

MINUTES OF THE DECEMBER 15, 2004 REGULAR MEETING OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Sandstrom; Farley; Haynes

Also Present: Councilor Don Banner; Administrator Rick Kidd; Scott Hobson, City of Pueblo

The meeting was called to order at 8:05 a.m. on the above date.

With a quorum present, the Minutes of the November 16, 2004 Regular Meeting were reviewed. Farley moved to approve the Minutes, seconded by Haynes. The Minutes were unanimously approved as posted.

Treasurer's Report:

Chairman Sandstrom moved that the Board approve payment of the following bills:

\$ 35.00	Vectra Bank, Safe deposit box 12-01-04 to 12-01-05
\$ 26.88	Pueblo Chieftain, Budget notice
\$ 49.00	Belmont Storage, December for Unit M10 (Canceled N15)
\$ 65.50	City of Pueblo, Sales tax license and penalty
\$1979.00	Spaccamonti Excavating, Weed removal
\$ 111.83	Aquila, Electricity
\$ 55.41	Sandstrom, Director's fee for December 15, 2004 meeting
\$ 55.41	Farley, Director's fee for December 15, 2004 meeting
\$ 55.41	Haynes, Director's fee for December 15, 2004 meeting
\$ 200.00	MBD&G, Accountant fees
\$ 300.00	Don Banner, Attorney fees
\$ 400.00	Kidd Engineering, Administrator/Engineer fees

The motion passed unanimously.

The Accountant's Compilation Report was reviewed and approved unanimously.

Budget:

- Farley moved the minutes record that the funding estimated for 2004 HARP O&M was moved into General Repairs and Maintenance and was paid there. This motion passed unanimously.
- The proposed 2005 Budget was reviewed and approved unanimously. Kidd is to provide final copies to Banner and Joanne Cook, Accountant.

Scott Hobson provided a report on the Legacy Project. The contractor is on schedule through the levee area. They are ahead of schedule in the reach below Pueblo Dam to the Valco parking lot. The City of Pueblo, Aquila, and the Corps of Engineers are studying alternatives for Aquila to be able to drain their lakes. The fish ladder raised the River grade at the Aquila sluice gate to the extent that Aquila can no longer drain their lakes for required periodic plant maintenance and repair. The primary alternatives being considered are to either pipe through the jetty wings, or to pump into HARP. Other alternatives have been discussed but have largely been discounted.

Scott requested that the Board approve use of borrow material to be taken from the bluff side of the River. The City's long term plan is for another project that would improve the River-Trail-Bluff interface and improve access for the kayak course. The proposed borrow is material that would be removed for construction of these proposed improvements. If the borrow material is taken out for use in the Legacy Project now it would save the future costs for removal and disposal. The City will prepare plans for the affected areas. Scott acknowledged that the City and Corps of Engineers would be responsible to stabilize and reseed the borrow areas. The request was approved by the Board, contingent upon need and review of the plans.

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Scott stated that the City has received the new Fishing Is Fun packet and wondered if the Conservancy District would publicly show their support by hosting a meeting of the group. The potential project area would be at Minnequa Lakes. Scott acknowledged that this area is out of the Conservancy District jurisdiction but said that the District's support would be integral for the support of the grant application. The grant application deadline is in March 2005. The group meeting would need to be in early February. It was agreed that this will be further discussed at the January 2005 meeting.

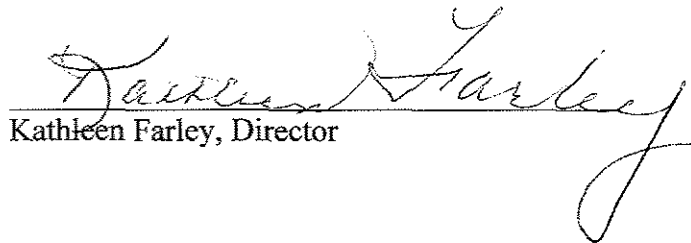
The next regular meeting of the District was scheduled for January 6, 2005 at 8:00 a.m. The meeting is to be held at the Third Floor Conference Room, Vectra Bank Building, 200 1st Street, Pueblo, Colorado.

There being no further business to come before the Board, the meeting was adjourned at 9:05 a.m..

APPROVED:



Gus Sandstrom, Director



Kathleen Farley, Director



Valerie V. Haynes, Director



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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 complied the accompanying balance sheet – general fund only of The Pueblo Conservancy District as of November 30, 2004 and December 31, 2003, and the related comparative statement of revenue and expenditures – actual and budget – general fund for the one month and eleven months ended November 30, 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

December 3, 2004

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
NOVEMBER 30, 2004 AND DECEMBER 31, 2003

	<u>11/30/2004</u>	<u>12/31/2003</u>
ASSETS		
VECTRA BANK CHECKING	\$ 12,248	\$ 3,483
VECTRA BANK MONEY MARKET	11,416	6,564
BROKERAGE MONEY MARKET ACCOUNTS	32,063	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	690,879	487,717
PIPER JAFFRAY INVESTMENT	359,604	361,730
ACCRUED INTEREST	11,329	11,329
BOOK INVENTORY	<u>6,429</u>	<u>6,429</u>
 TOTAL ASSETS	 <u>\$ 1,148,968</u>	 <u>\$ 1,117,941</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 306
PAYROLL TAXES PAYABLE	22	82
DEFERRED INCOME	<u>1,042</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>1,064</u>	 <u>388</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	52,090	74,090
UNDESIGNATED	<u>1,089,814</u>	<u>1,037,463</u>
 TOTAL FUND EQUITY	 <u>1,147,904</u>	 <u>1,117,553</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,148,968</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 ELEVEN MONTHS ENDED NOVEMBER 30, 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	36	259	-	-	861
MONEY MARKET ACCOUNTS	26	215	-	-	231
WACHOVIA SECURITIES	4,782	29,089	-	-	15,031
PIPER JAFFRAY	1,174	13,135	-	-	13,831
UNREALIZED GAINS (LOSSES)	5,076	10,102	-	-	(33,726)
TOTAL INTEREST INCOME	11,094	60,849	58,000	(2,849)	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	\$ 11,094	\$ 66,157	\$ 61,500	\$ (4,657)	\$ 12,120
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 3,300	\$ 3,600	\$ 300	\$ 3,600
81 DIRECTORS FEES	180	2,040	3,000	960	2,160
82 FICA TAXES	-	133	240	107	165
83 ENGINEER/ADMINISTRATIVE	400	3,600	4,800	1,200	4,800
90 AUDIT & BOOKKEEPING	200	1,800	2,100	300	2,400
92 INSURANCE/BONDS	479	2,823	2,000	(823)	1,143
96 OFFICE EXPENSE	19	371	650	279	587
97 OFFICE RENT	118	1,140	1,200	60	1,200
100 PROFESSIONAL FEES	-	691	5,000	4,309	2,766
103 TRAVEL	40	40	500	460	-
105 REPAIRS & MAINTENANCE	182	19,718	45,000	25,282	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	100	100	-	(100)	-
113 SALES TAX	-	50	-	(50)	115
TOTAL EXPENDITURES	2,018	35,806	113,590	77,784	37,135
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 9,076	\$ 30,351	\$ (52,090)	\$ (82,441)	\$ (25,015)

SEE ACCOUNTANTS' COMPILATION REPORT

**PUEBLO CONSERVANCY DISTRICT
2005 BUDGET**

	2003 Budget	2003 Actual	2004 Budget	2004 Estimate	2005 Budget
REVENUES					
Interest	\$ 60,000	\$ 45,603	\$ 58,000	\$ 50,500	\$ 50,000
Leases, Books, Other	\$ 8,500	\$ 243	\$ 3,500	\$ 5,308	\$ 2,500
Unrealized Gains	\$ -	\$ (33,726)	\$ -	\$ 6,000	\$ -
Total Revenues	\$ 68,500	\$ 12,120	\$ 61,500	\$ 61,808	\$ 52,500
EXPENDITURES					
Legal Fees	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600
Directors Fees	\$ 3,000	\$ 2,160	\$ 3,000	\$ 2,220	\$ 2,160
FICA Taxes	\$ 240	\$ 165	\$ 240	\$ 161	\$ 166
Engineer/Administrative	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,000	\$ 4,800
Audit & Bookkeeping	\$ 2,100	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400
Insurance/Bonds	\$ 2,000	\$ 1,143	\$ 2,000	\$ 2,344	\$ 2,500
Office Expense	\$ 650	\$ 587	\$ 650	\$ 400	\$ 650
Office Rent/Storage	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,800
Professional Fees	\$ 5,000	\$ 2,766	\$ 4,700	\$ 700	\$ 5,000
History Book Pub. & Tax	\$ 4,000	\$ -	\$ -	\$ -	\$ -
Travel	\$ 500	\$ -	\$ 500	\$ -	\$ -
Repairs & Maintenance	\$ 45,000	\$ 18,199	\$ 45,000	\$ 19,800	\$ 45,000
Contingencies	\$ 500	\$ -	\$ 500	\$ -	\$ 500
Emergency Repairs	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ 20,000
Capital Improvements	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 25,000
Planning & Development	\$ 25,000	\$ -	\$ -	\$ -	\$ -
HARP -- O&M	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Sales Tax	\$ -	\$ 115	\$ -	\$ 50	\$ 100
Total Expenditures	\$ 142,590	\$ 37,135	\$ 113,590	\$ 36,875	\$ 163,676
Excess of Revenues Over (Under) Expenditures	\$ (74,090)	\$ (25,015)	\$ (52,090)	\$ 24,933	\$ (111,176)
Beginning Reserve Fund Balance	\$ 1,142,964	\$ 1,142,568	\$ 1,117,553	\$ 1,117,553	\$ 1,142,486
Ending Reserve Fund Balance	\$ 1,068,874	\$ 1,117,553	\$ 1,065,463	\$ 1,142,486	\$ 1,031,310

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
DECEMBER 31, 2004

12/3/2004 4:28 PM

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	13,451.41	-	8,600.00	11,415.52	16.82
PIPER JAFFRAY	Money Market Account				12,277.70	8,237.05	-	-	20,514.75	74.30
WACHOVIA SEC.	Evergreen Money Mkt Fund				11,051.60	598,396.13	-	597,899.19	11,548.54	124.17
TOTAL CASH ACCOUNTS WITH BROKERS					29,893.41	620,084.59	-	606,499.19	43,478.81	215.29
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00	-	-	-	25,000.00	258.88
TOTAL COLOTRUST					25,000.00	-	-	-	25,000.00	258.88
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	-	1,802.59	110,469.49	52,187.24	5,605.61
	FHLMC 2646 LL RETAIL LOTTERY	8/15/2033	5.000%	78,000.00	79,683.30	-	5,953.14	21,000.00	64,636.44	4,066.67
	FHLMC 2672 AA RETAIL LOTTERY	10/15/2033	5.500%	26,000.00	66,118.95	-	881.05	67,000.00	-	1,952.49
	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	-	2,622.96	-	36,183.24	1,980.00
	GNMA 04-39 AH REMIC MULTICLASS CMO	5/20/2032	5.500%	20,000.00	-	19,900.00	140.99	5,863.13	14,177.86	364.25
	FNMA 04-50 DA RETAIL LOTTERY	6/25/2034	6.000%	79,000.00	-	79,000.00	71.87	38,394.18	40,677.69	923.83
	FHLMC 2804 UC REMIC MULTICLASS CMO	11/15/2033	6.000%	8,000.00	-	8,000.00	34.22	1,648.82	6,385.40	140.93
	FHLMC 2810 AA RETAIL LOTTERY	3/15/2034	6.000%	12,000.00	-	12,000.00	27.68	4,000.00	8,027.68	197.69
	FHLMC 2831 JJ RETAIL LOTTERY	1/15/2033	5.500%	9,000.00	-	9,000.00	36.81	-	9,036.81	125.12
	FHLMC 2810 KC REMIC MULTICLASS CMO	5/15/2033	5.500%	13,000.00	-	12,181.23	(56.54)	2,498.31	9,626.38	146.70
	FHLMC 2841 AA RETAIL LOTTERY BOND	9/15/2034	5.500%	10,000.00	-	10,000.00	48.20	-	10,048.20	93.18
	HARTFORD MUT FDS INC, INFLATION PLUS FD			365,693.00	-	389,783.00	(5,725.56)	-	384,057.44	10,798.78
	BANK OF AMERICA 04-8 1A1 MULTICLASS CMO	9/25/2034	5.500%	28,000.00	-	28,012.00	(290.33)	167.14	27,554.53	4.28
	FNMA 03-52 BD REMIC MULTICLASS CMO	3/25/1933	5.500%	28,000.00	-	28,006.00	273.72	-	28,279.72	(106.94)
	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	595,997.23	4,064.35	396,899.57	690,878.63	29,088.65
PIPER JAFFRAY	GNMA POOL #24920	6/15/2008	8.250%		9,744.37	-	(413.76)	4,590.49	4,740.12	562.05
	FEDL NATL MTG ASSN INVT NOTES B/E	8/20/2010	4.000%	100,000.00	96,562.50	-	2,906.20	-	99,468.70	3,666.63
	FEDL NATL MTG ASSN INVT NOTES B/E	6/24/2011	4.000%	130,000.00	127,765.56	-	1,421.94	-	129,187.50	4,766.63
	FEDL HOME LN MTG CORP FREDDIE NOTES B/E	12/15/2009	3.000%	120,000.00	114,247.20	-	1,675.20	-	115,922.40	3,300.00
	FHLMC #170217	3/1/2017	8.000%		13,410.00	-	447.70	3,572.26	10,285.44	840.14
TOTAL PIPER JAFFRAY					361,729.63	-	6,037.28	8,162.75	359,604.16	13,135.45
TOTAL INVESTMENTS					874,446.25	595,997.23	10,101.63	405,062.32	1,075,482.79	42,482.98
TOTAL ALL ACCOUNTS					1,096,699.66	1,216,081.82	10,101.63	1,203,921.51	1,118,961.60	50,746.81

Current through
October Statements

PUEBLO CONSERVANCY DISTRICT

NOVEMBER-DECEMBER 2004

RECEIPTS

VENDOR	ITEM	AMOUNT
Piper Jaffray	Dividend Payment	\$ 1,174.06
Wells Fargo	Monthly Dividend	\$ 35.46
First Clearing, LLC	Dividend Payment	\$ 989.08
First Clearing, LLC	Dividend/Interest Payment	\$ 3,770.83
First Clearing, LLC	Dividend/Interest Payment	\$ 283.89
Wells Fargo	COLOTRUST Plus Dividend	\$ 37.54
First Clearing, LLC	Dividend/Interest Payment	\$ 1,784.72
Piper Jaffray	Dividend/Interest Payment	\$ 1,162.03
		\$ 9,237.61

DEBITS

VENDOR	ITEM	AMOUNT
✓ MBDG, PC	September Bookkeeping	\$ 200.00
✓ Pueblo Chieftain	Budget Notice	\$ 26.88
✓ Belmont Self Storage	Storage Rental	\$ 138.00
✓ Vectra Bank	Safe Deposit Box	\$ 35.00
Belmont Self Storage	Storage Rental	
Spaccamonti Excavating	Weed Cleanup	\$ 1,979.00
Aquila	Electrical Billing	\$ 111.83
✓ Pueblo Chieftain	Budget Notice	\$ 26.88
✓ MBDG, PC	October Bookkeeping	\$ 200.00
✓ Don Banner	Attorney Fees	\$ 300.00
✓ Kidd Engineering	Engineer/Admin Fees	\$ 400.00
✓ Director Sandstrom	Fees	\$ 55.41
✓ Director Farley	Fees	\$ 55.41
✓ Director Haynes	Fees	\$ 55.41
		\$ 3,583.82

Gus to negotiate

Gus to negotiate

Rebilling?

Paid up for 6 mos

Pueblo Conservancy District
December, 2004

Checks deposited:

11-24-04	
Piper Jaffray	\$1,174.06
Colo Trust Plus	35.46
Wachovia	989.08
Wachovia	3,770.83

Bills Received for payment

Ck #

Vectra Bank for safe deposit box Dec. 12-01-04 to 12-01-05	\$ 35.00	3142
Pueblo Chieftain—Budget Notice	26.88	3143
MBD&G – accounting	200.00	3144
Belmont Self Storage – M10 (cancelled N15)	49.00	3145
City of Pueblo Tax and Penalty (Sales License)	65.50	
Don Banner	300.00	3148
Kidd Engineering	400.00	3147
Valerie Haynes Director fee	55.41	3149
Kathy Farley Director fee	55.41	3150
Gus Sandstrom	55.41	3151

Spaccamonti Excavating
Aquila

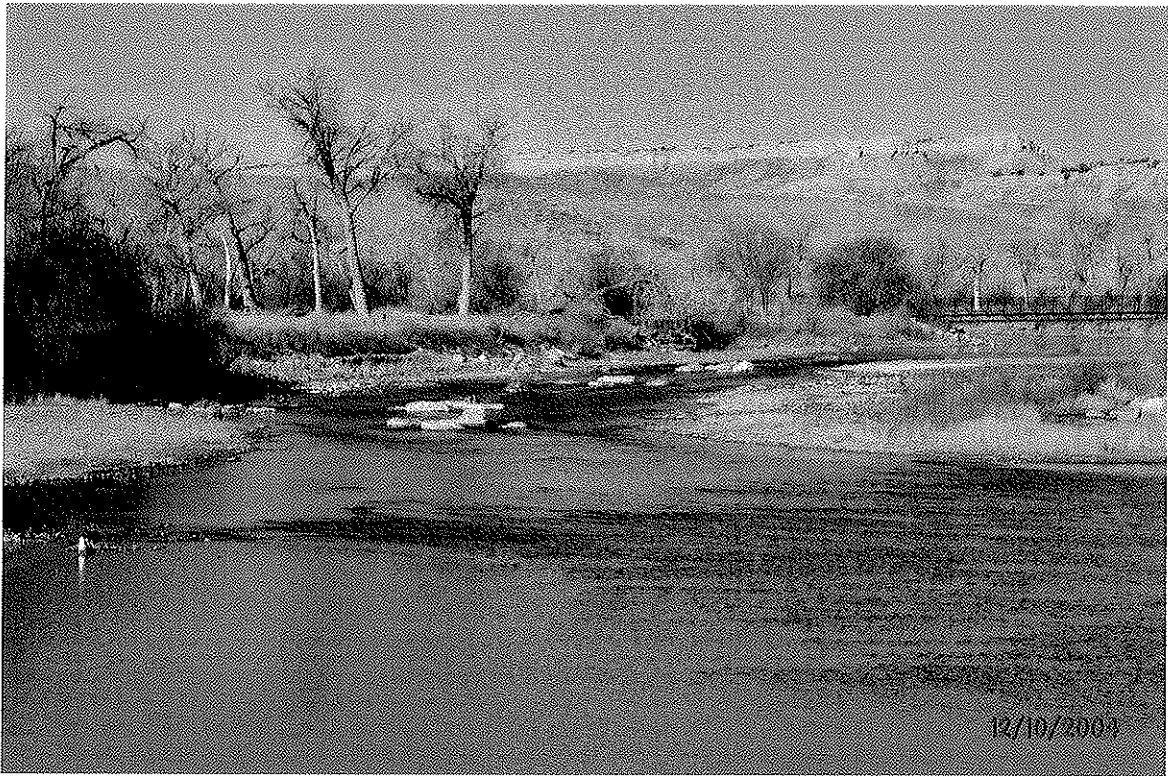
\$1979.00 3146
111.83



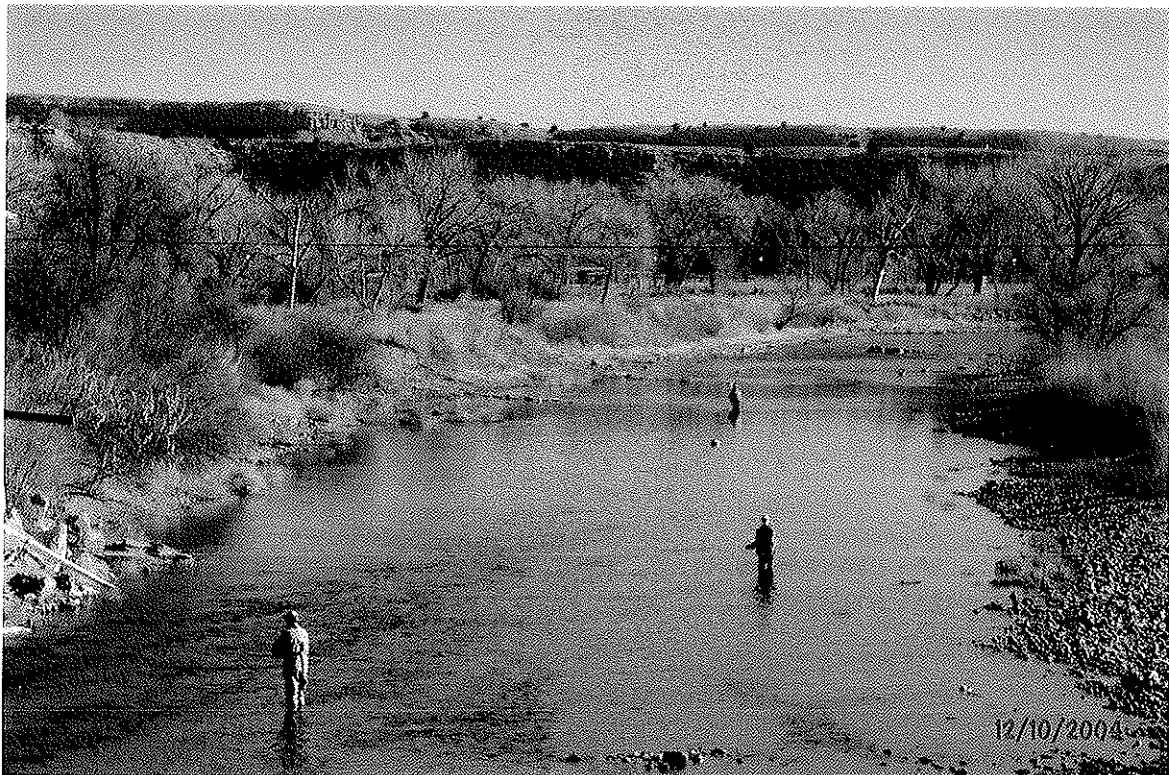
Vegetated Bar Construction Southeast of Main Street



Looking Southeast from Main Street to Santa Fa Avenue



Series of Three Sets of Boulder Clusters
With Bike Path Bridge to Swim Beach in Background



More People Fishing!



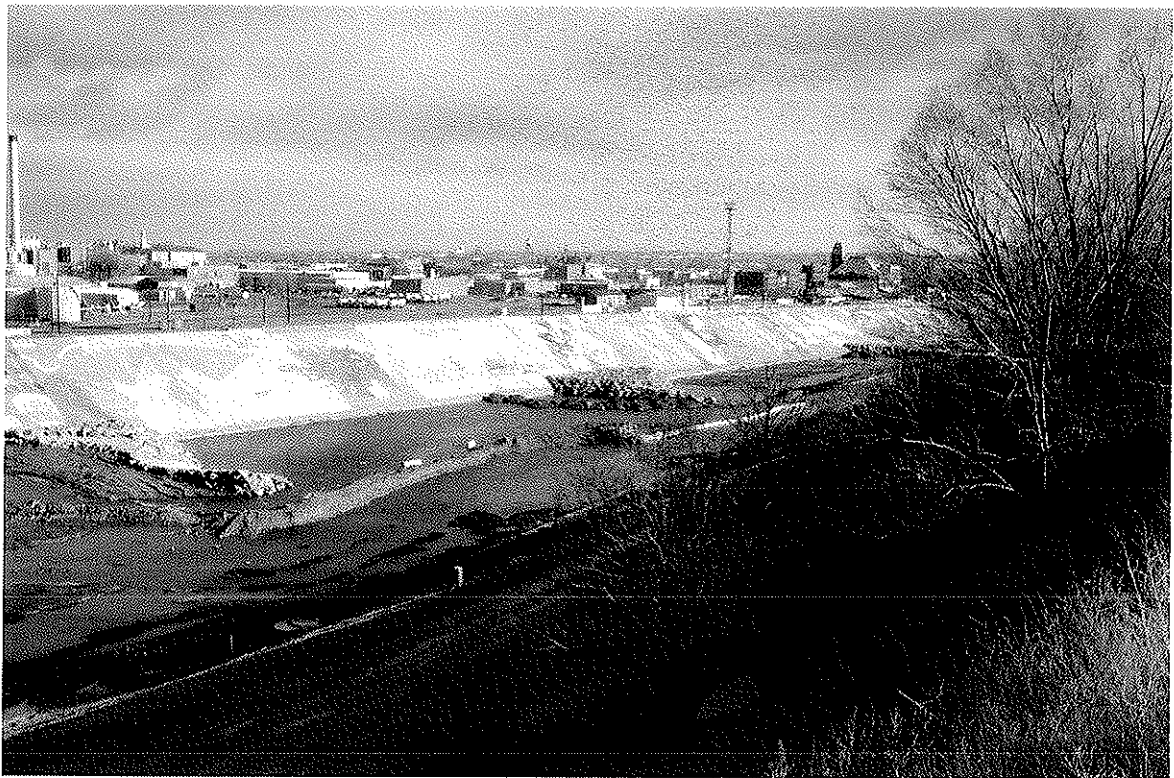
Fishermen East of Juniper Road below Pueblo Dam
Two Cross Vanes Are Shown Downstream of Fishermen



Set of Four Boulder Clusters During Low Flow



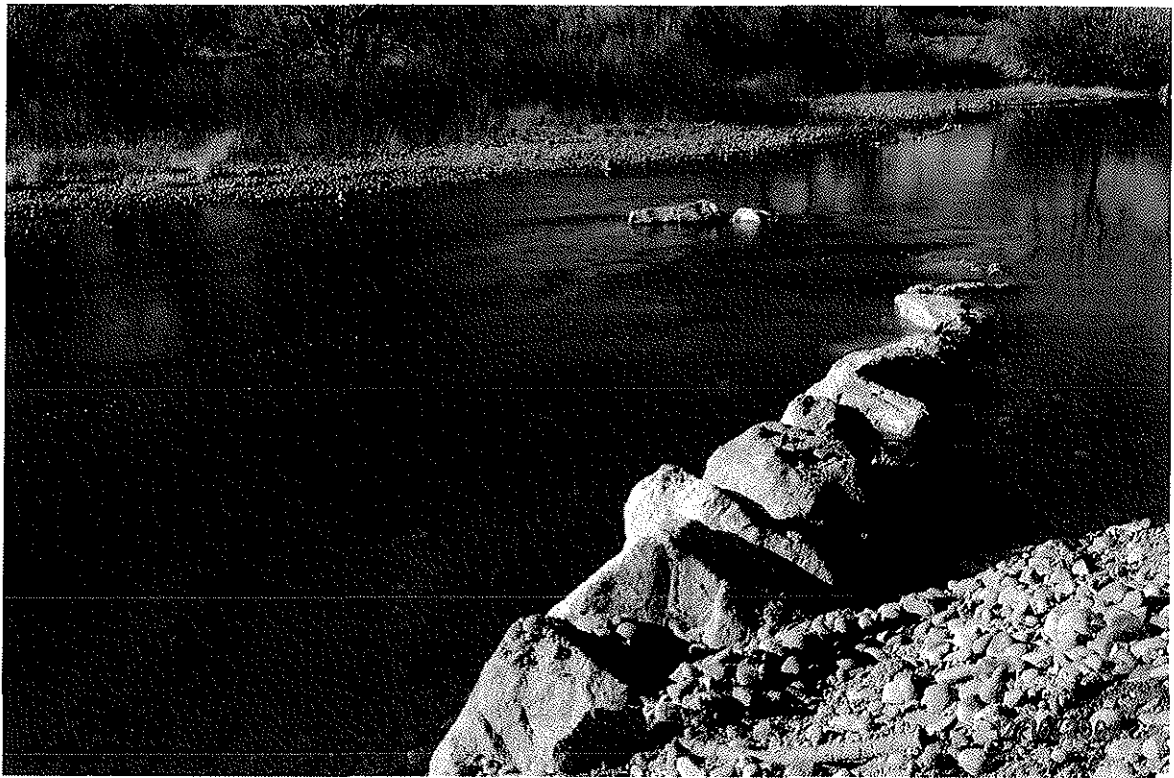
View of Aquila Dam and Drop Structure No. 1 Under Construction



View of Drop Structures No. 1 and No. 3 Under Construction
Trail Along Bluff to be Replaced Following Construction within the River



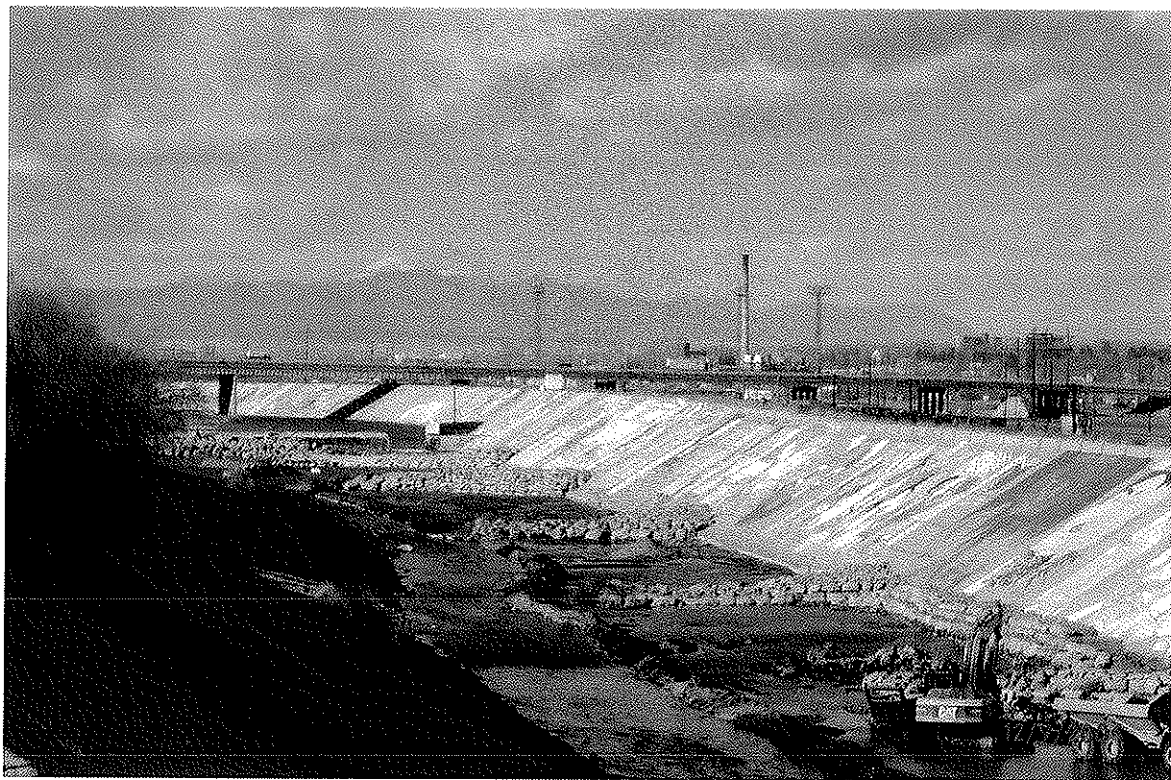
W-Weir Constructed in River Adjacent to Fish Hatchery Ponds



J-Hook Constructed in River Near Swim Beach



Constructing Drop Structure No. 6 Along Levee



View of Fish Passage/Kayak Course Construction Showing
Six Drop Structures Along Flood Levee