

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR OCTOBER MEETING OF THE
PUEBLO CONSERVANCY DISTRICT ON OCTOBER 14, 2003

DIRECTORS PRESENT: Sandstrom, Farley and Kelly

ALSO PRESENT : Don Banner and Ray Koester (Cuppy of Northstar not available to attend) and guest Steve Hesee.

The meeting was called to order at 7:35 a.m. on the above date with a quorum.

The minutes for the Regular meeting of September was reviewed and approved. The Treasurers report for September were presented and approved to file. The following October bills were approved for payment:

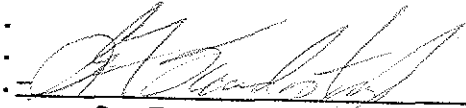
3019	G. Sandstrom	Directors Fees	55.41
3020	K. Farley	Directors Fee	55.41
3021	P. Kelly	Directors Fee	55.41
3022	Banner	Legal Fees	300.00
3023	Engineer Koester	Eng/Admin Fee	400.00
		Rental Fees	100.00
		Legacy Fees	2480.00
3024	MBDG, pc	Bookkeeping Ser.	200.00
3025	Aquila	Power at Runyon	106.93
3026	U.S. Treasury	3rd Qtr Form 941	82.62
3027	Spaccamonti Exc.	Tree Cutting & Weed control	2040.00

Engineer Koester presented a Proposed 2004 Budget, and after some review the Board ordered it published without change, and the final approval will be done at the November meeting after comments have been received to the public notice.

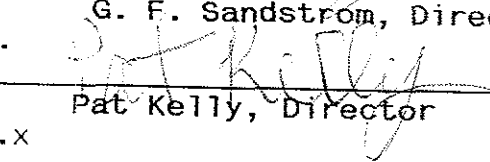
Steve Hessee reviewed a plan for a Railroad Museum and complex to locate from the Round House east of Main Street, westerly to the main line of the C & S Railroad near West 4th Street. The organization plans to connect to all rail lines with relulation rail equipment and be able to move people from this area, south to Trinidad, east to Lamar, North to Denver International Airport and west to Royal Gorge. He presented mapping of the complex, and left copies for each Board member. The Board appreciated being kept in the "loop" as plans progress and work with the use of some PCD land as might be requested for re-establishing rail lines near the Power Co. and their cooling ponds and any water rights they have on the Arkansas.

There being no further business to come before the Board the meeting was adjourned at 8:30 a.m. The next regular meeting of the District will be on November 19, 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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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 NOVEMBER MEETING

DATE : NOVEMBER 19, 2003 (WEDNESDAY) 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 October 14th meeting
3. Treasurers Report for October
 - a. Approve bills for November
4. Old Business-
 - a. Update on HARP History Book of the sales, etc.
 - b. Approve Proposed Budget for 2004
5. New Business -
6. Set date for December meeting.
7. Adjourn.

pcd03bud

PUEBLO CONSERVANCY DISTRICT.<

ACCOUNTS PAYABLE - - - -

October Accounts Payable to Approve 10-14-03

3019	G. Sandstrom	Directors Fee (Oct) (81)	55.41
3020	K. Farley	Directors Fee (Oct) (81)	55.41
3021	P. Kelly	Directors Fee (Oct) (81)	55.41
3022	BBK&O (Banner)	Legal Fee (Oct) (80)	300.00
3023	Engineer Koester	Eng/Admin (Oct) (83)	400.00
		Rental of Stor and Mtg (97)	100.00
		Eng. fees for Legacy & City sewer- Feb-Sept 2003	2480.00
3024	MBDG, PC	Bookeepg Serv (Sept) (90)	200.00
3025	AQUILA	Power at Runyon (105)	106.93
3026	U.S. Treasury	Third Quarter Form 941	82.62
		Employee WH \$41.31	
		Employer Match \$41.31	
3027	Spaccamonti Exc. Inc.	Tree cutting & Weed control on levee per (100) Corps of Eng. instruction.	2040.00

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PAYABLE TOTAL \$5,815.78

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STATE OF COLORADO

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JOANNE HILL, CPA
State Auditor

OFFICE OF THE STATE AUDITOR
LOCAL GOVERNMENT AUDIT SECTION
(303) 869-2870
FAX (303) 869-2875

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

October 7, 2003

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, 2002 is approved. We noted the following item that we believe deserves your attention.

We accepted your Application for Exemption from Audit, even though it was filed after the statutory deadline of March 31. The Local Government Audit Law states that Applications for Exemption from Audit must be filed with the Office of the State Auditor within three months after the close of the fiscal year.

The above deficiency has also been noted in prior applications for exemption. The Local Government Audit Law (Section 29-1-607, C.R.S.) requires that the District correct any deficiency noted by the State Auditor. Please address the item noted above in your application for the year ending December 31, 2003.

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

Sincerely,

Dianne E. Ray, CPA
Director of Local Government Audits

DER:id

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

Division of Local Government

BBCKO PC

BANNER,
BOWER,
CHOSTNER,
KWITEK,
& OHLSSEN, P.C.

LAW OFFICES

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


DONALD J. BANNER

OCTOBER 14, 2003

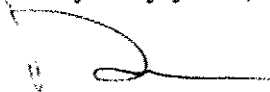
Bruce Maurello
Associate II Wastewater Engineer
City of Pueblo-Wastewater Department
211 E. "D" Street
Pueblo, CO 81003

*Re: Easement-Pueblo Conservancy District
Arkansas Sewer Main*

Dear Bruce:

I forwarded your letter of September 22nd to Ray Koester, the engineer for the Pueblo Conservancy District. Ray indicated to me that this same ground you want another easement on has already been granted to the City of Pueblo through the Legacy Project. Please check with Scott Hobson and Tom Jagger for a copy of that easement and verify that you really do not need a new one. If that turns out not to be the case, please let me know.

Very truly yours,



Donald J. Banner

DJB/tr

cc: Thomas E. Jagger ✓
Raymond F. Koester ✓



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

740 Thatcher Building
P.O. BOX 918
Pueblo, CO 81002-0918
Phone (719) 543-0516
Fax (719) 544-2849

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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 September 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 nine months ended September 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

October 6, 2003

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

	<u>9/30/03</u>	<u>12/31/02</u>
ASSETS		
VECTRA BANK CHECKING	\$ 5,393	\$ 6,407
VECTRA BANK MONEY MARKET	6,559	2,057
BROKERAGE MONEY MARKET ACCOUNTS	9,735	23,546
VECTRA BANK CERTIFICATE OF DEPOSITS	80,000	358,553
FNB COLORADO CERTIFICATE OF DEPOSIT	112,360	106,000
COLOTRUST INVESTMENT	25,000	145,000
WACHOVIA SECURITIES INVESTMENT	469,605	208,744
PIPER JAFFRAY INVESTMENT	359,527	270,135
ACCRUED INTEREST	15,293	15,293
BOOK INVENTORY	<u>6,429</u>	<u>7,229</u>
 TOTAL ASSETS	 <u>\$ 1,089,901</u>	 <u>\$ 1,142,964</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 286
PAYROLL TAXES PAYABLE	<u>41</u>	<u>110</u>
 TOTAL LIABILITIES	 <u>41</u>	 <u>396</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	74,090	96,840
UNDESIGNATED	<u>1,009,770</u>	<u>1,039,728</u>
 TOTAL FUND EQUITY	 <u>1,089,860</u>	 <u>1,142,568</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,089,901</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 NINE MONTHS ENDED SEPTEMBER 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	\$ -	\$ 16,703	\$ 30,000	\$ 13,297	\$ 24,600 ✓
COLOTRUST	19	1,091	8,000	6,909	3,218 ✓
MONEY MARKET ACCOUNTS	11	203	4,000	3,797	490 ✓
DAIN RAUCHER	-	-	-	-	521 ✓
WACHOVIA SECURITIES	1,322	9,227 ~~32,649~~	12,000	2,773	11,667 ✓
PIPER JAFFRAY	1,256	11,425	6,000	(5,425)	13,232 ✓
UNREALIZED GAINS (LOSSES)	(36,848)	(67,865)	-	67,865	2,645 ✓
		41,349			
TOTAL INTEREST INCOME	(34,240)	(29,216)	60,000	89,216	56,373
LEASE PAYMENTS	-	-	500	500	-
OTHER INCOME	-	1,043	8,000	6,957	600 ✓
COST OF SALES	-	(800)	(4,000)	(3,200)	(461)
TOTAL REVENUES	\$ (34,240)	\$ (28,973)	\$ 64,500	\$ 93,473	\$ 56,512
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 2,700 ✓	\$ 3,600	\$ 900	\$ 3,600 ✓
81 DIRECTORS FEES	180	1,620 ✓	3,000	1,380	2,340 ✓
82 FICA TAXES	-	83 ✓	240	157	179 ✓
83 ENGINEER/ADMINISTRATIVE	400	3,600 ✓	4,800	1,200	4,800 ✓
90 AUDIT & BOOKKEEPING	200	1,600 ✓	2,100	500	2,400 ✓
92 INSURANCE/BONDS	17	1,143 ✓	2,000	857	1,878 ✓
96 OFFICE EXPENSE	-	535 ✓	650	115	381 ✓
97 OFFICE RENT	100	900 ✓	1,200	300	1,200 ✓
100 PROFESSIONAL FEES	-	50 ✓	5,000	4,950	4,740 ✓
103 TRAVEL	-	-	500	500	- ✓
105 REPAIRS & MAINTENANCE	2,056	11,439	45,000	33,561	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	-	65	-	(65)	21
TOTAL EXPENDITURES	3,253	23,735	138,590	114,855	86,579
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (37,493)	\$ (52,708)	\$ (74,090)	\$ (21,382)	\$ (30,067)

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
DECEMBER 31, 2003

10/6/03 4:59 PM

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	3,994.31	-	182,547.87	-	3,994.31
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#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	10,354.31	-	282,547.87	192,360.00	16,702.64
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				2,057.39	69,501.15	-	65,000.00	6,558.54	44.54
PIPER JAFFRAY	Money Market Account				23,401.07	361,860.80	-	376,097.74	9,164.13	93.48
WACHOVIA SEC.	Evergreen Money Mkt Fund				144.66	627,907.14	-	627,481.09	570.71	64.46
TOTAL CASH ACCOUNTS WITH BROKERS					25,603.12	1,059,269.09	-	1,068,578.83	16,293.38	202.48
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		145,000.00	-	-	120,000.00	25,000.00	1,091.19
TOTAL COLOTRUST					145,000.00	-	-	120,000.00	25,000.00	1,091.19
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	(5,954.62)	14,874.66	81,433.22	908.49
	FNMA 03-17 ME REMIC MULTICLASS CMO	3/25/33	5.500%	105,000.00	-	105,262.50	(284.07)	86,397.53	18,580.90	2,289.67
	GNMA 03-54 MA REMIC MULTICLASS CMO	7/20/33	5.000%	183,000.00	-	184,830.00	(23,774.22)	4,388.41	156,667.37	782.53
	FHLMC 2646 LL RETAIL LOTTERY	8/15/33	5.000%	99,000.00	-	99,495.00	(15,941.40)	3,000.00	80,553.60	13.75
	FHLMC 2672 AA RETAIL LOTTERY	10/15/33	5.500%	70,000.00	-	70,000.00	-	-	70,000.00	(310.14)
	ABN AMRO MTG 03-11 A8 MULTICLASS CMO	10/25/33	6.000%	63,000.00	-	63,000.00	(630.00)	-	62,370.00	(304.50)
	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	624,850.00	(49,015.81)	314,973.10	469,605.09	9,227.06
PIPER JAFFRAY	GNMA POOL #24920	6/15/08	8.250%		14,405.73	-	(238.17)	2,921.89	11,245.67	882.06
	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	(3,562.50)	-	96,437.50	1,939.43
	FEDL NATL MTG ASSN INVT NOTES B/E	6/24/11	4.000%	130,000.00	-	130,005.00	(5,083.19)	-	124,921.81	2,108.88
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	12/15/09	3.000%	120,000.00	-	120,005.00	(9,027.80)	-	110,977.20	560.00
	FHLMC #170217	3/1/17	8.000%		24,460.48	-	330.13	8,845.43	15,945.18	1,383.82
TOTAL PIPER JAFFRAY					270,134.96	350,010.00	(18,850.28)	241,767.32	359,527.36	11,426.29
TOTAL INVESTMENTS					623,878.96	974,860.00	(67,866.09)	676,740.42	854,132.45	21,744.54
TOTAL ALL ACCOUNTS					1,114,035.64	2,044,483.40	(67,866.09)	2,027,867.12	1,062,785.83	38,649.66

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