

**MINUTES OF THE REGULAR AUGUST MEETING OF
THE PUEBLO CONSERVANCY DISTRICT
ON AUGUST 12, 2004**

DIRECTORS PRESENT: Gus Sandstrom, Kathy Farley, and Valerie Haynes

ALSO PRESENT: Don Banner (Attorney), Joanne Cook (MBDG), Mike Cuppy
(Engineer - NorthStar Engineering), and Cheryl Bowman
(Secretary - NorthStar Engineering)

The meeting was called to order at 7:35 a.m.

Minutes - The minutes for the regular meeting of July 13, 2004 were reviewed. Mr. Sandstrom advised the members that he was still awaiting a "job description" from Mr. Ray Koester, Administrator, as to the monthly work that he conducts each month.

Mr. Sandstrom reminded the members that the discussion regarding the removal of the Tamarack trees was not in the minutes.

Mrs. Farley noted that the discussion regarding the mosquito spraying was not included in the minutes.

Mrs. Farley motioned to accept the minutes as written with noted omissions. Motion carried.

Treasurer's Report - Ms. Joanne Cook reported on the financials for the Board. The following checks were approved for payment:

3105	G. Sandstrom	Director's Fee (August - 81)	55.41
3106	K. Farley	Director's Fee (August - 81)	55.41
3107	V. Haynes	Director's Fee (August - 81)	55.41
3108	BBCK&O, P.C.	Banner Legal Fee (August - 80)	300.00
3109	VOID		
3110	Engineer Koester	Eng/Admin (August - 83)	400.00
	Rental of Storage/Meeting	100.00	
3111	MBDG, P.C.	Bookkeeping Services (July - 90)	200.00
3112	VOID		
3113	Aquila	Power at Runyon (105)	107.50
3114	Spaccamonti Excavating, Inc.	Cleaning of Springs St & Runyon (105)	1,800.00
3115	NorthStar Engineering	Engineering Services & Copies (100)	233.00
3116	HARP Authority	HARP - O&M (112)	<u>10,000.00</u>

ACCOUNTS PAYABLE TOTAL:

\$13,306.73

Ms. Cook noted that the City of Pueblo rebated the penalty fee for the delinquent Sales Tax that was due after she printed out the on-line form. She also informed the members that the payroll taxes were due in July, but were not mailed until August 3 and warned there might be a penalty.

The Aquila check for last month was not mailed. Gus recommended that the July 2004 payment check to Aquila in the amount of \$105.73 be voided.

Ms. Haynes motioned to accept the Treasurer's Report as written. Motion carried.

Old Business - Mr. Sandstrom discussed the mosquito spraying at Runyon has been replaced by "pellets" being used by the Department of Wildlife and the Health Department.

Mr. Sandstrom told the members that Julie Scaplo, who is a member of the Tamarack Removal Committee, informed him that there is Federal and State funding available. She will let Mr. Sandstrom know when the next meeting will take place.

Mr. Sandstrom received a letter from the HARP Authority that was written by former City Manager, Lee Evett, questioning the Pueblo Conservancy District's dedication to HARP. This letter was apparently sent to other entities, but not the Conservancy District Board of Directors. The Board discussed the fact that when the Independent Governmental Agreement (IGA) was entered into, it was specifically acknowledged by various parties that the District commitment was limited to funding for three years. It was the recollection of Mr. Sandstrom that Mr. Jagger removed language from draft IGA since the IGA was not binding on any of the governmental organizations who were signatories to the IGA.

There was a discussion on the development of HARP.

Status of Ray Koester – The Board discussed the status of Ray's health and when and if he will return as the Administrator. Joanne Cook said she is willing to produce the checks on a temporary basis. The members also discussed the fact that they need to check on funding sources.

Next Meeting – The next meeting will take place on Tuesday, September 14th at 7:30 a.m. in the Conference Room at NorthStar Engineering and Surveying, Inc.

Respectfully Submitted,



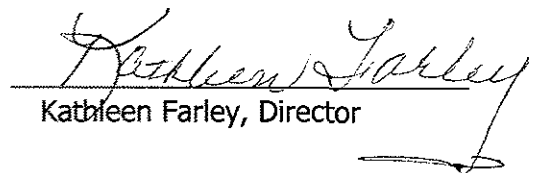
Cheryl Bowman,
Secretary, NorthStar Engineering and Surveying, Inc.

Pueblo Conservancy District August 12, 2004 Regular Meeting Minutes

Approved



G. F. Sandstrom, Director



Kathleen Farley, Director



Valerie V. Haynes, Director

MBDG ^{PC}

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

740 Thatcher Building

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Pueblo, CO 81002-0918

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Joanne

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 July 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 seven months ended July 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

August 6, 2004

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

	<u>7/31/2004</u>	<u>12/31/2003</u>
ASSETS		
VECTRA BANK CHECKING	\$ 14,388	\$ 3,483
VECTRA BANK MONEY MARKET	6,571	6,564
BROKERAGE MONEY MARKET ACCOUNTS	19,429	23,329
VECTRA BANK CERTIFICATE OF DEPOSITS	-	80,000
FNB COLORADO CERTIFICATE OF DEPOSIT	-	112,360
COLOTRUST INVESTMENT	25,000	25,000
WACHOVIA SECURITIES INVESTMENT	681,649	487,717
PIPER JAFFRAY INVESTMENT	351,650	361,730
ACCRUED INTEREST	11,329	11,329
BOOK INVENTORY	<u>6,429</u>	<u>6,429</u>
 TOTAL ASSETS	 <u>\$ 1,116,445</u>	 <u>\$ 1,117,941</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 306
PAYROLL TAXES PAYABLE	13	82
DEFERRED INCOME	<u>1,042</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>1,055</u>	 <u>388</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	52,090	74,090
UNDESIGNATED	<u>1,057,300</u>	<u>1,037,463</u>
 TOTAL FUND EQUITY	 <u>1,115,390</u>	 <u>1,117,553</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,116,445</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 SEVEN MONTHS ENDED JULY 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	\$ -	\$ 8,049	\$ -	\$ -	\$ 15,649
COLOTRUST	-	117	-	-	861
MONEY MARKET ACCOUNTS	49	110	-	-	231
WACHOVIA SECURITIES	2,120	15,023	-	-	15,031
PIPER JAFFRAY	1,190	8,422	-	-	13,831
UNREALIZED GAINS (LOSSES)	(2,405)	(21,042)	-	-	(33,726)
TOTAL INTEREST INCOME	954	10,679	58,000	47,321	11,877
LEASE PAYMENTS	5,208	5,308	500	(4,808)	-
OTHER INCOME	-	-	3,500	3,500	1,043
COST OF SALES	-	-	(500)	(500)	(800)
TOTAL REVENUES	\$ 6,162	\$ 15,987	\$ 61,500	\$ 45,513	\$ 12,120
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 2,100	\$ 3,600	\$ 1,500	\$ 3,600
81 DIRECTORS FEES	180	1,140	3,000	1,860	2,160
82 FICA TAXES	41	73	240	167	165
83 ENGINEER/ADMINISTRATIVE	400	2,800	4,800	2,000	4,800
90 AUDIT & BOOKKEEPING	200	1,200	2,100	900	2,400
92 INSURANCE/BONDS	-	2,344	2,000	(344)	1,143
96 OFFICE EXPENSE	126	226	650	424	587
97 OFFICE RENT	100	700	1,200	500	1,200
100 PROFESSIONAL FEES	-	-	5,000	5,000	2,766
103 TRAVEL	-	-	500	500	-
105 REPAIRS & MAINTENANCE	106	7,517	45,000	37,483	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	-	50	-	(50)	115
TOTAL EXPENDITURES	1,453	18,150	113,590	95,440	37,135
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 4,709	\$ (2,163)	\$ (52,090)	\$ (49,927)	\$ (25,015)

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
DECEMBER 31, 2004

8/6/2004 9:56 AM

BROKER	DESCRIPTION	MATURITY DATE	RATE	PAR VALUE	BALANCE 12/31/2003	ADDITIONS	MKT VALUE CHANGE	REDEMPTION SALES	BALANCE 12/31/2004	INTEREST RECEIVED 12/31/2004
<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	-	1,306.94
FNB-COLO	CD#100011368 dtd 2/5/01, Int. Comp Annually	2/5/2004	6.000%	100,000.00	112,360.00	-	-	112,360.00	-	6,741.60
TOTAL CERTIFICATES					192,360.00	-	-	192,360.00	-	8,048.54
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				6,564.11	6.70	-	-	6,570.81	6.70
PIPER JAFFRAY	Money Market Account				12,277.70	4,903.43	-	-	17,181.13	25.14
WACHOVIA SEC.	Evergreen Money Mkt Fund				11,051.60	468,462.64	-	477,266.18	2,248.06	77.99
TOTAL CASH ACCOUNTS WITH BROKERS					29,893.41	473,372.77	-	477,266.18	26,000.00	109.83
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00	-	-	-	25,000.00	116.43
TOTAL COLOTRUST					25,000.00	-	-	-	25,000.00	116.43
WACHOVIA SEC.	FNMA 03-52 BH REMIC MULTICLASS CMO	6/25/2033	5.500%	101,000.00	60,290.95	-	(310.20)	51,849.10	8,131.65	1,442.99
	GNMA 03-54 MA REMIC MULTICLASS CMO	7/20/2033	5.000%	183,000.00	160,854.14	-	750.99	64,172.41	97,432.72	4,253.46
	FHLMC 2646 LL RETAIL LOTTERY	8/15/2033	5.000%	78,000.00	79,683.30	-	355.95	15,000.00	65,039.25	2,187.50
	FHLMC 2672 AA RETAIL LOTTERY	10/15/2033	5.500%	26,000.00	66,118.95	-	727.71	50,000.00	16,846.66	1,544.58
	ABN AMRO MTG 03-11 A8 MULTICLASS CMO	10/25/2033	6.000%	63,000.00	64,590.12	57.50	(1,017.62)	63,630.00	-	934.50
	FHLMC 2688 DD RETAIL LOTTERY	11/15/2033	5.500%	36,000.00	33,560.28	-	1,131.12	-	34,691.40	990.00
	GNMA 04-39 AH REMIC MULTICLASS CMO	5/20/2032	5.500%	20,000.00	-	19,900.00	(867.70)	108.94	18,923.36	9.17
	FNMA 04-50 DA RETAIL LOTTERY	6/25/2034	6.000%	79,000.00	-	79,000.00	-	-	79,000.00	(381.83)
	FHLMC 2804 UC REMIC MULTICLASS CMO	11/15/2033	6.000%	8,000.00	-	8,000.00	-	-	8,000.00	(38.67)
	FHLMC 2810 AA RETAIL LOTTERY	3/15/2034	6.000%	12,000.00	-	12,000.00	-	-	12,000.00	(58.00)
	HARTFORD MUT FDS INC, INFLATION PLUS FD			357,693.00	-	357,771.00	(16,187.01)	-	341,583.99	3,835.52
	GNMA 2003-99 MA REMIC MULTICLASS CMO	11/28/2033	5.500%	23,000.00	22,618.88	57.50	(424.57)	22,251.81	-	304.34
TOTAL WACHOVIA SEC.					487,716.62	476,786.00	(15,841.33)	267,012.26	681,649.03	15,023.56
PIPER JAFFRAY	GNMA POOL #24920	6/15/2008	8.250%		9,744.37	-	(225.25)	2,298.86	7,220.26	390.73
	FEDL NATL MTG ASSN INVT NOTES B/E	8/20/2010	4.000%	100,000.00	96,562.50	-	-	-	96,562.50	2,333.31
	FEDL NATL MTG ASSN INVT NOTES B/E	6/24/2011	4.000%	130,000.00	127,765.56	-	(2,762.50)	-	125,003.06	3,033.31
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	12/15/2009	3.000%	120,000.00	114,247.20	-	(2,542.80)	-	111,704.40	2,100.00
	FHLMC #170217	3/1/2017	8.000%		13,410.00	-	329.51	2,579.43	11,160.08	565.63
TOTAL PIPER JAFFRAY					361,729.63	-	(5,201.04)	4,878.29	351,650.30	8,422.98
TOTAL INVESTMENTS					874,446.25	476,786.00	(21,042.37)	271,890.55	1,058,299.33	23,562.97
TOTAL ALL ACCOUNTS					1,096,699.66	950,158.77	(21,042.37)	941,516.73	1,084,299.33	31,721.34

PUEBLO CONSERVANCY DISTRICT

ACCOUNTS PAYABLE

August Accounts Payable to approve

8/12/2004

3105 G. Sandstrom	Directors Fee (August) (81)	55.41
3106 K. Farley	Directors Fee (August) (81)	55.41
3107 V. Haynes	Directors Fee (August) (81)	55.41
3108 BBCK&O P.C.	Banner Legal Fee (August) (80)	300.00
3109 VOID		
3110 Engineer Koester	Eng/Admin (August) (83)	400.00
	Rental of Stor and Mtg (97)	100.00
3111 MBDG, P.C.	Bookkeeping Services (July) (90)	200.00
3112 VOID		
3113 Aquilla	Power at Runyon (105)	107.50
3114 Spaccamonti Excavating, Inc.	Cleaning at Spring St. & Runyon (105)	1,800.00
3115 Northstar Engineering & Surveying, Inc.	Engineering Services and Copies (100)	233.00
3116 HARP Authority	HARP - O&M (112)	<u>10,000.00</u>

ACCOUNTS PAYABLE TOTAL:

13,306.73

17,429.80

Gus-cell#
671-4856

home jcu '6/31

Pueblo Conservancy District

Attendance

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583-6666

583-6030

Ph:

Gus Sandstrom ✓

~~Dan~~ ~~Bauer~~ ✓

Kathy Harley ✓

Valerie Haynes - ✓

Cheryl Bowman ✓

Mike Cappy ✓

Joanne Cook ✓