

RECORD OF PROCEEDINGS

PUEBLO CONSERVANCY DISTRICT ON JULY 14, 2003

DIRECTORS PRESENT: Sandstrom, Farley and Kelly

ALSO PRESENT : Don Banner and Ray Koester, with guests Judy Kochevar (HARP book author) and Mike Cuppy, NorthStar Engineer who is understudying Koesters work.

The meeting was called to order at 7:30 a.m. on the above date with a quorum.

The minutes for the Regular meeting June 9th Meeting were reviewed and will be revised (spelling errors etc.) for approval by the Directors along with the minutes of this meeting at the next regular meeting of the Board. The Treasurers report for June was reviewed and approved to file, along with the placement of the \$100,000. (matured CD of Vectra Bank on July 7th) with Wachovia Securities to purchase a FHA Bond at 4.81% rate. The following July bills were approved for payment:

2295	Wachovia Securites Investment	\$185,000.00
2296	USBankcorp Investment	120,000.00
2297	U. S. Postal Service Box Rent	126.00
2298	Special Districts of CO	VOID
2299	G. Sandstrom Directors Fees	55.41
2300	K. Farley Directors Fee	55.41
2301	P. Kelly Directors Fee	55.41
2302	Banner Legal Fees	300.00
2303	Engineer Koester Eng/Admin Fee	400.00
	Rental Fees	100.00
2304	MBDG, pc Bookkeeping Service	200.00
2305	Aquila Power at Runyon	94.88
2306	U. S. Treasury 2nd Quarter Form 941	82.62

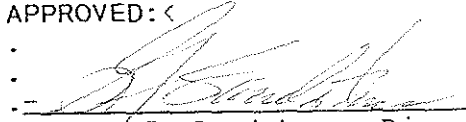
Judy Kochevar then reviewed with the Board several ideas of promoting sales for the HARP Book. (Attached copy) Sales on radio promotions, at the Chili Festival coming up, and perhaps E-Bay. Sandstrom and Kochevar will look at other ways to attract visitors on the RiverWalk to purchase copies by providing a sales booth at the Boat House where people buy their ticket for the Boat Trip. Koester will check with both Chambers who have copies to sell now, on progress of their sales efforts.

Banner then reported on the Legacy Project easement that is being reviewed by the City Attorney, and the requirement expressed by the Federal Government regarding the PCD reserving the right to do flood control maintenance on the River. Banner will be having telephone conferences with the Feds and the City on the Legacy Project agreement, and then with DOW regarding their signoff on the lease at Runyon Lake.

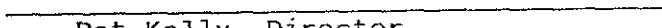
Banner then referred to a telephone request by the Pueblo City Manager (first with Koester) and then with Banner, to purchase some of the PCD land on the street paralleling the river just west of Union Avenue, to possibility locate a private residence. Koester will research the proposed site, and Banner will ask for a legal description of the land and maybe a survey on the ground of the land to be used for the building site from City Manager Evett.

There being no further business to come before the Board the meeting was adjourned at 8:35 a.m. The next regular meeting of the District will be on August 11, 2003 at 7:30 a.m. at NorthStar Conference Room.

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APPROVED: <


G. F. Sandstrom, Director


Kathleen Farley, Director


Pat Kelly, Director

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PUEBLO CONSERVANCY DISTRICT.

ACCOUNTS PAYABLE - - - -

July Accounts Payable to Approve 07-14-03

2295	Wachovia Securities	Investment		\$185,000.00
2296	US Bankcorp	Investment		120,000.00
2297	U.S. Postal Service	Box rent	(96)	126.00
2298	Special Districts of CO -	VOID		0.00
2299	G. Sandstrom	Directors Fee	(July) (81)	55.41
2300	K. Farley	Directors Fee	(July) (81)	55.41
2301	P. Kelly	Directors Fee	(July) (81)	55.41
2302	BBK&O (Banner)	Legal Fee	(July) (80)	300.00
2303	Engineer Koester	Eng/Admin (July) (83)		400.00
		Rental of Stor and Mtg (97)		100.00
2304	MBDG, PC	Bookeepg Serv	(June) (90)	200.00
2305	AQUILA	Power at Runyon	(105)	94.88
2306	U.S. Treasury	2nd Quarter Form 941		82.62
		Employee WH	\$41.31	
		Employer Match	\$41.31	

PAYABLE TOTAL \$1,469.73

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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 June 30, 2003 and December 31, 2002, and the related comparative statement of revenue and expenditures – actual and budget – general fund for the one month and six months ended June 30, 2003, and the twelve months ended December 31, 2002, 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

July 2, 2003

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
JUNE 30, 2003 AND DECEMBER 31, 2002

	<u>6/30/03</u>	<u>12/31/02</u>
ASSETS		
VECTRA BANK CHECKING	\$ 5,409	\$ 6,407
VECTRA BANK MONEY MARKET	31,765	2,057
BROKERAGE MONEY MARKET ACCOUNTS	4,500	23,546
VECTRA BANK CERTIFICATE OF DEPOSITS	180,000	358,553
FNB COLORADO CERTIFICATE OF DEPOSIT	112,360	106,000
COLOTRUST INVESTMENT	25,000	145,000
WACHOVIA SECURITIES INVESTMENT	391,649	208,744
PIPER JAFFRAY INVESTMENT	385,404	270,135
ACCRUED INTEREST	15,293	15,293
BOOK INVENTORY	<u>6,429</u>	<u>7,229</u>
 TOTAL ASSETS	 <u>\$ 1,157,809</u>	 <u>\$ 1,142,964</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 286
PAYROLL TAXES PAYABLE	<u>42</u>	<u>110</u>
 TOTAL LIABILITIES	 <u>42</u>	 <u>396</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	74,090	96,840
UNDESIGNATED	<u>1,077,677</u>	<u>1,039,728</u>
 TOTAL FUND EQUITY	 <u>1,157,767</u>	 <u>1,142,568</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,157,809</u>	 <u>\$ 1,142,964</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
ACTUAL AND BUDGET - GENERAL FUND
FOR THE ONE AND SIX MONTHS ENDED JUNE 30, 2003
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2002

	ACTUAL				
	CURRENT MONTH	YEAR TO DATE	2003 BUDGET	UNUSED BUDGET	2002 ACTUAL
REVENUES					
INTEREST INCOME					
CERTIFICATES OF DEPOSIT	\$ 3,504	\$ 15,480	\$ 30,000	\$ 14,520	\$ 24,600
COLOTRUST	136	1,002	8,000	6,998	3,218
MONEY MARKET ACCOUNTS	32	143	4,000	3,857	490
DAIN RAUCHER	-	-	-	-	521
WACHOVIA SECURITIES	2,295	5,670	12,000	6,330	11,667
PIPER JAFFRAY	3,028	7,973	6,000	(1,973)	13,232
UNREALIZED GAINS (LOSSES)	4,260	(166)	-	166	2,645
TOTAL INTEREST INCOME	13,255	30,102	60,000	29,898	56,373
LEASE PAYMENTS	-	-	500	500	-
OTHER INCOME	3	1,043	8,000	6,957	600
COST OF SALES	-	(800)	(4,000)	(3,200)	(461)
TOTAL REVENUES	\$ 13,258	\$ 30,345	\$ 64,500	\$ 34,155	\$ 56,512
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 1,800	\$ 3,600	\$ 1,800	\$ 3,600
81 DIRECTORS FEES	180	1,080	3,000	1,920	2,340
82 FICA TAXES	-	41	240	199	179
83 ENGINEER/ADMINISTRATIVE	400	2,400	4,800	2,400	4,800
90 AUDIT & BOOKKEEPING	200	1,000	2,100	1,100	2,400
92 INSURANCE/BONDS	1,126	1,126	2,000	874	1,878
96 OFFICE EXPENSE	126	376	650	274	381
97 OFFICE RENT	100	600	1,200	600	1,200
100 PROFESSIONAL FEES	-	50	5,000	4,950	4,740
103 TRAVEL	-	-	500	500	-
105 REPAIRS & MAINTENANCE	90	6,672	45,000	38,328	10,040
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
113 SALES TAX	-	-	-	-	21
TOTAL EXPENDITURES	2,522	15,145	138,590	123,445	86,579
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 10,736	\$ 15,200	\$ (74,090)	\$ (89,290)	\$ (30,067)

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
DECEMBER 31, 2003

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BROKER	DESCRIPTION	MATURITY DATE	RATE	PAR VALUE	BALANCE 12/31/02	ADDITIONS	MKT VALUE CHANGE	REDEMPTION SALES	BALANCE 12/31/03	INTEREST RECEIVED 12/31/03
<u>CERTIFICATES</u>										
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	1,299.70
VECTRA BANK	CD#115371 dtd 5/18/99, Int. Comp Qtly	5/18/03	5.000%	150,000.00	178,553.56	4,454.59	-	183,008.15	-	4,454.59
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	3,365.75
WNB-COLO	CD#100011368 dtd 2/5/01, Int. Comp Annually	2/5/04	6.000%	100,000.00	106,000.00	6,360.00	-	-	112,360.00	6,360.00
TOTAL CERTIFICATES					464,553.56	10,814.59	-	183,008.15	292,360.00	15,480.04
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				2,057.39	212,255.80	-	182,547.87	31,765.32	24.20
PIPER JAFFRAY	Money Market Account				23,401.07	356,820.19	-	376,097.74	4,123.52	74.39
WACHOVIA SEC.	Evergreen Money Mkt Fund				144.66	394,203.98	-	393,972.70	375.94	44.22
TOTAL CASH ACCOUNTS WITH BROKERS					25,603.12	963,279.97	-	952,618.31	36,264.78	142.81
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		145,000.00	-	-	120,000.00	25,000.00	1,001.90
TOTAL COLOTRUST					145,000.00	-	-	120,000.00	25,000.00	1,001.90
WACHOVIA SEC.	T-NOTE	8/15/04	6.000%	100,000.00	107,395.00	-	(1,082.50)	106,312.50	-	2,847.26
	FNMA 03-52 BH REMIC MULTICLASS CMO	6/25/33	5.500%	101,000.00	-	102,262.50	(252.50)	-	102,010.00	(447.49)
	FNMA 03-17 ME REMIC MULTICLASS CMO	3/25/33	5.500%	105,000.00	-	105,262.50	512.55	966.36	104,808.69	1,007.18
	GNMA 03-54 MA REMIC MULTICLASS CMO	7/20/33	5.000%	183,000.00	-	184,830.00	-	-	184,830.00	(737.08)
	FEDERAL NATL MTG ASSN	11/8/10	6.000%	100,000.00	101,349.00	-	(1,349.00)	100,000.00	-	3,000.00
TOTAL WACHOVIA SEC.					208,744.00	392,355.00	(2,171.45)	207,278.86	391,648.69	5,669.87
PIPER JAFFRAY	GNMA POOL #24920	6/15/08	8.250%		14,405.73	-	(90.96)	899.62	13,415.15	634.66
	FEDL NATL MTG ASSN INVT NOTES B/E	3/13/09	5.250%	130,000.00	130,893.75	-	(893.75)	130,000.00	-	2,843.75
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	8/15/08	5.000%	100,000.00	100,375.00	-	(375.00)	100,000.00	-	1,708.35
	FEDL NATL MTG ASSN INVT NOTES B/E	8/20/10	4.000%	100,000.00	-	100,000.00	1,362.00	-	101,362.00	939.44
	FEDL NATL MTG ASSN INVT NOTES B/E	6/24/11	4.000%	130,000.00	-	130,005.00	2,026.25	-	132,031.25	808.89
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	12/15/09	3.000%	120,000.00	-	120,005.00	-	-	120,005.00	-
	FHLMC #170217	3/1/17	8.000%		24,460.48	-	(23.31)	5,846.18	18,590.99	1,038.10
TOTAL PIPER JAFFRAY					270,134.96	350,010.00	2,005.23	236,745.80	385,404.39	7,973.19
TOTAL INVESTMENTS					623,878.96	742,365.00	(166.22)	564,024.66	802,053.08	14,644.96
TOTAL ALL ACCOUNTS					1,114,035.64	1,716,459.56	(166.22)	1,699,651.12	1,130,677.86	30,267.81