

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR JUNE MEETING OF THE
PUEBLO CONSERVANCY DISTRICT ON JUNE 12, 2002

DIRECTORS PRESENT: Farley, Kelly and Sandstrom

ALSO PRESENT : Ray Koester, Don Banner and Judy Kochevar.

The meeting was called to order at 7:30 a.m. on the above date with a quorum, Gus Sandstrom chairing. The minutes and Treasurers Report were both reviewed and approved by a unanimous vote for each, and the following bills were approved for payment:

2068	G. Sandstrom	Directors Fees	\$ 55.41
2069	K. Farley	Directors Fee	55.41
2070	P. Kelly	Directors Fee	55.41
2071	Banner	Legal Fees	300.00
2072	Engineer Koester	Eng/Admin Fee	400.00
		Rental Fees	100.00
2073	MBDG, pc	Bookkeeping Service	200.00
2074	Aquila (Westplains)	Power at Runyon	90.00
2075	Judith M. Kochevar	HARP Book rewrite	700.00
2076	P. Kelly	Replace Check # 1987	55.41

The Board asked to reschedule the presentation by White on investment opportunities until further need is registered for his presentation.

Discussion then took place regarding the Water Issue being negotiated by the City of Pueblo/Board of Water Works/SEWCD, and particularly the release rates in and from Pueblo Reservoir. The PCD has little or no jurisdiction in these water matters, but encourages solutions to allow equitable flows in the Arkansas River thru Pueblo. The Intergovernmental Agreement presented by the City that is between City and PCD (copy attached) is being held in abeyance until a meeting of some of the interested people in a regular meeting of this District. It was agreed to meet on July 9th (Tuesday) at 9:00 a.m. at 1000 North Santa Fe Avenue County Conference Building) with representatives from all invested entities being invited to attend.

Judy Kochevar then presented the rewriting that she was asked to do to give the HARP History a "story line". Garley and Sandstrom will review that and Judy will get to the printers immediately. Printing and production of the book may require further expense as the task has expanded beyond the original agreement. Judy has been authorized to expand those costs at printing time.

There being no further business to come before the Board, the meeting was adjourned at 8:30 a.m. The regular July meeting is scheduled for Tuesday July 9, 2002 at 9:00 a.m. at the Conference Room of the County at 1010 North Santa Fe Avenue.

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APPROVED;<

Kathleen Garley

Patricia Kelly

[Signature]

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NO. 1567 +

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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 JULY MEETING

DATE : July 9, 2002 (Tuesday) at 9:00 a.m.

PLACE : At Pueblo County Conference Room (old Spradley new
car lot)
1010 North Santa Fe Avenue

- A G E N D A -

1. Roll Call
2. Approval of Minutes of June meeting
3. Treasurers Report for June 2002
 - a. Accept reports
 - b. Approve bills for July
4. Discussions and presentation by other entities
regarding a water issue (City of Pueblo/Board
of Water Works/SEWCD)
5. Re-consider Intergovernmental Agreement PCD/City of
Pueblo.
6. Update on HARP History, printing etc.
5. New Business -
6. Set date for August meeting.
7. Adjourn.

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THE PUEBLO CONSERVANCY DISTRICT:

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ACCOUNTS PAYABLE - - - -

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July Accounts Payable to Approve 07-09-02<

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2077 U. S. Postmaster Box rent (234) (96) \$ 100.00
2078 G. Sandstrom Directors Fee (July) (81) \$ 55.41
2079 K. Farley Directors Fee (July) (81) 55.41
2080 P. Kelly Directors Fee (July) (81) 55.41
2081 Banner Legal Fee (July) (80) 300.00
2082 Engineer Koester Eng/Admin (July) (83) 400.00
Rental of Stor and Mtg (97) 100.00
2083 MBDG, PC Bookeepg Serv (June) (90) 200.00
2084 AQUILA (Westplains Energy) Power at Runyon (105) 92.38
2085 My Friend The Printer Add printing charge(100)

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PAYABLE TOTAL \$ 1359.61

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X
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THE PUEBLO CONSERVANCY DISTRICT:

ACCOUNTS PAYABLE - - - -

.X
June Accounts Payable to Approve 06-11-02<

2068	G. Sandstrom	Directors Fee (June) (81)	\$ 55.41
2069	K. Farley	Directors Fee (June) (81)	55.41
2070	P. Kelly	Directors Fee (June) (81)	55.41
2071	Banner	Legal Fee (June) (80)	300.00
2072	Engineer Koester	Eng/Admin (June) (83)	400.00
		Rental of Stor and Mtg (97)	100.00
2073	MBDG, PC	Bookeepg Serv (May) (90)	200.00
2074	AQUILA (Westplains Energy)	Power at Runyon (105)	92.38
2075	Judith M. Kochevar	HARP Book rewriting (100)	700.00
2076	P. Kelly	Replaces Check #1987-09-04-01	55.41
			X
	PAYABLE TOTAL	\$ 1,958.61	<

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
DECEMBER 31, 2002

7/2/02 7:54 AM

<u>BROKER</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>PAR VALUE</u>	<u>BALANCE 12/31/01</u>	<u>ADDITIONS</u>	<u>MKT VALUE CHANGE</u>	<u>REDEMPTION SALES</u>	<u>BALANCE 12/31/02</u>	<u>INTEREST RECEIVED 12/31/02</u>
<u>CERTIFICATES</u>										
VECTRA BANK	CD#114728 dtd 5/21/00, Int. Paid Semi-Ann	5/21/02	6.000%	80,000.00	80,000.00			80,000.00	-	2,429.79
VECTRA BANK	CD#114728 dtd 5/21/02, Int. Paid Semi-Ann	5/21/04	3.250%	80,000.00	-	80,000.00			80,000.00	
VECTRA BANK	CD#115371 dtd 5/18/99, Int. Comp Qlly	5/18/02	4.890%	150,000.00	169,875.08	4,261.63			174,136.71	4,261.63
VECTRA BANK	CD#116196 dtd 7/7/00, Int. Paid Qlly	7/7/03	6.750%	100,000.00	100,000.00				100,000.00	3,365.75
FNB-COLO	CD#100010930 dtd 2/5/01, Int. Comp Annually	2/4/04	6.100%	100,000.00	100,000.00	6,000.00	-	-	106,000.00	6,000.00
TOTAL CERTIFICATES					449,875.08	90,261.63	-	80,000.00	460,136.71	16,057.17
<u>CASH ACCOUNTS</u>										
MINNEQUA	Money Market Account				5,479.23	100,083.66		105,045.00	517.89	83.66
PIPER JAFFRAY	Money Market Account				87,343.15	8,865.78		80,000.00	16,208.93	228.93
DAIN RAUSCHER	Cash & Money Market Account				103,062.50			103,062.50	-	-
FIRST UNION	Evergreen CRT MMF				95.80	48.11	-	-	143.91	48.11
TOTAL CASH ACCOUNTS WITH BROKERS					195,980.68	108,997.55	-	288,107.50	16,870.73	360.70
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		100,000.00	100,000.00			200,000.00	1,112.00
	Acct. 2726 - PRIME		5.940%		50,000.00	50,000.00	-	100,000.00	-	308.10
TOTAL COLOTRUST					150,000.00	150,000.00	-	100,000.00	200,000.00	1,420.10
DAIN	T-NOTE, purchased 1/30/97	1/31/02	6.250%	100,000.00	100,375.00	-	(375.00)	100,000.00	-	3,125.00
TOTAL DAIN					100,375.00	-	(375.00)	100,000.00	-	3,125.00
FIRST UNION	T-NOTE	8/15/04	6.000%	100,000.00	106,156.00		(468.00)		105,688.00	3,000.00
	FEDERAL NATL MTG ASSN	11/8/10	6.000%	100,000.00	-	100,000.00	563.00		100,563.00	-
	FEDERAL NATL MTG ASSN	3/25/09	6.390%	100,000.00	100,879.00	-	(879.00)	100,000.00	-	3,674.25
TOTAL FIRST UNION					207,035.00	100,000.00	(784.00)	100,000.00	206,251.00	6,674.25
PIPER JAFFRAY	GNMA POOL #24920	6/15/08	8.250%		19,336.72		(210.64)	3,163.86	15,962.22	478.36
	FEDL NATL MTG ASSN INVT NOTES B/E	3/13/09	5.250%	130,000.00	-	130,005.00	(1,101.94)		128,903.06	530.83
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	8/15/08	5.000%	100,000.00	-	100,005.00	(1,492.00)		98,513.00	847.23
	FHLMC #170217	3/1/17	8.000%		33,568.07	-	1,701.84	5,472.99	29,796.92	859.60
TOTAL PIPER JAFFRAY					52,904.79	230,010.00	(1,102.74)	8,636.85	273,175.20	2,716.02
TOTAL INVESTMENTS					510,314.79	480,010.00	(2,261.74)	308,636.85	679,426.20	13,935.37
TOTAL ALL ACCOUNTS					1,156,170.55	679,269.18	(2,261.74)	676,744.35	1,156,433.64	30,353.24

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

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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 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

	ACTUAL				
	CURRENT MONTH	YEAR TO DATE	2002 BUDGET	UNUSED BUDGET	2001 ACTUAL
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)	(11,009)	(9,319)	3,000	12,319	3,302
TOTAL INTEREST INCOME	(4,694)	14,398	75,000	60,602	74,075
LEASE PAYMENTS	-	-	250	250	-
OTHER INCOME	-	-	-	-	-
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	-	-	55,000	55,000	50,000
TOTAL EXPENDITURES	5,267	20,739	172,090	151,351	90,319
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (9,961)	\$ (6,341)	\$ (96,840)	\$ (90,499)	\$ (16,244)

SEE ACCOUNTANTS' COMPILATION REPORT



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Certified Public Accountants

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ACCOUNTANTS' COMPILATION REPORT

Board of Directors
The Pueblo Conservancy District
Pueblo, Colorado

We have complied the accompanying balance sheet -general fund only of The Pueblo Conservancy District as of May 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 five months ended May 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 PC

June 6, 2002

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

	<u>5/31/02</u>	<u>12/31/01</u>
ASSETS		
VECTRA BANK CHECKING	\$ 3,771	\$ 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	204,625	207,035
PIPER JAFFRAY INVESTMENT	269,158	52,905
ACCRUED INTEREST	16,807	16,807
DUE FROM OTHER ENTITIES	<u>-</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 1,165,395</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>1,062,514</u>	<u>1,069,795</u>
 TOTAL FUND EQUITY	 <u>1,165,354</u>	 <u>1,172,635</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,165,395</u>	 <u>\$ 1,172,982</u>

SEE ACCOUNTANTS' COMPILATION REPORT

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

	ACTUAL				
	CURRENT MONTH	YEAR TO DATE	2002 BUDGET	UNUSED BUDGET	2001 ACTUAL
REVENUES					
INTEREST INCOME					
CERTIFICATES OF DEPOSIT	\$ -	\$ 11,530	\$ 30,000	\$ 18,470	\$ 31,491
COLOTRUST	-	1,133	8,000	6,867	7,009
MONEY MARKET ACCOUNTS	-	279	4,000	3,721	2,819
DAIN RAUCHER	-	3,125	12,000	8,875	12,375
FIRST UNION	479	6,674	12,000	5,326	12,313
PIPER JAFFRAY	1,261	2,716	6,000	3,284	4,766
UNREALIZED GAINS (LOSSES)	(2,410)	(11,729)	3,000	14,729	3,302
TOTAL INTEREST INCOME	(670)	13,728	75,000	61,272	74,075
LEASE PAYMENTS	-	-	250	250	-
OTHER INCOME	-	-	-	-	-
TOTAL REVENUES	\$ (670)	\$ 13,728	\$ 75,250	\$ 61,522	\$ 74,075
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 1,500	\$ 3,600	\$ 2,100	\$ 3,600
81 DIRECTORS FEES	180	1,080	3,000	1,920	2,160
82 FICA TAXES	-	41	240	199	164
83 ENGINEER/ADMINISTRATIVE	400	2,000	4,800	2,800	4,800
90 AUDIT & BOOKKEEPING	200	800	2,100	1,300	2,100
92 INSURANCE/BONDS	-	1,878	500	(1,378)	1,896
96 OFFICE EXPENSE	-	58	650	592	262
97 OFFICE RENT	100	500	1,200	700	1,200
100 PROFESSIONAL FEES	(1,000)	7,295	5,000	(2,295)	4,103
103 TRAVEL	-	-	500	500	346
105 REPAIRS & MAINTENANCE	90	5,857	25,000	19,143	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	-	-	55,000	55,000	50,000
TOTAL EXPENDITURES	270	21,009	172,090	151,081	90,319
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (940)	\$ (7,281)	\$ (96,840)	\$ (89,559)	\$ (16,244)

SEE ACCOUNTANTS' COMPILATION REPORT