

RECORD OF PROCEEDINGS

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

DIRECTORS PRESENT: Farley, Kelly and Sandstrom

ALSO PRESENT : Ray Koester and Don Banner

The meeting was called to order at 7:30 a.m. on the above date with a quorum, Gus Sandstrom Chairing. Gus welcomed guest Kochevar, then called the meeting to order.

The minutes for October were reviewed and approved by a unanimous vote, and the following bills were approved for payment:

2217	G. Sandstrom	Directors Fees	\$ 55.41
2218	K. Farley	Directors Fee	55.41
2219	P. Kelly	Directors Fee	55.41
2220	Banner	Legal Fees	300.00
2221	Engineer Koester	Eng/Admin Fee	400.00
		Rental Fees	100.00
2222	MBDG, pc	Bookkeeping Service	200.00
2223	Aquila (Westplains)	Power at Runyon	93.52
2224	U.S. Treasury	2nd qtr. FICA	82.62
2225	The Pueblo Chieftain Adv.	2003 Budget	16.80
2226	Spaccamonti Excavating	Build Gate	475.00
2227	G. Sandstrom	Replace Check #2061	55.41

The Chairman then opened the hearing on the 2003 Budget as advertised to be adopted at this meeting. There being no one present to comment, the Board they unanously approved a motion to approve the budget and asked Attorney Banner to proceed with the filing of the budget with the Court and the Secretary of State.

The printing of the HARP Book is complete and the "souvinoir edition" seals are on each of the 500 1st printing copies. Sandstrom then reviewed the marketing plan andd the first 380 copies have either been pre-sold or placed with HARP Authority, D & D Marketing, Latino Chamber and the Greater Pueblo Chamber for sale at \$20 per book (including sales taxes). Each of the PCD Directors along with 12 other copies, 8 for the Board of Water Works, and one each for the City Planning, County of Pueblo, Public Library and the Pueblo Cheiftain were distrbuted as complimentary. A report on sales and progress with distribution will be reported at the next regular meeting of this Board.

Engineer Koester reported that a new gate was needed on the west side of Thomas Phelps Creek at the north toe of the levee at Runyon to keep unnecessary traffic over the old bridge across the Creek, and that the Maintenance Contractor has completed the installation.

Attorney Banner indicated he was working with the Department of Wildlife Lease to include a longer lease period and a provision for a Yearly Fee to cover the costs of providing lighting at the Runyon Fishing area. New lease will be effective on November 30, 2002.

There being no further business at this time, the meeting was recessed at 8:30 a.m. The regular meeting for December is scheduled for Tuesday December 10, 2002 at 7:30 a.m. at this Districts Office at NorthStar Engineering.

APPROVED:

Kathleen Farley

Don Banner

Patricia Kelly

.x

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 DECEMBER MEETING

DATE : DECEMBER 10, 2002 (TUESDAY) at 7:30 a.m.

PLACE : At NorthStar Engineering Conference Room
(PCD Office)
111 East 5th Street

- A G E N D A -

1. Roll Call
2. Approval of Minutes of November meeting
3. Treasurers Report for November 2002
 - a. Accept reports
 - b. Approve bills for December
4. Update on HARP History, marketing etc.
5. New Business -
7. Set date for January meeting.
8. Adjourn.

pcd00.bud

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
DECEMBER 31, 2002

11/5/02 9:50 AM

BROKER	DESCRIPTION	MATURITY DATE	RATE	PAR VALUE	BALANCE 12/31/01	ADDITIONS	MKT VALUE CHANGE	REDEMPTION SALES	BALANCE 12/31/02	INTEREST RECEIVED 12/31/02
<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 Qtly	5/18/02	4.890%	150,000.00	169,875.08	6,456.23			176,331.31	6,456.23
VECTRA BANK	CD#116196 dtd 7/7/00, Int. Paid Qtly	7/7/03	6.750%	100,000.00	100,000.00				100,000.00	5,048.63
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	92,456.23	-	80,000.00	462,331.31	19,934.65
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				5,479.23	101,650.57		105,075.00	2,054.80	85.79
PIPER JAFFRAY	Money Market Account				87,343.15	11,004.49		80,000.00	18,347.64	283.37
DAIN RAUSCHER	Cash & Money Market Account				103,062.50			103,062.50	-	-
WACHOVIA SEC.	Evergreen Money Mkt Fund				95.80	48.49	-	-	144.29	48.49
TOTAL CASH ACCOUNTS WITH BROKERS					195,980.68	112,703.55	-	288,137.50	20,546.73	417.65
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		100,000.00	100,000.00			200,000.00	2,260.59
	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	2,568.69
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
WACHOVIA SEC.	T-NOTE	8/15/04	6.000%	100,000.00	106,156.00		1,282.00		107,438.00	6,000.00
	FEDERAL NATL MTG ASSN	11/8/10	6.000%	100,000.00	-	100,000.00	2,344.00		102,344.00	-
	FEDERAL NATL MTG ASSN	3/25/09	6.390%	100,000.00	100,879.00	-	(879.00)	100,000.00	-	3,674.25
TOTAL WACHOVIA SEC.					207,035.00	100,000.00	2,747.00	100,000.00	209,782.00	9,674.25
PIPER JAFFRAY	GNMA POOL #24920	6/15/08	8.250%		19,336.72		(127.91)	3,834.46	15,374.35	781.84
	FEDL NATL MTG ASSN INVT NOTES B/E	3/13/09	5.250%	130,000.00	-	130,005.00	1,863.75		131,868.75	2,237.08
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	8/15/08	5.000%	100,000.00	-	100,005.00	(105.00)		99,900.00	2,097.24
	FHLMC #170217	3/1/17	8.000%		33,568.07	-	957.06	6,886.66	27,638.47	1,402.99
TOTAL PIPER JAFFRAY					52,904.79	230,010.00	2,587.90	10,721.12	274,781.57	6,519.15
TOTAL INVESTMENTS					510,314.79	480,010.00	4,959.90	310,721.12	684,563.57	21,887.09
TOTAL ALL ACCOUNTS					1,156,170.55	685,169.78	4,959.90	678,858.62	1,167,441.61	42,239.39



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

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 October 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 ten months ended October 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

November 5, 2002

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

	<u>10/31/02</u>	<u>12/31/01</u>
ASSETS		
VECTRA BANK CHECKING	\$ (140)	\$ 5
VECTRA BANK MONEY MARKET	2,055	5,479
BROKERAGE MONEY MARKET ACCOUNTS	18,492	190,501
VECTRA BANK CERTIFICATE OF DEPOSITS	356,331	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	209,782	207,035
PIPER JAFFRAY INVESTMENT	274,781	52,905
ACCRUED INTEREST	16,807	16,807
DUE FROM OTHER ENTITIES	<u>-</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 1,184,108</u>	 <u>\$ 1,172,982</u>
LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 265
PAYROLL TAXES PAYABLE	<u>69</u>	<u>82</u>
 TOTAL LIABILITIES	 <u>69</u>	 <u>347</u>
RESERVE FOR EMERGENCIES	6,000	6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	96,840	96,840
UNDESIGNATED	<u>1,081,199</u>	<u>1,069,795</u>
 TOTAL FUND EQUITY	 <u>1,184,039</u>	 <u>1,172,635</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,184,108</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 TEN MONTHS ENDED OCTOBER 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	\$ -	\$ 19,935	\$ 30,000	\$ 10,065	\$ 31,491
COLOTRUST	286	2,568	8,000	5,432	7,009
MONEY MARKET ACCOUNTS	19	417	4,000	3,583	2,819
DAIN RAUCHER	-	3,125	12,000	8,875	12,375
FIRST UNION	-	9,674	12,000	2,326	12,313
PIPER JAFFRAY	1,261	6,520	6,000	(520)	4,766
UNREALIZED GAINS (LOSSES)	<u>(1,229)</u>	<u>4,960</u>	<u>3,000</u>	<u>(1,960)</u>	<u>3,302</u>
TOTAL INTEREST INCOME	337	47,199	75,000	27,801	74,075
LEASE PAYMENTS	-	-	250	250	-
OTHER INCOME	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	\$ 337	\$ 47,199	\$ 75,250	\$ 28,051	\$ 74,075
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 3,000	\$ 3,600	\$ 600	\$ 3,600
81 DIRECTORS FEES	180	1,980	3,000	1,020	2,160
82 FICA TAXES	41	82	240	158	164
83 ENGINEER/ADMINISTRATIVE	400	4,000	4,800	800	4,800
90 AUDIT & BOOKKEEPING	200	1,800	2,100	300	2,100
92 INSURANCE/BONDS	-	1,878	500	(1,378)	1,896
96 OFFICE EXPENSE	46	264	650	386	262
97 OFFICE RENT	100	1,000	1,200	200	1,200
100 PROFESSIONAL FEES	2,670	12,405	5,000	(7,405)	4,103
103 TRAVEL	-	-	500	500	346
105 REPAIRS & MAINTENANCE	2,662	9,386	25,000	15,614	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>6,599</u>	<u>35,795</u>	<u>172,090</u>	<u>136,295</u>	<u>90,319</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (6,262)</u>	<u>\$ 11,404</u>	<u>\$ (96,840)</u>	<u>\$ (108,244)</u>	<u>\$ (16,244)</u>

SEE ACCOUNTANTS' COMPILATION REPORT

.<
THE PUEBLO CONSERVANCY DISTRICT:

.

.

ACCOUNTS PAYABLE - - - -

.X

November Accounts Payable to Approve 11-12-02<

.

.

2216	Sales Tax Licence Fee	(100A)	\$	25.00
2217	G. Sandstrom	Directors Fee (Nov) (81)		55.41
2218	K. Farley	Directors Fee (Nov) (81)		55.41
2219	P. Kelly	Directors Fee (Nov) (81)		55.41
2220	BBK&O (Banner)	Legal Fee (Nov) (80)		300.00
2221	Engineer Koester	Eng/Admin (Nov) (83)		400.00
		Rental of Stor and Mtg (97)		100.00
2222	MBDG, PC	Bookeepg Serv (Oct) (90)		200.00
2223	AQUILA (Westplains Energy)	Power at Runyon (105)		89.40
2224	U.S. Treasury	2nd quarter FICA Form 941		82.62
2225	The Pueblo Chieftain	Adv. 2003 Budget (96)		16.80
2226	Spaccamonti Excavating, Inc.	Build Gate (105)		475.00
2227	G. Sanstrom	Replace check #2061 (5-7-02)		55.41
				X
	PAYABLE	TOTAL	\$3,573.66	<

THE PUEBLO CONSERVANCY DISTRICT

2 0 0 3 BUDGET

	2001 Actual	2002 Budget	Est. 2002 Rev. & Exp.	2003 BUDGET
REVENUES				
Interest:	\$ 72,936	\$ 75,000	\$ 65,000	\$ 60,000
Leases, Books, Other	0	250	0	8,500
TOTAL REVENUES	\$ 72,936	\$ 75,250.	\$ 65,000.	\$ 68,500.
EXPENDITURES				
Directors Fees	\$ 2,160	\$ 3,000	\$ 2,430	\$ 3,000
FICA Taxes	164	240	62	240
Legal Fees	3,600	3,600	3,600	3,600
Eng, Adm & Stor	4,800	4,800	4,800	4,800
Audit & Bkkpg Fees	1,925	2,100	2,100	2,100
Insurance & Bonds	1,886	500	1,878	2,000
Office Exp.	262	650	330	650
Office Rent	1,200	1,200	1,200	1,200
Professional Fees	4,104	5,000	4,635	5,000
Travel	346	500	0	500
Repairs & Mainten.	19,598	25,000	9,200	45,000
Contingencies	0	500	0	500
Emerg. Flood Repairs	0	20,000	0	20,000
Capital Improvements	0	25,000	0	25,000
Planning & Devel.	0	25,000	0	25,000
HARP O & M	50,000	55,000	55,000	0
History Book Pub.	0	0	6,380	4,000
TOTAL EXPENDITURES	\$ 90,055.	\$172,090.	\$ 91,185.	\$142,590.
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES (\$17,119.) (\$96,840) (\$26,185) (\$74,090)				
BEGINNING RESERVE FUND BALANCE	\$1,189,225.	\$1,171,843	\$1,171,843.	\$1,124,473
ENDING RESERVE FUND BALANCE	\$1,171,843	\$1,075,003	\$1,124,473.	\$1,050,383

.x

.<

◁

B U D G E T M E S S A G E<

The budget includes the anticipated source of revenues, being revenues from interest on certificates of deposit and other investments as well as leasehold revenues. The budget includes the anticipated expenses by the Pueblo Conservancy District for capital improvements, emergency flood repairs, routine repairs and maintenance, engineering, legal and administrative fees, as well as other anticipated expenses. The Pueblo Conservancy District was created by special statutory legislation for the purpose of constructing and maintaining a river levee system to protect the city and county of Pueblo from flooding on the Arkansas River. The District is no longer a taxing entity and derives its operational funds from reserve fund investments. The board of directors of the Pueblo Conservancy District supervises those repairs, maintenance and capital improvements necessary to maintain the levee. For Amendment 1 and all other purposes, expenditures by the district for capital improvements, emergency flood repairs and the first \$45,000 each year for repairs and maintenance, may be expended from reserve fund balances. All other expenditures of the district shall be expended from income.

Certified to be the Year 2003 BUDGET adopted by THE
PUEBLO CONSERVANCY DISTRICT on November 12, 2002.

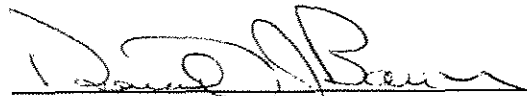
[Handwritten signature]

DISTRICT COURT, PUEBLO COUNTY, COLORADO Court address: 320 W. 10th St., Pueblo, CO 81003 Phone number: (719) 583-7125 (Information)	▲ COURT USE ONLY ▲
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 Street, Suite 200 Pueblo, Colorado 81003 (719) 544-5081	Case No. 17664 Division B
NOTICE OF FILING 2003 BUDGET	

COMES NOW, The Pueblo Conservancy District, by its attorneys, Banner, Buxman, Kwitek & Ohlsen, P.C., and gives notice that it has filed, with the Division of Local Government, the original Letter of 2003 Budget Transmittal and 2003 Budget, copies of which are attached hereto.

DATED this 13 day of November, 2002.

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



Donald J. Banner, #3026
 Attorneys for The Pueblo Conservancy District

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 13, 2002

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

Division of Local Government
Department of Local Affairs
1313 Sherman St., Room 520
Denver, CO 80203

Re: Pueblo Conservancy District

Gentlemen:

Enclosed please find our Letter of 2003 Budget Transmittal, together with a certified copy of the Budget for the Pueblo Conservancy District for the year 2003. If you have any questions, please do not hesitate to contact me.

Very truly yours,



Donald J. Banner

DJB/aks

Enclosures

cc: Ray Koester w/ Enclosures

LETTER OF 2003 BUDGET TRANSMITTAL

To: Division of Local Government
1313 Sherman St., Room 520
Denver, CO 80203

Attached is the 2003 Budget for **THE PUEBLO CONSERVANCY DISTRICT**

The budget was adopted on November 12, 2002.

If there are any questions regarding the budget, please contact **RAYMOND KOESTER**, District Engineer, at (719) 544-6823 or (719) 250-7827.

The total mill levy certified to the County Commissioners is 0 mills.

Based on an assessed valuation of n/a, the total property tax revenue is \$ n/a.

AN INCREASE LEVY BEYOND THE PROPERTY TAX REVENUE LIMIT WILL NOT BE REQUESTED

Enclosed is a copy of the certification of mill levies sent to the County Commissioners.

 Yes X No

No copy of the certification to the County Commissioners is enclosed because no property tax has been assessed.

DATED: November 13, 2002.

Name of person completing this form:

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

By 
Donald J. Banner, #3026
Attorneys for The Pueblo Conservancy District
P. O. Box 1423
Pueblo, CO 81002-1423
Telephone: (719) 544-5081

THE PUEBLO CONSERVANCY DISTRICT<

2 0 0 3 BUDGET

	2001 Actual	2002 Budget	Est. 2002 Rev. & Exp.	2003 BUDGET
REVENUES				
Interest:	\$ 72,936	\$ 75,000	\$ 65,000	\$ 60,000
Leases, Books, Other	0	250	0	8,500
TOTAL REVENUES	\$ 72,936	\$ 75,250.	\$ 65,000.	\$ 68,500.
EXPENDITURES				
Directors Fees	\$ 2,160	\$ 3,000	\$ 2,430	\$ 3,000
FICA Taxes	164	240	62	240
Legal Fees	3,600	3,600	3,600	3,600
Eng, Adm & Stor	4,800	4,800	4,800	4,800
Audit & Bkpg Fees	1,925	2,100	2,100	2,100
Insurance & Bonds	1,886	500	1,878	2,000
Office Exp.	262	650	330	650
Office Rent	1,200	1,200	1,200	1,200
Professional Fees	4,104	5,000	4,635	5,000
Travel	346	500	0	500
Repairs & Mainten.	19,598	25,000	9,200	45,000
Contingencies	0	500	0	500
Emerg. Flood Repairs	0	20,000	0	20,000
Capital Improvements	0	25,000	0	25,000
Planning & Devel.	0	25,000	0	25,000
HARP O & M	50,000	55,000	55,000	0
History Book Pub.	0	0	6,380	4,000
TOTAL EXPENDITURES	\$ 90,055.	\$172,090.	\$ 91,185.	\$142,590.
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES (\$17,119.) (\$96,840) (\$26,185) (\$74,090)				
BEGINNING RESERVE FUND BALANCE	\$1,189,225.	\$1,171,843	\$1,171,843.	\$1,124,473
ENDING RESERVE FUND BALANCE	\$1,171,843	\$1,075,003	\$1,124,473.	\$1,050,383

.x
.<

B U D G E T M E S S A G E <

The budgetary basis of accounting used by the Pueblo Conservancy District is based upon the cash basis method of accounting.

The budget includes the anticipated source of revenues, being revenues from interest on certificates of deposit and other investments as well as leasehold revenues. The budget includes the anticipated expenses by the Pueblo Conservancy District for capital improvements, emergency flood repairs, routine repairs and maintenance, engineering, legal and administrative fees, as well as other anticipated expenses. The Pueblo Conservancy District was created by special statutory legislation for the purpose of constructing and maintaining a river levee system to protect the city and county of Pueblo from flooding on the Arkansas River. The District is no longer a taxing entity and derives its operational funds from reserve fund investments. The board of directors of the Pueblo Conservancy District supervises those repairs, maintenance and capital improvements necessary to maintain the levee. For Amendment 1 and all other purposes, expenditures by the district for capital improvements, emergency flood repairs and the first \$45,000 each year for repairs and maintenance, may be expended from reserve fund balances. All other expenditures of the district shall be expended from income.

Certified to be the Year 2003 BUDGET adopted by THE
PUEBLO CONSERVANCY DISTRICT on November 12, 2002.

