class 4. Notes, bonds, or debentures which are direct obligations of United States corporations engaged in the production, transportation, distribution, or sale of electricity or gas, or the operation of telephone or telegraph systems or water works, or any combination

of them, which, at the time of purchase, are designated as investment grade securities by any two nationally recognized investment services as may, from time to time, be designated by the city council;

(e) Class 5. In share certificates for savings accounts in any state or federally chartered savings and loan association in Colorado if said association is a member of the federal savings and loan insurance corporation and further if the full amount of each account is insured by the federal savings and loan insurance corporation; and in any time certificate of deposit or savings account in any state or national bank in Colorado, which certificates of deposit or savings accounts are fully insured by the federal deposit insurance corporation;

(f) Class 6. In stocks, preferred or common, or bonds of corporations, created or existing under the laws of the United States, or any state, district, or territory thereof, which, at the time of purchase, are listed on a national stock exchange in the United States.

(2) Investments under this section shall be limited in their acquisition and retention in the above classes of securities so that the aggregate of all investments in each separate fund at any time shall be as follows:

(a) Classes 1, 2, and 3, or any combination thereof, up to any amount but not less than seventy percent;

(b) Class 4. In any amount not to exceed thirty percent;

(c) Class 5. In any amount which is fully insured by the federal savings and loan insurance corporation or the federal deposit insurance corporation.

(3) The legal investments in this section authorized for cities having a population of twenty-five thousand or more shall be in addition to those investments otherwise by law authorized for said cities.

(4) Notwithstanding the provisions of subsection (2) of this section, investments of fire-fighters' pension funds shall be limited in their acquisition and retention in the classes of securities set forth in subsection (1) of this section so that the aggregate of all investments in each separate fund at any time shall be as follows:

(a) Classes 1, 2, and 3, or any combination thereof, up to any amount but not less than fifty percent;

(b) Class 4. In any amount not to exceed fifty percent, but not more than fifty percent of such class 4 aggregate may be invested in class 4 notes, bonds, or debentures which are convertible into shares of common stock or in common stocks of such class 4;

(c) Class 6. In any amount not to exceed fifty percent;

(d) As a further limitation thereon, in any amount not to exceed seven percent or one hundred thousand dollars, whichever is the greater, of any one issue valued at the time of purchase;

(e) In no event shall any investment be made in the common or preferred stock, or both, of any single corporation in an amount in excess of five percent of the then book value of the assets of the retirement fund.

Source: L. 63: p. 685, § 1. CRS 53: § 83-1-5. C.R.S. 1963: § 83-1-5. L. 69: p. 689, § 1. L. 97: IP(1) and IP(4) amended, p. 1022, § 40, effective August 6.

Am. Jur.2d. See 63C Am. Jur.2d, Public Funds, § 67.

PART 7

INVESTMENT FUNDS - LOCAL GOVERNMENT POOLING

Editor's note: This part 7 was originally enacted in 1983. The substantive provisions were repealed and reenacted in 1993, causing some addition, relocation, and elimination of sections as well as subject matter. For prior amendments, consult the red book table distributed with the session laws; the 1988 replacement volume and annual supplements prior to 1993; and annual supplements to the 1982 replacement volume prior to 1988.

24-75-701. Definitions. As used in this part 7, unless the context otherwise requires:

(1) "Administrator" means the administrator of a local government investment pool trust fund created pursuant to section 24-75-703.

DISTRICT COURT, PUEBLO COUNTY, COLORADO Court address: 320 W. 10th St., Pueblo, CO 81003 Phone number: (719) 583-7125 (Information)		
IN THE MATTER OF THE PUEBLO CONSERVANCY DISTRICT.		
		▲ COURT USE ONLY ▲
Donald J. Banner, #3026 Banner, Buxman, Kwitek & Ohlsen, P.C. Attorneys for the Pueblo Conservancy District 601 N. Main St., Suite 200 Pueblo, CO 81003 (719) 544-5081		Case No. <u>17664</u> Div. No. <u>B</u>
ORDER FOR REAPPOINTMENT		

THIS MATTER coming before the Court for the reappointment of a Director, and the Court being advised that Kathleen M. Farley was initially appointed as a Director of the Pueblo Conservancy District on June 5, 1977 and has continued to serve in the capacity as Director from that date and is willing to continue to serve as Director of the District, and that Kathleen M. Farley is a resident of Pueblo County and an owner of real property within the Pueblo Conservancy District, whose current term expires June 5, 2002.

IT IS THEREFORE ORDERED that the Court reappoints Kathleen M. Farley as Director of the Pueblo Conservancy District for a term of five years commencing June 5, 2002 and expiring June 5, 2007.

DATED this 25th day of March, 2002.

BY THE COURT

 District Judge

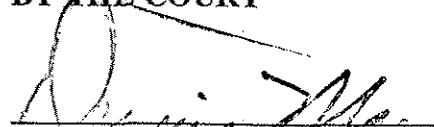
DISTRICT COURT, PUEBLO COUNTY, COLORADO Court address: 320 W. 10th St., Pueblo, CO 81003 Phone number: (719) 583-7125 (Information)		
IN THE MATTER OF THE PUEBLO CONSERVANCY DISTRICT.		
Donald J. Banner, #3026 Banner, Buxman, Kwitek & Ohlsen, P.C. Attorneys for the Pueblo Conservancy District 601 N. Main St., Suite 200 Pueblo, CO 81003 (719) 544-5081		▲ COURT USE ONLY ▲ Case No. <u>17664</u> Div. No. <u>B</u>
ORDER FOR REAPPOINTMENT		

THIS MATTER coming before the Court for the reappointment of a Director, and the Court being advised that Gus F. Sandstrom, Jr. was initially appointed as a Director of the Pueblo Conservancy District on September 16, 1977 and has continued to serve in the capacity as Director from that date and is willing to continue to serve as Director of the District, and that Gus F. Sandstrom, Jr. is a resident of Pueblo County and an owner of real property within the Pueblo Conservancy District, whose current term expires April 11, 2002.

IT IS THEREFORE ORDERED that the Court reappoints Gus F. Sandstrom, Jr. as Director of the Pueblo Conservancy District for a term of five years commencing April 11, 2002 and expiring April 11, 2007.

DATED this 28th day of March, 2002.

BY THE COURT


 District Judge



STATE OF COLORADO

JOANNE HILL, CPA
State Auditor

OFFICE OF THE STATE AUDITOR
(303) 866-2051
FAX (303) 866-2060

Legislative Services Building
200 East 14th Avenue
Denver, Colorado 80203-2211

March 12, 2002

Board of Directors
Pueblo Conservancy District
111 E. 5th Street
Pueblo, Colorado 81003

RE: #2638

Dear Board Members:

We have reviewed the Application for Exemption from Audit of the Pueblo Conservancy District. The application for the year ended December 31, 2001 is approved. We noted the following item that we believe deserves your attention.

The report discloses an investment in FNMA, GNMA, and FHLMC. This type of investment is allowed only if the security matures in five years or less or if the governing body of the public entity authorizes investment for such period in excess of five years. (Section 24-75-601, et seq., C.R.S.)

If we may be of any assistance to you, please feel free to call us.

Sincerely,

Valri Gimple, CPA
Senior Legislative Auditor

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cc: McPherson, Breyfogle, Daveline & Goodrich, PC
Certified Public Accountants

Division of Local Government

RESOLUTION _____

A RESOLUTION APPROVING ADDENDUM NO. 3 TO THE INTERGOVERNMENTAL AGREEMENT CREATING THE HISTORIC ARKANSAS RIVERWALK OF PUEBLO AUTHORITY AND AUTHORIZING THE PRESIDENT OF THE PUEBLO CONSERVANCY DISTRICT TO EXECUTE SAME.

WHEREAS, Sections 18 (2)(a) and (b) Article XIV of the Constitution of the State of Colorado and the Colorado Intergovernmental Relations Act Section 29-1-201 et. seq. C.R.S., authorized political subdivisions to cooperate and contract with one another, including the establishment of a separate legal entity, to provide any function, service, or facility lawfully authorized to each of the contracting units, and,

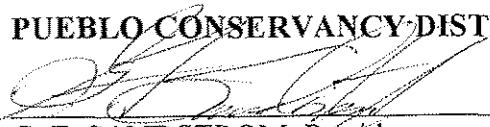
WHEREAS, the City of Pueblo, Pueblo County, Colorado, Pueblo Conservancy District, and the Board of Water Works of Pueblo, Colorado, organized and created on December 1, 1997, the Historic Arkansas Riverwalk of Pueblo Authority,

NOW, THEREFORE, BE IT RESOLVED that the City, County, District and Board agree the Intergovernmental Agreement should be amended as described in the attached Addendum No. 3 to the Intergovernmental Agreement creating the Historic Arkansas Riverwalk of Pueblo Authority.

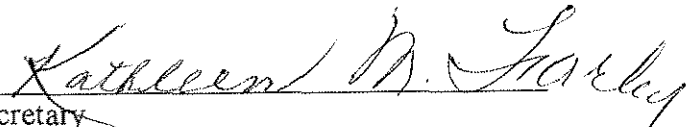
BE IT FURTHER RESOLVED that the president of the Board is authorized to execute and deliver the Intergovernmental Agreement in the name of the Board.

ADOPTED this 19th day of March, 2002.

PUEBLO CONSERVANCY DISTRICT



G. F. SANDSTROM, President



Secretary



McPherson,
Breyfogle,
Daveline &
Goodrich, P.C.
Certified Public Accountants

740 Thatcher Building

P. O. BOX 918

Pueblo, CO 81002-0918

Phone (719) 543-0516

Fax (719) 544-2849

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, 2002 and December 31, 2001, and the related comparative statement of revenue and expenditures – actual and budget – general fund for the one month and three months ended March 31, 2002, and the twelve months ended December 31, 2001, 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, Daveline & Goodrich P.C.

April 5, 2002

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
MARCH 31, 2002 AND DECEMBER 31, 2001

	<u>3/31/02</u>	<u>12/31/01</u>
ASSETS		
VECTRA BANK CHECKING	\$ 1,407	\$ 5
VECTRA BANK MONEY MARKET	482	5,479
BROKERAGE MONEY MARKET ACCOUNTS	9,570	190,501
VECTRA BANK CERTIFICATE OF DEPOSITS	352,039	349,875
FNB COLORADO CERTIFICATE OF DEPOSIT	106,000	100,000
COLOTRUST INVESTMENT	200,000	150,000
DAIN RAUCHER INVESTMENT	-	100,375
FIRST UNION INVESTMENT	207,035	207,035
PIPER JAFFRAY INVESTMENT	282,956	52,905
ACCRUED INTEREST	16,807	16,807
DUE FROM OTHER ENTITIES	<u>-</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 1,176,296</u>	 <u>\$ 1,172,982</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 265
PAYROLL TAXES PAYABLE	<u>41</u>	<u>82</u>
 TOTAL LIABILITIES	 <u>41</u>	 <u>347</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	96,840	96,840
UNDESIGNATED	<u>1,073,415</u>	<u>1,069,795</u>
 TOTAL FUND EQUITY	 <u>1,176,255</u>	 <u>1,172,635</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,176,296</u>	 <u>\$ 1,172,982</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
ACTUAL AND BUDGET - GENERAL FUND
FOR THE ONE AND THREE MONTHS ENDED MARCH 31, 2002
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2001

	<u>ACTUAL</u>				
	<u>CURRENT</u>	<u>YEAR</u>	<u>2002</u>	<u>UNUSED</u>	<u>2001</u>
	<u>MONTH</u>	<u>TO DATE</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES					
INTEREST INCOME					
CERTIFICATES OF DEPOSIT	\$ 8,164	\$ 9,866	\$ 30,000	\$ 20,134	\$ 31,491
COLOTRUST	256	606	8,000	7,394	7,009
MONEY MARKET ACCOUNTS	107	109	4,000	3,891	2,819
DAIN RAUCHER	-	3,125	12,000	8,875	12,375
FIRST UNION	3,000	3,000	12,000	9,000	12,313
PIPER JAFFRAY	-	696	6,000	5,304	4,766
UNREALIZED GAINS (LOSSES)	<u>2,065</u>	<u>1,690</u>	<u>3,000</u>	<u>1,310</u>	<u>3,302</u>
TOTAL INTEREST INCOME	13,592	19,092	75,000	55,908	74,075
LEASE PAYMENTS	-	-	250	250	-
OTHER INCOME	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	\$ 13,592	\$ 19,092	\$ 75,250	\$ 56,158	\$ 74,075
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	-	-	240	240	164
83 ENGINEER/ADMINISTRATIVE	400	1,200	4,800	3,600	4,800
90 AUDIT & BOOKKEEPING	200	400	2,100	1,700	2,100
92 INSURANCE/BONDS	-	-	500	500	1,896
96 OFFICE EXPENSE	-	-	650	650	262
97 OFFICE RENT	100	300	1,200	900	1,200
100 PROFESSIONAL FEES	1,500	6,455	5,000	(1,455)	4,103
103 TRAVEL	-	-	500	500	346
105 REPAIRS & MAINTENANCE	5,587	5,677	25,000	19,323	19,688
108 CONTINGENCIES	-	-	500	500	-
109 EMERGENCY REPAIR	-	-	20,000	20,000	-
110 CAPITAL IMPROVEMENTS	-	-	25,000	25,000	-
111 PLANNING & DEVELOPMENT	-	-	25,000	25,000	-
112 HARP - O & M	<u>-</u>	<u>-</u>	<u>55,000</u>	<u>55,000</u>	<u>50,000</u>
TOTAL EXPENDITURES	<u>8,267</u>	<u>15,472</u>	<u>172,090</u>	<u>156,618</u>	<u>90,319</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 5,325</u>	<u>\$ 3,620</u>	<u>\$ (96,840)</u>	<u>\$ (100,460)</u>	<u>\$ (16,244)</u>

SEE ACCOUNTANTS' COMPILATION REPORT