

MINUTES OF THE REGULAR FEBRUARY MEETING OF THE PUEBLO CONSERVANCY DISTRICT ON FEBRUARY 10, 2004

DIRECTORS PRESENT: Sandstrom and Farley

ALSO PRESENT : Banner and Koester, and guest City Council President Randy Thurston

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

The minutes for the Regular meeting of January 20, were reviewed and approved. The Treasurers report for year ending December 31, 2003 was reviewed and approved to file, and the January Report was not ready yet but will be ready by the March meeting along with the February 2004 report. The Application for Exemption from Audit for 2003 was then reviewed and both directors signed the document in approval. The following February bills were approved for payment:

3054	G. Sandstrom	Directors Fee	\$ 55.41
3055	K. Farley	Directors Fee	55.41
3056	BBCK&O	Banner Legal Fee	300.00
3057	Engineer Koester	Eng/Admin Fee	400.00
		Rental of Storage & Meeting	100.00
3058	MBDG, pc.	Bookpg Service	200.00
3059	AQUILA	Power at Runyon	107.50
3060	City of Pueblo	Sales Tax Licence Fee for 2004	50.00
3061	CO Spec. Dist. P&L Pool	Premium for for year 2004	1,616.00
3062	Spec. Dist. Assn.	2004 Dues	428.00
3063	Wachovia Securities	Re-Invest CO Nat Bank CD	100,000.00

The Board approved redeeming the \$100,000 + Certificate of Deposit at Colorado National Bank, and deposit it in the Vectra Checking, then write a check to Wachovia to be invested in a recommended and approved security instrument.

Attorney Banner reviewed a form of Lease for use of PCD land to COPAA, described as two parcels, one of which can be purchased by COPAA within five years at a price per square foot established when an appraisal and land use potentials were set as recommended by Charles Berry, Appraiser. The Board then approved the provisions to become a lease/purchase agreement, and with legal descriptions furnished by Engineer Koester for COPAA, the final draft of a Lease/Purchase agreement will be ready at the March meeting.

The Board then reviewed with Randy Thurston (Pueblo City Council President) the commitment that the PCD had made with the HARP Commission regarding money in support of starting-up. PCD had contributed land owned by the District on the old Arkansas River Channel, when the river was moved to its present location behind a levee, that became

a part of HARP Subdivision, having supplied the necessary quiet title work required to deed the land for HARP., and had made yearly payments to operate HARP for three years, ending in the year 2002. Sandstrom as the designated member of the HARP Authority, will be asking the City for a review of the Intergovernmental Agreement (IGA) (signed by the City, County, Board of Water Works and this PCD). City then will be asked to respond to the review of the IGA, thru the City Attorney, City Council, City Manager, along with the Board of Water Works, County Commissioners and the PCD, to the HARP Authority. Thurston indicated he now will understand the background and can help the City in the review of the IGA. Thurston was then thanked for the use of his time to attend this meeting, and he was then excused to leave if he wished.

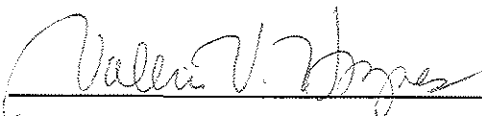
Chairman Sandstrom indicated there were at least seven persons that expressed an interest in becoming a PCD Board member, and after all are interviewed by one or both Directors, their names will be taken to Judge Maes, for an appointment of a Director ^{ES} to take resigned member, Patricia Kelly.

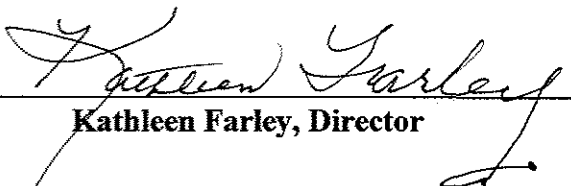
There being no further business to come before the Board, the meeting was adjourned at 8:15 a.m. The next regular meeting of the District will be on March 16, 2004 at 7:30 a.m. at NorthStar Conference Room.

APPROVED:



G. F. Sandstrom, Director





Kathleen Farley, Director

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 MARCH MEETING

DATE : March 16, 2004 (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 February 10th meeting
3. Treasurers Report
 - A. For January 2004
 - B. For February 2004**
 - C. Approve bills for March
4. Old Business-
 - a. Update on HARP History book sales
 - b. Review lease with COPAA AND sign.
5. New Business-
 - a. Review progress made on Kelly's replacement to the Board of Directors.
6. Set date for April meeting.
7. Adjourn



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

Yr. B/C

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 January 31, 2004 and December 31, 2003, and the related comparative statement of revenue and expenditures – actual and budget – general fund for the one month and one month ended January 31, 2004, and the twelve months ended December 31, 2003, 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

March 1, 2004

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
JANUARY 31, 2004 AND DECEMBER 31, 2003

	<u>1/31/2004</u>	<u>12/31/2003</u>
ASSETS		
VECTRA BANK CHECKING	\$ 5,689	\$ 3,483
VECTRA BANK MONEY MARKET	6,566	6,564
BROKERAGE MONEY MARKET ACCOUNTS	13,654	23,329
VECTRA BANK CERTIFICATE OF DEPOSITS	80,000	80,000
FNB COLORADO CERTIFICATE OF DEPOSIT	112,360	112,360
COLOTRUST INVESTMENT	25,000	25,000
WACHOVIA SECURITIES INVESTMENT	495,294	487,717
PIPER JAFFRAY INVESTMENT	363,775	361,730
ACCRUED INTEREST	11,329	11,329
BOOK INVENTORY	<u>6,429</u>	<u>6,429</u>
 TOTAL ASSETS	 <u>\$ 1,120,096</u>	 <u>\$ 1,117,941</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 306
PAYROLL TAXES PAYABLE	<u>9</u>	<u>82</u>
 TOTAL LIABILITIES	 <u>9</u>	 <u>388</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	52,090	74,090
UNDESIGNATED	<u>1,061,997</u>	<u>1,037,463</u>
 TOTAL FUND EQUITY	 <u>1,120,087</u>	 <u>1,117,553</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,120,096</u>	 <u>\$ 1,117,941</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
ACTUAL AND BUDGET - GENERAL FUND
FOR THE ONE AND ONE MONTHS ENDED JANUARY 31, 2004
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2003

	ACTUAL				
	CURRENT MONTH	YEAR TO DATE	2004 BUDGET	UNUSED BUDGET	2003 ACTUAL
REVENUES					
INTEREST INCOME					
CERTIFICATES OF DEPOSIT	\$ -	\$ -	\$ -	\$ -	\$ 15,649
COLOTRUST	20	20	-	-	861
MONEY MARKET ACCOUNTS	14	14	-	-	231
WACHOVIA SECURITIES	2,667	2,667	-	-	15,031
PIPER JAFFRAY	1,218	1,218	-	-	13,831
UNREALIZED GAINS (LOSSES)	(465)	(465)	-	-	(33,726)
TOTAL INTEREST INCOME	3,454	3,454	58,000	54,546	11,877
LEASE PAYMENTS	-	-	500	500	-
OTHER INCOME	-	-	3,500	3,500	1,043
COST OF SALES	-	-	(500)	(500)	(800)
TOTAL REVENUES	\$ 3,454	\$ 3,454	\$ 61,500	\$ 58,046	\$ 12,120
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 300	\$ 3,600	\$ 3,300	\$ 3,600
81 DIRECTORS FEES	120	120	3,000	2,880	2,160
82 FICA TAXES	-	-	240	240	165
83 ENGINEER/ADMINISTRATIVE	400	400	4,800	4,400	4,800
90 AUDIT & BOOKKEEPING	-	-	2,100	2,100	2,400
92 INSURANCE/BONDS	-	-	2,000	2,000	1,143
96 OFFICE EXPENSE	-	-	650	650	587
97 OFFICE RENT	100	100	1,200	1,100	1,200
100 PROFESSIONAL FEES	-	-	5,000	5,000	2,766
103 TRAVEL	-	-	500	500	-
105 REPAIRS & MAINTENANCE	-	-	45,000	45,000	18,199
108 CONTINGENCIES	-	-	500	500	-
109 EMERGENCY REPAIR	-	-	20,000	20,000	-
110 CAPITAL IMPROVEMENTS	-	-	25,000	25,000	-
111 PLANNING & DEVELOPMENT	-	-	-	-	-
112 HARP - O & M	-	-	-	-	-
113 SALES TAX	-	-	-	-	115
TOTAL EXPENDITURES	920	920	113,590	112,670	37,135
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 2,534	\$ 2,534	\$ (52,090)	\$ (54,624)	\$ (25,015)

SEE ACCOUNTANTS' COMPILATION REPORT



740 Thatcher Building
PO 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

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McPherson, Breyfogle, Daveline & Goodrich PC

January 22, 2004

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

	<u>12/31/2003</u>	<u>12/31/2002</u>
ASSETS		
VECTRA BANK CHECKING	\$ 3,483	\$ 6,407
VECTRA BANK MONEY MARKET	6,564	2,057
BROKERAGE MONEY MARKET ACCOUNTS	23,329	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	487,717	208,744
PIPER JAFFRAY INVESTMENT	361,730	270,135
ACCRUED INTEREST	11,329	15,293
BOOK INVENTORY	<u>6,429</u>	<u>7,229</u>
 TOTAL ASSETS	 <u>\$ 1,117,941</u>	 <u>\$ 1,142,964</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ 306	\$ 286
PAYROLL TAXES PAYABLE	<u>82</u>	<u>110</u>
 TOTAL LIABILITIES	 <u>388</u>	 <u>396</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	74,090	96,840
UNDESIGNATED	<u>1,037,463</u>	<u>1,039,728</u>
 TOTAL FUND EQUITY	 <u>1,117,553</u>	 <u>1,142,568</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,117,941</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 TWELVE MONTHS ENDED DECEMBER 31, 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	\$ (1,054)	\$ 15,649	\$ 30,000	\$ 14,351	\$ 24,600
COLOTRUST	(401)	861	8,000	7,139	3,218
MONEY MARKET ACCOUNTS	12	231	4,000	3,769	490
DAIN RAUCHER	-	-	-	-	521
WACHOVIA SECURITIES	2,240	15,031	12,000	(3,031)	11,667
PIPER JAFFRAY	(62)	13,831	6,000	(7,831)	13,232
UNREALIZED GAINS (LOSSES)	(1,050)	(33,726)	-	33,726	2,645
TOTAL INTEREST INCOME	(315)	11,877	60,000	48,123	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	\$ (315)	\$ 12,120	\$ 64,500	\$ 52,380	\$ 56,512
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 3,600	\$ 3,600	\$ -	\$ 3,600
81 DIRECTORS FEES	180	2,160	3,000	840	2,340
82 FICA TAXES	41	165	240	75	179
83 ENGINEER/ADMINISTRATIVE	400	4,800	4,800	-	4,800
90 AUDIT & BOOKKEEPING	400	2,400	2,100	(300)	2,400
92 INSURANCE/BONDS	-	1,143	2,000	857	1,878
96 OFFICE EXPENSE	-	587	650	63	381
97 OFFICE RENT	100	1,200	1,200	-	1,200
100 PROFESSIONAL FEES	236	2,766	5,000	2,234	4,740
103 TRAVEL	-	-	500	500	-
105 REPAIRS & MAINTENANCE	4,508	18,199	45,000	26,801	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	-	115	-	(115)	21
TOTAL EXPENDITURES	6,165	37,135	138,590	101,455	86,579
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (6,480)	\$ (25,015)	\$ (74,090)	\$ (49,075)	\$ (30,067)

SEE ACCOUNTANTS' COMPILATION REPORT

m n BIC

Application for Exemption from Audit

For the year ended December 31, 2003
(Fiscal year ended) _____

Entity: The Pueblo Conservancy District
Address: 111 E. 5th Street
Pueblo, CO 81003
Telephone: 719-544-6823 **Year Last Audited:** 12/31/97

The Local Government Audit Law, Section 29-1-604, C.R.S., requires local governments to meet the following criteria in order to be considered for approval for exemption from audit requirements by the Office of the State Auditor.

Revenues or Expenditures	Exempt from Audit?	Who Completes exemption form?
Less than \$100,000	Yes	*Person skilled in governmental accounting
More than \$100,000 but less than \$300,000	Yes	**Independent accountant with knowledge of governmental accounting requirements
More than \$300,000	No (Audit is required)	Not Applicable

* This means possessing sufficient knowledge of governmental accounting to complete the exemption form.

** Independent means someone who is separate from the entity.

Certification of Preparer

I certify that I meet the requirements above to complete this Application for Exemption from Audit and that the information in this Application is complete and accurate to the best of my knowledge.

Name: Larry A. Daveline, C.P.A. Title: Shareholder
Firm Name: McPherson, Breyfogle, Daveline & Goodrich, PC
Firm Address: 740 Thatcher Building, Pueblo, CO 81003
Date Prepared: 2-10-04 Phone Number: 719-543-0516

SIGNATURE:

Larry A. Daveline CPA

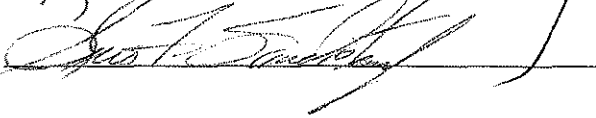
The Audit Law requires that a person independent of the entity complete the Application if revenues or expenditures are more than \$100,000 but less than \$300,000. Please describe what your relationship is with the entity.

Independent Certified Public Accountant

Governing Body Approval

We, the undersigned, certify that this application for exemption has been:

- < Prepared consistent with Section 29-1-604, C.R.S., which states that an application with revenues and expenditures less than \$100,000 **must** be prepared by a person skilled in governmental accounting **OR** an application with revenues and expenditures more than \$100,000 but less than \$300,000 **must** be prepared by an independent accountant with knowledge of governmental accounting.
- < Completed to the best of our knowledge and is **accurate** and **true**.
- < Reviewed and approved by a **majority** of the governing body at a meeting of the governing body.

Name (please print or type)	Date Term Expires	Signature
Kathleen M. Farley	06/05/2007	
Gus F. Sandstrom, Jr.	04/11/2007	

General Questions Concerning the Entity

1. Is the entity a metropolitan district? If yes, describe the services that your entity provides?

2. Does the entity have an agreement with another entity to provide services?
 If yes, list the type of service and name of other government entity.
 Maintenance of Riverwalk for the City of Pueblo and the Historic Arkansas Riverwalk of Pueblo Authority
3. Are contributions made to FPPA by the entity, or by the State for the benefit of the entity?
 If yes, indicate your employer or local contribution amount \$ _____ State contribution amount \$ _____
4. Does the entity have property and equipment?
 If yes, did the entity inventory this property and equipment in accordance with Section 29-1-504, C.R.S.? If no, please explain:

5. Does the entity have cash and cash equivalents recorded on the balance sheet?
(Page One of Long Form or Short Form of this application)
 If yes:
 Are the entity=s deposits in an Aeligible public depository@ in accordance with Colorado PDPA guidelines? (Section 11-10.5-101 et. seq., C.R.S.)
 Are the entity=s deposits covered by Federal Insurance (FDIC)?
 If the entity=s deposits, in any one bank, are in excess of \$100,000:
 Is your PDPA eligible depository collateralizing your funds at 102% ? (Section 11-10.5-107 (5), C.R.S.) *If the entity=s deposits are less than \$100,000 PDPA would not apply to your entity.*
 If no to any of the above, please explain:

Yes	No
	X
X	
	X
X	
X	
X	
X	
X	

6. Please list the amount and types of investments your entity holds in accordance with Section 24-75-601.1, C.R.S. *If the investments are mutual funds, please list each type of investment within the mutual fund.*

ColoTrust	\$ 25,000
FNMA	\$ 284,619
FHLMC	\$ 307,020
GNMA	\$ 193,218
AMROMTG	\$ 64,590
	\$

7. Did the entity, as defined by Section 29-1-102 (13), C.R.S., file a budget with the Department of Local Affairs?

If no, please explain:

8. Please list the expenditure=s portion of the adopted budget for the fiscal year as reported on page Signatures 1, including any supplementals. *This includes all local governments under the Local Government Audit Law in accordance with Section 29-1-605 (1) (a), C.R.S. (A budget to actual statement may be substituted.)*

Fund Type	Adopted budget
General	\$ 138,590
	\$
	\$
	\$

9. Does the entity have debt?

If yes: (please attach debt schedule)

Is the entity current in its debt service payments?

Is the debt schedule attached?

If no, please explain: _____

10. Does the entity have any authorized, but unissued, bonds?

If yes, what amount? \$ _____

What year(s) authorized? _____

11. Does the entity have refunded/defeased debt?

If yes, include amount outstanding? _____

12. Does the entity have any lease agreements?

	No
X	
	X
	X
	X

If yes:

What is being leased? _____
 What is the original date of the lease? _____
 How many years is this lease for? _____
 Is this lease subject to annual appropriation? _____
 What are the entity=s annual lease payments? \$ _____

13. Is TABOR applicable to the entity?

If yes:

Does the entity believe it is in compliance with all provisions of TABOR? [State Constitution Article X, Section 20 (5)] *An election to exempt the entity from the spending limitation requirement does not exempt the entity from the 3% emergency reserve requirement.*

If no, please explain:

Ye	No
X	
X	

14. Supplemental information for questions and schedules:

Question / Schedule	Comment

15. Mail the original and one copy to:

Office of the State Auditor
 Local Government Audits
 Legislative Services Building
 200 E. 14th Avenue
 Denver, CO 80203 - 2211

Application for Exemption from Audit

Balance Sheet for General Fund and Other Funds

	Lu#		General Fund	Fund	Total
Calculations	1	Assets			
+	2	Cash & Cash Equivalents (including CDs)	225,736		225,736
+	3	Investments	874,447		874,447
	4	Property and Equipment:			0
+	5	Land			0
+	6	Buildings			0
+	7	Machinery and Equipment	3,395		3,395
+	8	Furniture and Fixtures			0
-	9	Accumulated Depreciation (optional) enter amount as a negative (-) number			0
	10	Land Improvements	5,414,760		5,414,760
+	11	Accrued Interest	11,329		11,329
+	12	Book Inventory	6,429		6,429
+	13				0
+	14				0
=	15	Total Assets	6,536,096	0	6,536,096
	16				
	17	Liabilities and Fund Equity			
	18	Liabilities			
+	19	Accounts Payable	388		388
+	20	Loans/Bonds Payable			0
	21	Other: (specify)			0
+	22				0
+	23				0
+	24				0
+	25	Total Liabilities	388	0	388
	26	Equity			
	27	Fund Balance or Retained Earnings			
+	28	TABOR Emergency Reserves	0		0
+	29	Undesignated/Unreserved	6,535,708		6,535,708
+	30	Total Equity	6,535,708	0	6,535,708
=	31	Total Liabilities and Equity	6,536,096	0	6,536,096

Note: Attach additional sheets as necessary.

For assistance in completing these financial forms, see the Application instructions.

Application for Exemption from Audit

Operating Statement - General Fund and Other Funds

	Ln#		General Fund	Fund	Total
Calculations	1	Revenues			
+	2	Taxes			0
+	3	Grants			0
+	4				0
+	5				0
+	6	Conservation Trust Fund			0
+	7	Fire & Police Pension			0
+	8	Charges for Sales and Services			0
+	9	Interest/Investment Income	11,877		11,877
+	10	Sale of Fixed Assets			0
+	11	Other: Net Book Sales	243		243
+	12				0
+	13				0
+	14	Total Revenues	12,120	0	12,120
	15	Expenditures			
+	16	General Operating & Administrative	4,082		4,082
+	17	Salaries	2,160		2,160
+	18	Payroll Taxes	165		165
+	19	Contract Services	4,800		4,800
+	20	Employee Benefits			0
+	21	Contribution to FPPA			0
+	22	Insurance	1,143		1,143
+	23	Accounting and Legal Fees	6,000		6,000
+	24	Repair and Maintenance	18,199		18,199
+	25	Supplies	586		586
+	26	Utilities			0
+	27	Capital Outlay			0
+	28	Debt Service:			
+	29	Debt Principal			0
+	30	Interest			0
+	31	Other:			0
+	32				0
-	33	Total Expenditures	37,135	0	37,135
+	34	Net Revenue over Expenditures	(25,015)	0	(25,015)
+	35	Fund Balance or Retained Earnings, January 1 (from December 31 prior year report)	6,561,723		6,561,723
=	36	Fund Balance or Retained Earnings, December 31 (this total should be the same as line 30 on page Short Form 1)	6,536,708	0	6,536,708

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
DECEMBER 31, 2003

1/22/2004 7:10 PM

BROKER	DESCRIPTION	MATURITY DATE	RATE	PAR VALUE	BALANCE 12/31/2002	ADDITIONS	MKT VALUE CHANGE	REDEMPTION SALES	BALANCE 12/31/2003	INTEREST RECEIVED 12/31/2003
<u>CERTIFICATES</u>										
VECTRA BANK	CD#114728 dtd 5/21/02, Int. Paid Semi-Ann	5/21/2004	3.250%	80,000.00	80,000.00	-	-	-	80,000.00	2,621.12
VECTRA BANK	CD#115371 dtd 5/18/99, Int. Comp Qtly	5/18/2003	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	7/7/2003	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	2/5/2004	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	18,024.06
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				2,057.39	69,506.72	-	65,000.00	6,564.11	50.11
PIPER JAFFRAY	Money Market Account				23,401.07	364,974.37	-	376,097.74	12,277.70	106.56
WACHOVIA SEC.	Bvergreen Money Mkt Fund				144.66	697,757.41	-	686,850.47	11,051.60	74.10
TOTAL CASH ACCOUNTS WITH BROKERS					25,603.12	1,132,238.50	-	1,127,948.21	29,893.41	230.77
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		145,000.00	-	-	120,000.00	25,000.00	1,280.26
TOTAL COLOTRUST					145,000.00	-	-	120,000.00	25,000.00	1,280.26
WACHOVIA SEC.	T-NOTE	8/15/2004	6.000%	100,000.00	107,395.00	-	(1,082.50)	106,312.50	-	2,847.26
	FNMA 03-52 BH REMIC MULTICLASS CMO	6/25/2033	5.500%	101,000.00	-	102,262.50	(948.24)	41,023.31	60,290.95	1,969.44
	FNMA 03-17 MB REMIC MULTICLASS CMO	3/25/2033	5.500%	105,000.00	-	105,262.50	(262.49)	105,000.01	-	2,374.93
	GNMA 03-54 MA REMIC MULTICLASS CMO	7/20/2033	5.000%	183,000.00	-	184,830.00	(4,029.60)	19,946.26	160,854.14	2,978.75
	FHLMC 2646 LL RETAIL LOTTERY	8/15/2033	5.000%	99,000.00	-	99,495.00	(10,811.70)	9,000.00	79,683.30	1,188.75
	FHLMC 2672 AA RETAIL LOTTERY	10/15/2033	5.500%	70,000.00	-	70,000.00	(881.05)	3,000.00	66,118.95	317.77
	ABN AMRO MTG 03-11 AS MULTICLASS CMO	10/25/2033	6.000%	63,000.00	-	63,000.00	1,590.12	-	64,590.12	325.50
	FHLMC 2688 DD RETAIL LOTTERY	11/15/2033	5.500%	36,000.00	-	36,000.00	(2,439.72)	-	33,560.28	5.50
	GNMA 2003-99 MA REMIC MULTICLASS CMO	11/28/2033	5.500%	23,000.00	-	23,115.00	35.53	531.65	22,618.88	(94.88)
	FEDERAL NATL MTG ASSN	11/8/2010	6.000%	100,000.00	101,349.00	-	(1,349.00)	100,000.00	-	3,000.00
TOTAL WACHOVIA SEC.					208,744.00	683,965.00	(20,178.65)	384,813.73	487,716.62	14,913.02
PIPER JAFFRAY	GNMA POOL #24920	6/15/2008	8.250%		14,405.73	-	(337.86)	4,323.50	9,744.37	1,083.52
	FEDL NATL MTG ASSN INVT NOTES B/E	3/13/2009	5.250%	130,000.00	130,893.75	-	(893.75)	130,000.00	-	2,843.75
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	8/15/2008	5.000%	100,000.00	100,375.00	-	(375.00)	100,000.00	-	1,708.35
	FEDL NATL MTG ASSN INVT NOTES B/E	8/20/2010	4.000%	100,000.00	-	100,000.00	(3,437.50)	-	96,562.50	2,939.42
	FEDL NATL MTG ASSN INVT NOTES B/E	6/24/2011	4.000%	130,000.00	-	130,005.00	(2,239.44)	-	127,765.56	3,408.87
	FEDL HOMB LN MTG CORP FREDDIENOTES B/E	12/15/2009	3.000%	120,000.00	-	120,005.00	(5,757.80)	-	114,247.20	1,460.00
	FHLMC #170217	3/1/2017	8.000%		24,460.48	-	(506.17)	10,544.31	13,410.00	1,675.07
TOTAL PIPER JAFFRAY					270,134.96	350,010.00	(13,547.52)	244,867.81	361,729.63	15,118.98
TOTAL INVESTMENTS					623,878.96	1,033,975.00	(33,726.17)	749,681.54	874,446.25	31,312.26
TOTAL ALL ACCOUNTS					1,114,035.64	2,176,567.81	(33,726.17)	2,160,177.62	1,096,699.66	49,567.09

PUEBLO CONSERVANCY DISTRICT

Accounts payable -----

February Accounts Payable to approve 2-10-04:

3054	G. Sandstrom	Directors Fee (Feb) (81) \$	55.41
3055	K. Farley	Directors Fee (Feb) (81)	55.41
3056	BBCK&O p.c.	Banner Legal Fee (Feb)(80)	300.00
3057	Engineer Koester	Eng/Admin (Feb)(83)	400.00
		Rental of Stor and Mtg (97)	100.00
3058	MBDG, p.c.	Bookeepg. Serv (Jan) (90)	200.00
3059	AQUILA	Power at Runyon (105)	107.50
3060	City of Pueblo	Sales Tax Licence Fee (04)	50.00
3061	CO Spec. Dist. P&L pool	Premium for year 2004	1,616.00
3062	Spec. Dist. Assn.	2004 Dues	428.00

PAYABLE TOTAL: \$ 3,312.32

Min 6/12

Gus Sandstrom

Pueblo Conservancy District

4312 Browning Ct.

Pueblo Co 81008

Dear Gus,

I am sorry I spaced out this morning's meeting. It tells me it is truly time to resign from the Conservancy District Board. Please ask Don to convey my resignation to the court.

I'll miss our monthly political gossip sessions.

Sincerely,

Patricia Kelly