

MINUTES OF THE AUGUST 24, 2004 SPECIAL MEETING OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Sandstrom; Farley; Haynes

Also Present: Don Banner

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

With a quorum present, the Special Meeting, was convened in order to address the status of bank accounts of the District and to get signature cards properly signed by all signatories. Due to the unexpected passing away of the District's Administrator, Ray Koester, the bank accounts and coordination of the daily business and accounting business of the District required attention.

Chairman Sandstrom asked that the memorial card from Mr. Koester's funeral services be made a part of the minutes and all Directors agreed.

First item of business, Chairman Sandstrom gave the Directors an update on the whereabouts and status of the bank accounts of the District. Sandstrom was able to retrieve boxes of District paperwork from Mr. Koester's home and from two storage units located at Belmont Storage. Sandstrom noted that he has had discussions with Mrs. Koester regarding the whereabouts of District archives. Sandstrom advised that Mr. Koester thought of the District even in his last moments and told his family to tell Gus about the unique safe the District owns located at Northstar Engineering offices.

Chairman Sandstrom moved that the Directors approve the following signatory changes to the Colorado Trust Account; Wachovia Account; U.S. Post Office box account; and Vectra Bank Accounts:

1. To remove Pat Kelly and Ray Koester's name from the accounts and replace with Valerie Haynes as designee and Gus Sandstrom as alternate.

The motion was approved unanimously.

Chairman Sandstrom advised that the Special District's Liability Pool will be meeting on September 26, 2004 and motioned that since the District gave Don Saling the authority to cast our vote last year, we should do the same this year. The motion passed unanimously.

Chairman Sandstrom advised that a treasury bill in the Wachovia account received approximately \$30,000.00 in interest and Charles Mason from Wachovia recommended the District place the funds in another treasury bill – a 5% Treasury Bill. Motion by Chairman Sandstrom and the motion passed unanimously.

Chairman Sandstrom advised that two checks were received by the District – one for \$500.00 and one for \$134.00. Sandstrom will deposit these into the Vectra checking account.

The Directors discussed the issue of the position of Administrator to the District. The Directors discussed the need to have someone with the ability to coordinate the day-to-day business of the District including checking the mail, making bank deposits and monitoring phone calls. The Directors discussed whether this person could be hired and allow the Directors time to evaluate the need for an engineer on staff. Don Banner advised that he believed the statute authorizes us to hire an engineer and he will research whether an engineer must be hired. Discussion was held regarding doing an assessment of our need first and doing a public request for proposal in the future. Haynes agreed to locate her copy of Mr. Koester's last draft of his job description.

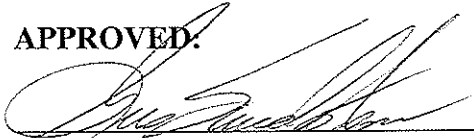
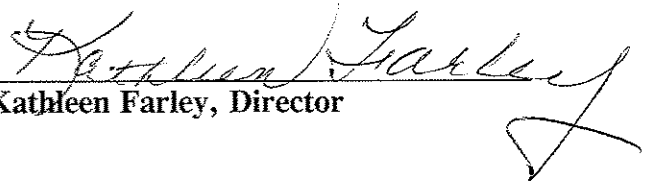
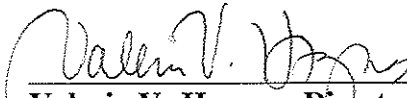
Page 2 – August 24, 2004 – Minutes

Chairman Sandstrom advised he will research whether new signature cards are required for the District's safety deposit box. Sandstrom also advised he has possession of the District's checkbooks and MBD&G will prepare the checks at least until our next regular meeting.

The next regular meeting of the District was scheduled for 7:30 a.m. on September 14, 2004 at the Conference Room of the District Attorney's Office at 801 N. Main St., Ste. 800, Pueblo, Colorado.

There being no further business to come before the Board, the meeting was adjourned at 8:05 a.m.

APPROVED:


Gus Sandstrom, Director
Kathleen Farley, Director
Valerie V. Haynes, Director

Life

*Life is a gift to be used every day,
Not to be smothered and hidden away;
It isn't a thing to be stored in the chest
Where you gather your keepsakes
and treasure your best;
It isn't a joy to be sipped now and then
And promptly put back in a dark place again.*

*Life is a gift that the humblest may boast of
And one that the humblest may well make the most of.
Get out and live it each hour of the day,
Wear it and use it as much as you may;
Don't keep it in niches and corners and grooves,
You'll find that in service its beauty improves.
~ Edgar A. Guest*

In Loving Memory Of **Raymond F. Koester**

Born

Wednesday, February 17, 1926, in Denver, Colorado

Departed This Life

Thursday, August 12, 2004, in Pueblo, Colorado

Span Of Life

78 Years, 5 Months and 23 Days

Funeral Service

First United Methodist Church
11th & Court Streets, Pueblo, Colorado
Monday, August 16, 2004, at 1:00 P.M.

Officiant

Reverend Dr. Rick Calhoun

Music

Juanita DeHeart, Organist
Carol Edmonds, Vocalist
"It Is Well With My Soul" "Amazing Grace"

Casket Bearers

Mark White	James White
Robert Leach	Clayton Wells
Richard Morris	Jason Gecewicz

Interment

Roselawn Cemetery, Pueblo, Colorado

Arrangements By

Montgomery & Steward Funeral Directors
1317 N. Main Street, Pueblo, Colorado

RICKY A. KIDD, P.E.
515 Cleveland Street, Pueblo, Colorado 81004 (719)544-5239

EXPERIENCE

DESIGN ENGINEER – Designed and prepared construction documents for various subdivision's infrastructure work. Improvements included: roadways, sanitary sewer, storm sewer, storm water detention, potable water and site grading. Prepared construction drawings and specifications for an arterial street improvement project. Designed a remodel for a university computer lab, a university nursing practicum lab, and a high school science lab. Other design projects include: simple span bridges, flood water control, rock riprap, earthen dams, grade stabilization structures, concrete and steel hydraulic structures, reinforced concrete, structural steel, small to large diameter pipelines, excavation plans, and excavation shoring systems.

PROJECT PLANNING AND DEVELOPMENT – Responsible for coordination of design and construction of 14 school projects, with total contract value of \$15.7 million. Responsible to assess existing facilities and develop plans to relocate various campus programs so that a university chemistry building could be vacated for renovation. Work included remodeling for a high school science lab, university level computer and practical nursing labs, three university level chemical research labs, and two university level chemical teaching labs. Responsibilities also included construction management, preparation of chemical and general moving contract services, and coordination of the moves. Prepared and presented alternative analysis reports for two irrigation districts, one denuded hillside stabilization and revegetation project, a city park development, and two non-point source pollution control projects. Developed and implemented an irrigation water management program for a 14 county area. Identified staff training needs and implemented a training program. Established liaison with various federal, state and local government entities.

CONSTRUCTION MANAGEMENT – General contractor holding a Class A (Unlimited) Construction Contractor license. Constructed over \$2,500,000 of new commercial buildings and tenant finish projects. The largest new building was 26,000 square feet. Administered construction contracts with a total value in excess of \$43,400,000. Knowledgeable in all areas of construction including earthwork, asphalt, concrete, piping, utility, structural, architectural, plumbing, electrical, heating, ventilation, and air conditioning. Negotiated owner savings of \$359,000 on 300 change orders having a value of \$3,500,000. Prepared contractor bids for over \$12.9 million of construction. Negotiated settlements for over \$290,000 in claims.

HYDROLOGY – Performed hydrologic studies for design of three dams, three floodways, 23 subdivisions, and numerous water ways, grade stabilization structures, culverts, and commercial areas.

SAFETY ENGINEERING - Developed job-site safety programs and conducted on-site safety inspections. Participant in OSHA safety violation hearings. Prepared numerous excavation and shoring system plans.

EXPERT WITNESS – Provided expert testimony in four construction claim issues. Provided remedial assistance for five additional construction claims.

CREDENTIALS

Licensed Class A "Unlimited" Construction Contractor, 1999
Professional Engineer, Colorado, 1979
M.S.A.E., Colorado State University, 1976
B.S.A.E., Colorado Sate University, 1975

Attachments to
Oct 19, 04
Minutes

THE PUEBLO CONSERVANCY DISTRICT

NOTICE OF OCTOBER 19, 2004 MEETING

DATE: OCTOBER 19, 2004 (Tuesday) AT 7:30 A.M.

PLACE: 201 W. 8TH ST. PUEBLO, CO. DISTRICT ATTORNEY'S OFFICE 8TH
FLOOR CONFERENCE ROOM

AGENDA

1. ROLL CALL
2. APPROVAL OF JULY, AUGUST MINUTES
3. TREASURE'S REPORT
 - ✓a. UPDATE OF ACCOUNTS
 - ✓b. PAYMENT OF BILLS
4. PEARL STREET PROJECT DISCUSSION
5. ADVERTISE FOR ADMINISTRATOR POSITION DISCUSSION
6. ATTORNEY ISSUES
7. HARP FINANCING DISCUSSION
8. OLD BUSINESS
9. NEW BUSINESS
10. SET DATE FOR November MEETING
11. AJOURN



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

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 August 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 eight months ended August 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

September 8, 2004

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

	<u>8/31/2004</u>	<u>12/31/2003</u>
ASSETS		
VECTRA BANK CHECKING	\$ 6,205	\$ 3,483
VECTRA BANK MONEY MARKET	6,574	6,564
BROKERAGE MONEY MARKET ACCOUNTS	18,952	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	685,591	487,717
PIPER JAFFRAY INVESTMENT	354,497	361,730
ACCRUED INTEREST	11,329	11,329
BOOK INVENTORY	<u>6,429</u>	<u>6,429</u>
 TOTAL ASSETS	 <u>\$ 1,114,577</u>	 <u>\$ 1,117,941</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 306
PAYROLL TAXES PAYABLE	28	82
DEFERRED INCOME	<u>1,042</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>1,070</u>	 <u>388</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	52,090	74,090
UNDESIGNATED	<u>1,055,417</u>	<u>1,037,463</u>
 TOTAL FUND EQUITY	 <u>1,113,507</u>	 <u>1,117,553</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,114,577</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 EIGHT MONTHS ENDED AUGUST 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	47	164	-	-	861
MONEY MARKET ACCOUNTS	17	127	-	-	231
WACHOVIA SECURITIES	2,702	17,725	-	-	15,031
PIPER JAFFRAY	1,184	9,606	-	-	13,831
UNREALIZED GAINS (LOSSES)	7,488	(13,554)	-	-	(33,726)
TOTAL INTEREST INCOME	11,438	22,117	58,000	35,883	11,877
LEASE PAYMENTS	-	5,308	500	(4,808)	-
OTHER INCOME	-	-	3,500	3,500	1,043
COST OF SALES	-	-	(500)	(500)	(800)
TOTAL REVENUES	\$ 11,438	\$ 27,425	\$ 61,500	\$ 34,075	\$ 12,120
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 2,400	\$ 3,600	\$ 1,200	\$ 3,600
81 DIRECTORS FEES	180	1,320	3,000	1,680	2,160
82 FICA TAXES	-	73	240	167	165
83 ENGINEER/ADMINISTRATIVE	400	3,200	4,800	1,600	4,800
90 AUDIT & BOOKKEEPING	200	1,400	2,100	700	2,400
92 INSURANCE/BONDS	-	2,344	2,000	(344)	1,143
96 OFFICE EXPENSE	-	226	650	424	587
97 OFFICE RENT	100	800	1,200	400	1,200
100 PROFESSIONAL FEES	233	233	5,000	4,767	2,766
103 TRAVEL	-	-	500	500	-
105 REPAIRS & MAINTENANCE	11,908	19,425	45,000	25,575	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	13,321	31,471	113,590	82,119	37,135
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,883)	\$ (4,046)	\$ (52,090)	\$ (48,044)	\$ (25,015)

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
DECEMBER 31, 2004

9/9/2004 7:46 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	9.53	-	-	6,573.64	9.53
PIPER JAFFRAY	Money Market Account				12,277.70	5,767.21	-	-	18,044.91	33.41
WACHOVIA SEC.	Evergreen Money Mkt Fund				11,051.60	507,499.47	-	517,644.20	906.87	83.92
TOTAL CASH ACCOUNTS WITH BROKERS					29,893.41	513,276.21	-	517,644.20	25,525.42	126.86
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00	-	-	-	25,000.00	163.26
TOTAL COLOTRUST					25,000.00	-	-	-	25,000.00	163.26
WACHOVIA SEC.	FNMA 03-52 BH REMIC MULTICLASS CMO	6/25/2033	5.500%	101,000.00	60,290.95	-	(314.26)	59,976.69	-	1,557.22
	GNMA 03-54 MA REMIC MULTICLASS CMO	7/20/2033	5.000%	183,000.00	160,854.14	-	1,161.56	76,693.72	85,321.98	4,665.47
	FHLMC 2646 LL RETAIL LOTTERY	8/15/2033	5.000%	78,000.00	79,683.30	-	962.70	15,000.00	65,646.00	2,500.00
	FHLMC 2672 AA RETAIL LOTTERY	10/15/2033	5.500%	26,000.00	66,118.95	-	822.75	57,000.00	9,941.70	1,622.50
	AEN 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	-	1,458.72	-	35,019.00	1,155.00
	GNMA 04-39 AH REMIC MULTICLASS CMO	5/20/2032	5.500%	20,000.00	-	19,900.00	(193.35)	232.68	19,473.97	100.34
	FNMA 04-50 DA RETAIL LOTTERY	6/25/2034	6.000%	79,000.00	-	79,000.00	470.23	9,847.47	69,622.76	13.17
	FHLMC 2804 UC REMIC MULTICLASS CMO	11/15/2033	6.000%	8,000.00	-	8,000.00	54.03	410.79	7,643.24	1.33
	FHLMC 2810 AA RETAIL LOTTERY	3/15/2034	6.000%	12,000.00	-	12,000.00	86.35	1,000.00	11,086.35	2.00
	FHLMC 2831 JJ RETAIL LOTTERY	1/15/2033	5.500%	9,000.00	-	9,000.00	(45.00)	-	8,955.00	(39.88)
	FHLMC 2810 KC REMIC MULTICLASS CMO	5/15/2033	5.500%	13,000.00	-	12,181.23	(157.35)	-	12,023.88	(53.84)
	FHLMC 2841 AA RETAIL LOTTERY BOND	9/15/2034	5.500%	10,000.00	-	10,000.00	(125.00)	-	9,875.00	(44.31)
	HARTFORD MUT FDS INC, INFLATION PLUS FD			365,693.00	-	365,777.00	(14,795.15)	-	350,981.85	5,007.66
	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	515,973.23	(12,055.96)	306,043.16	685,590.73	17,725.50
PIPER JAFFRAY	GNMA POOL #24920	6/15/2008	8.250%		9,744.37	-	(275.24)	2,626.42	6,842.71	437.09
	FEDL NATL MTG ASSN INVT NOTES B/E	8/20/2010	4.000%	100,000.00	96,562.50	-	812.50	-	97,375.00	2,666.64
	FEDL NATL MTG ASSN INVT NOTES B/E	6/24/2011	4.000%	130,000.00	127,765.56	-	(1,543.75)	-	126,221.81	3,466.64
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	12/15/2009	3.000%	120,000.00	114,247.20	-	(1,323.60)	-	112,923.60	2,400.00
	FHLMC #170217	3/1/2017	8.000%		13,410.00	-	831.20	3,107.38	11,133.82	637.02
TOTAL PIPER JAFFRAY					361,729.63	-	(1,498.89)	5,733.80	354,496.94	9,607.39
TOTAL INVESTMENTS					874,446.25	515,973.23	(13,554.85)	311,776.96	1,065,087.67	27,496.15
TOTAL ALL ACCOUNTS					1,096,699.66	1,029,249.44	(13,554.85)	1,021,781.16	1,090,613.09	35,671.55