

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MAY MEETING OF THE
PUEBLO CONSERVANCY DISTRICT ON MAY 7, 2002

DIRECTORS PRESENT: Farley. with Kelly and Sandstrom

ALSO PRESENT : Ray Koester, Don Banner and Ken White (and Judy Kochevar (late)

The meeting was called to order at 7:30 a.m. on the above date without a quorum, Kathy Farley chairing. The minutes and Treasurers Report were reviewed but will be approved at the June meeting along with the May reports.

Chairman Farley then signed the checks of the routine bills as follows:

2061	G. Sandstrom	Directors Fees	\$ 55.41
2062	K. Farley	Directors Fee	55.41
2063	P. Kelly	Directors Fee	55.41
2064	Banner	Legal Fees	300.00
2065	Engineer Koester	Eng/Admin Fee	400.00
		Rental Fees	100.00
2066	MBDG, pc	Bookkeeping Service	200.00
2067	Aquila (Westplains)	Power at Runyon	90.00

The invoice for My Friend the Printer (paid in full) was given to the Board of Water Works and the Board reimbursed their committment of \$1000 for the printing.

Attorney Banner recognized two motions by the City of Colorado Springs opposing the City of Pueblo's application for water rights, along with a Motion to Intervene in the Application. Copies of the service of each is attached to these minutes.

The Board had agreed to have Ken White give the PCD a presentation on investments but without all members being present, White agreed to come back to a future meeting of the Board when asked.

Judy Kochevar was late to the meeting, but has agreed to visit with Farley and talk to Sandstrom to discover how the HARP History can be written to reflect more of a story line than the chronological present writing has.

There being no business that could be acted on, the meeting was adjourned at 8:00 a.m. The regular June meeting is scheduled for Wednesday June 12, 2002 at 7:30 a.m. at the District Office, 111 East 5th Street.

APPROVED;<

Kathleen Farley *Patricia Kelly*
[Signature]

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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 JUNE MEETING

DATE : June 12, 2002 (Wednesday) 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 and May meeting
3. Treasurers Report for April and May 2002
 - a. Accept reports
 - b. Approve bills for June
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.
 - d. Update on Water matters affecting the District.
5. New Business -
6. Set date for July meeting.
7. Adjourn.



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Pueblo, CO 81002-0918
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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 April 30, 2002 and December 31, 2001, and the related comparative statement of revenue and expenditures – actual and budget – general fund for the one month and four months ended April 30, 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, PC

May 3, 2002

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
APRIL 30, 2002 AND DECEMBER 31, 2001

	<u>4/30/02</u>	<u>12/31/01</u>
ASSETS		
VECTRA BANK CHECKING	\$ 2,287	\$ 5
VECTRA BANK MONEY MARKET	548	5,479
BROKERAGE MONEY MARKET ACCOUNTS	12,447	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	269,159	52,905
ACCRUED INTEREST	16,807	16,807
DUE FROM OTHER ENTITIES	<u>-</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 1,166,322</u>	 <u>\$ 1,172,982</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 265
PAYROLL TAXES PAYABLE	<u>28</u>	<u>82</u>
 TOTAL LIABILITIES	 <u>28</u>	 <u>347</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	96,840	96,840
UNDESIGNATED	<u>1,063,454</u>	<u>1,069,795</u>
 TOTAL FUND EQUITY	 <u>1,166,294</u>	 <u>1,172,635</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,166,322</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 FOUR MONTHS ENDED APRIL 30, 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	\$ 1,664	\$ 11,530	\$ 30,000	\$ 18,470	\$ 31,491
COLOTRUST	527	1,133	8,000	6,867	7,009
MONEY MARKET ACCOUNTS	170	279	4,000	3,721	2,819
DAIN RAUCHER	-	3,125	12,000	8,875	12,375
FIRST UNION	3,195	6,195	12,000	5,805	12,313
PIPER JAFFRAY	759	1,455	6,000	4,545	4,766
UNREALIZED GAINS (LOSSES)	<u>(11,009)</u>	<u>(9,319)</u>	<u>3,000</u>	<u>12,319</u>	<u>3,302</u>
TOTAL INTEREST INCOME	(4,694)	14,398	75,000	60,602	74,075
LEASE PAYMENTS	-	-	250	250	-
OTHER INCOME	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	\$ (4,694)	\$ 14,398	\$ 75,250	\$ 60,852	\$ 74,075
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 1,200	\$ 3,600	\$ 2,400	\$ 3,600
81 DIRECTORS FEES	360	900	3,000	2,100	2,160
82 FICA TAXES	41	41	240	199	164
83 ENGINEER/ADMINISTRATIVE	400	1,600	4,800	3,200	4,800
90 AUDIT & BOOKKEEPING	200	600	2,100	1,500	2,100
92 INSURANCE/BONDS	1,878	1,878	500	(1,378)	1,896
96 OFFICE EXPENSE	58	58	650	592	262
97 OFFICE RENT	100	400	1,200	800	1,200
100 PROFESSIONAL FEES	1,840	8,295	5,000	(3,295)	4,103
103 TRAVEL	-	-	500	500	346
105 REPAIRS & MAINTENANCE	90	5,767	25,000	19,233	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>5,267</u>	<u>20,739</u>	<u>172,090</u>	<u>151,351</u>	<u>90,319</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>(9,961)</u>	\$ <u>(6,341)</u>	\$ <u>(96,840)</u>	\$ <u>(90,499)</u>	\$ <u>(16,244)</u>

SEE ACCOUNTANTS' COMPILATION REPORT

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

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April 15, 2002

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

Ms. Anne J. Castle
Mr. Christopher L. Thorne
Holland & Hart, LLP
555 17th Street, Suite 3200
P. O. Box 8749
Denver, CO 80201-8749

Dear Anne and Chris:

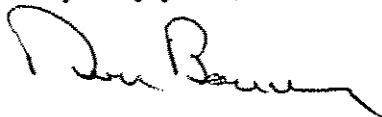
At the meeting of the Board of Director's of the Pueblo Conservancy District on April 9, 2002, the Board voted not to file an objection or other pleading in Water Court Case No. 01 CW 160 dealing with the Legacy Project.

I wanted to remind you that we have not formally assigned the Pueblo Conservancy District's interest in the recreational water right to the City of Pueblo.

The Board wanted me to call to your attention its belief that the dispute currently raging between the City of Pueblo and other parties relative to water rights is not in the best interest of the community.

The Board further wanted me to inquiry as to whether or not our directors might be of assistance in trying to negotiate a settlement of the various disputes that are taking place. If you believe that might be helpful, our Board consisting of Pat Kelley, Kathy Farley, and Gus Sandstrom would be willing to meet with appropriate parties at mutually agreeable times.

Very truly yours,



Donald J. Banner

DJB/mo

cc: Pueblo Conservancy District