

MINUTES OF THE SEPTEMBER 14, 2005 REGULAR MEETING OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Sandstrom; Haynes

Also Present: Councilor Don Banner; Administrator Rick Kidd

President Sandstrom called the Pueblo Conservancy District board meeting to order at 8:07 am.

With a quorum present, the Minutes of the August 16, 2005 Regular Meeting were reviewed. Haynes moved to approve the Minutes. The Minutes were approved as posted.

Treasurer's Report:

The accountant's August 2005 Compilation Report was discussed. It was noted that the \$10,000 paid to HARP was taken from Code 112-HARP O&M, whereas it should have come from Code 105-Repairs and Maintenance. Haynes moved to receive and file the Accountant's report and pay the following bills. Motion passed.

\$ 225.00	MBD&G, Accountant fees
\$ 111.83	Aquila, Electricity
\$ 100.00	HARP Authority, 8-20-05 Lease
\$ 300.00	Don Banner, Attorney fees
\$ 400.00	Kidd Engineering, Administrator/Engineer fees
\$ 55.41	Sandstrom, Director's fee for August 2005
\$ 55.41	Haynes, Director's fee for August 2005
\$ 55.41	Farley, Director's fee for July and August 2005
\$ 273.00	Chem-Way, Weed Spraying (9-9-05)

Storage – It was agreed that we should pay for another six months of storage when the rent becomes due. It is currently paid through October.

Land Sale – Kidd reported that Joanne Cook wanted to know what adjustments should be made for the cost basis of the property sold. Banner said that the cost basis should be the market value. In this case, the market value for the three lots was \$10,000.

Assessments – The Board is to review the process for instating assessments to obtain funding for the continued operation of the District. The goal is for this determination to be made within the next six months. The District Boundary maps that Kidd is preparing are to include legal descriptions. Kidd is also to start obtaining ownership addresses of record for the properties within the boundary. It is agreed that the costs for the mapping and addresses are to be billed as "additional services".

HARP – Haynes reported on her attendance at a HARP budget meeting. HARP does not have a "mainstay" for income. They have increased their income by \$200,000 for the last year, but they have an \$800,000+ budget. They are asking for a three percent increase over last year's allocation from the County and two percent increase from the City.

IGA – Haynes reported that the County is not going to give us an IGA fro maintenance in response to our \$100,000 HARP contribution. The Commissioners have invited the County Department of Public Works to put in an item in their budget, and then the budget is subject to Board of County Commissioners approval. The consensus of the Board was to pay the budgeted \$50,000 to HARP at the October meeting.

Trees and Brush – Spaccamonti's cost proposal was discussed. Sandstrom is to talk to Sheriff Corsentino about the use of inmate labor. Kidd is to talk to Spaccamonti and have them add an estimate for dump fees. This issue is to be discussed again at the October meeting.

September 14, 2005 Minutes, Page 2 of 2

The next meeting is to be held on Wednesday October 11, 2005, at 8:00 am. The meeting will be held at the HARP Authority Conference Room. This meeting is also to be the budget hearing meeting. Haynes is to post and advertise this notice.

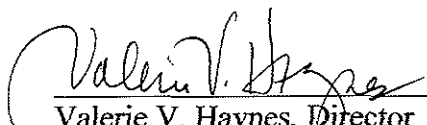
There being no further business to come before the Board, the meeting was adjourned at 8:58 a.m.

APPROVED:



Gus Sandstrom, Director

Kathleen Farley, Director



Valerie V. Haynes, Director

THE PUEBLO CONSERVANCY DISTRICT

NOTICE OF MEETING

DATE: SEPTEMBER 14, 2005 (Wednesday) AT 8:00 A.M.

PLACE: VECTRA BANK, 200 1ST STREET, PUEBLO, COLORADO
HARP FOUNDATION OFFICE, 3RD FLOOR CONFERENCE ROOM
(Off elevator, go right to hallway, left to HARP Foundation)

AGENDA

1. ROLL CALL
2. APPROVAL OF AUGUST 16, 2005 MINUTES
3. TREASURER'S REPORT
 - a. AUGUST 2005 ACCOUNTANT'S REPORT
 - b. PAYMENT OF BILLS
4. DISCUSSION OF SEPTEMBER 2 "WALK"
5. LETTER OF COMMITMENT VERSUS IGA FOR WEED CONTROL
6. UPDATE ON HARP BUDGET - HAYNES
7. OTHER BUSINESS AS MAY BE BROUGHT BEFORE THE BOARD
8. OCTOBER MEETING DATE
9. ADJOURNMENT

Tab #4
Cost cost basis
Cost valuation

Tab #5
Tree Removal



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, 2005 and December 31, 2004, and the related comparative statement of revenue and expenditures – actual and budget – general fund for the one month and eight months ended August 31, 2005, and the twelve months ended December 31, 2004, 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 mentioned above, 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 12, 2005

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
AUGUST 31, 2005 AND DECEMBER 31, 2004

	<u>8/31/2005</u>	<u>12/31/2004</u>
ASSETS		
VECTRA BANK CHECKING	\$ 30,059	\$ 12,149
VECTRA BANK MONEY MARKET	11,446	11,420
BROKERAGE MONEY MARKET ACCOUNTS	121,221	109,077
COLOTRUST INVESTMENT	25,000	25,000
WACHOVIA SECURITIES INVESTMENT	602,689	615,298
PIPER JAFFRAY INVESTMENT	349,293	356,459
ACCRUED INTEREST	4,790	4,790
BOOK INVENTORY	<u>6,290</u>	<u>6,429</u>
 TOTAL ASSETS	 <u>\$ 1,150,788</u>	 <u>\$ 1,140,622</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 712
PAYROLL TAXES PAYABLE	32	73
DEFERRED INCOME	<u>1,875</u>	<u>1,042</u>
 TOTAL LIABILITIES	 <u>1,907</u>	 <u>1,827</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	111,176	52,090
UNDESIGNATED	<u>1,031,705</u>	<u>1,080,705</u>
 TOTAL FUND EQUITY	 <u>1,148,881</u>	 <u>1,138,795</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,150,788</u>	 <u>\$ 1,140,622</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, 2005
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2004

	ACTUAL				
	CURRENT MONTH	YEAR TO DATE	2005 BUDGET	UNUSED BUDGET	2004 ACTUAL
REVENUES					
INTEREST INCOME					
CERTIFICATES OF DEPOSIT	\$ -	\$ -	\$ -	\$ -	\$ 1,687
COLOTRUST	67	433	-	-	320
MONEY MARKET ACCOUNTS	197	1,402	-	-	336
WACHOVIA SECURITIES	5,021	17,016	-	-	31,045
PIPER JAFFRAY	1,143	9,209	-	-	14,208
UNREALIZED GAINS (LOSSES)	(5,937)	(6,871)	-	-	8,274
TOTAL INTEREST INCOME	491	21,189	50,000	28,811	55,870
LEASE PAYMENTS	208	1,666	2,500	834	5,308
OTHER INCOME	10,000	10,180	-	(10,180)	-
COST OF SALES	-	(138)	-	138	-
TOTAL REVENUES	\$ 10,699	\$ 32,897	\$ 52,500	\$ 19,603	\$ 61,178
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 2,400	\$ 3,600	\$ 1,200	\$ 3,600
81 DIRECTORS FEES	240	1,440	2,160	720	2,220
82 FICA TAXES	-	78	166	88	170
83 ENGINEER/ADMINISTRATIVE	400	2,800	4,800	2,000	4,400
90 AUDIT & BOOKKEEPING	225	1,575	2,400	825	2,200
92 INSURANCE/BONDS	-	1,616	2,500	884	2,823
96 OFFICE EXPENSE	-	206	650	444	433
97 OFFICE RENT	100	1,290	1,800	510	1,189
100 PROFESSIONAL FEES	-	-	5,000	5,000	691
103 TRAVEL	-	-	-	-	40
105 REPAIRS & MAINTENANCE	111	1,406	45,000	43,594	21,920
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	10,000	10,000	50,000	40,000	200
113 SALES TAX	-	-	100	100	50
TOTAL EXPENDITURES	11,376	22,811	163,676	140,865	39,936
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (677)	\$ 10,086	\$ (111,176)	\$ (121,262)	\$ 21,242

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
8/31/2005

9/12/2005 2:24 PM

<u>BROKER</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>PAR VALUE</u>	<u>BALANCE 12/31/2004</u>	<u>ADDITIONS</u>	<u>MKT VALUE CHANGE</u>	<u>REDEMPTION SALES</u>	<u>BALANCE 12/31/2005</u>	<u>INTEREST RECEIVED 12/31/2005</u>
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				11,420.44	25.62	-	-	11,446.06	25.62
PIPER JAFFRAY	Money Market Account				21,407.33	2,488.83	-	-	23,896.16	265.47
WACHOVIA SEC.	Evergreen Money Mkt Fund				87,669.81	585,647.58	-	575,992.51	97,324.88	1,333.36
TOTAL CASH ACCOUNTS WITH BROKERS					120,497.58	588,162.03	-	575,992.51	132,667.10	1,624.45
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00	-	-	-	25,000.00	433.20
TOTAL COLOTRUST					25,000.00	-	-	-	25,000.00	433.20
WACHOVIA SEC.	GNMA 03-54 MA REMIC MULTICLASS CMO	7/20/2033	5.000%	183,000.00	28,815.31	-	245.56	29,060.87	-	406.48
	FNMA 05-27 GA REMIC MULTICLASS CMO	4/25/2034	5.500%	450,000.00	-	439,521.01	(2,212.92)	66,096.48	371,211.61	5,715.51
	FHLMC 2831 JJ RETAIL LOTTERY	1/15/2033	5.500%	9,000.00	9,036.36	-	(36.36)	9,000.00	-	178.76
	FHLMC 2841 AA RETAIL LOTTERY BOND	9/15/2034	5.500%	10,000.00	10,045.60	-	(45.60)	10,000.00	-	261.24
	FNMA 03-52 BD REMIC MULTICLASS CMO	3/25/1933	5.500%	28,000.00	28,301.28	-	(278.04)	-	28,023.24	1,154.97
	FHLMC 2810 KC REMIC MULTICLASS CMO	5/15/2033	5.500%	13,000.00	6,892.26	-	55.54	6,947.80	-	161.36
	FHLMC 2646 LL RETAIL LOTTERY	8/15/2033	5.000%	78,000.00	60,811.52	-	1,308.46	18,000.00	44,119.98	2,179.17
	FHLMC 2688 DD RETAIL LOTTERY	11/15/2033	5.500%	36,000.00	35,817.84	-	(276.84)	-	35,541.00	1,485.00
	FHLMC 2804 UC REMIC MULTICLASS CMO	11/15/2033	6.000%	8,000.00	5,420.91	-	(26.65)	3,613.09	1,781.17	182.69
	FHLMC 2810 AA RETAIL LOTTERY	3/15/2034	6.000%	12,000.00	6,012.66	-	(12.66)	6,000.00	-	110.00
	FNMA 04-50 DA RETAIL LOTTERY	6/25/2034	6.000%	79,000.00	19,198.45	-	(3.26)	19,195.19	-	285.27
	GNMA 04-39 AH REMIC MULTICLASS CMO	5/20/2032	5.500%	20,000.00	3,095.88	-	(11.04)	3,084.84	-	56.68
	BANK OF AMERICA 04-8 1A1 MULTICLASS CMC	9/25/2034	5.500%	28,000.00	18,494.17	-	(64.32)	18,429.85	-	321.57
	FHLMC 3004 GG RETAIL LOTTERY	7/15/2034	5.000%	80,000.00	-	80,006.00	(1,646.80)	-	78,359.20	22.22
	FNMA 05-16 WD REMIC MULTICLASS CMO	1/25/2035	5.000%	56,000.00	-	54,107.26	(321.33)	10,133.18	43,652.75	892.06
	HARTFORD MUT FDS INC, INFLATION PLUS FD			389,693.00	383,355.96	-	1,396.96	384,752.92	-	3,381.10
TOTAL WACHOVIA SEC.					615,298.20	573,634.27	(1,929.30)	584,314.22	602,688.95	16,794.08
PIPER JAFFRAY	GNMA POOL #24920	6/15/2008	8.250%		4,536.97	-	(128.43)	870.73	3,537.81	218.80
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	12/15/2009	3.000%	120,000.00	115,047.60	-	(1,741.20)	-	113,306.40	2,400.00
	FEDL NATL MTG ASSN INVT NOTES B/E	8/20/2010	4.000%	100,000.00	98,840.00	-	(1,280.00)	-	97,560.00	2,666.64
	FEDL NATL MTG ASSN INVT NOTES B/E	6/24/2011	4.000%	130,000.00	128,323.00	-	(1,508.00)	-	126,815.00	3,466.64
	FHLMC #170217	3/1/2017	8.000%		9,711.10	-	(284.69)	1,352.63	8,073.78	457.04
TOTAL PIPER JAFFRAY					356,458.67	-	(4,942.32)	2,223.36	349,292.99	9,209.12
TOTAL INVESTMENTS					996,756.87	573,634.27	(6,871.62)	586,537.58	976,981.94	26,436.40
TOTAL ALL ACCOUNTS					1,117,254.45	1,161,796.30	(6,871.62)	1,162,530.09	1,109,649.04	28,060.85

PUEBLO CONSERVANCY DISTRICT

AUGUST - SEPTEMBER 2005

RECEIPTS

VENDOR	ITEM	AMOUNT
Wells Fargo	Colo Trust	\$ 66.76
First Clearing, LLC	Interest Payment	\$ 718.23
First Clearing, LLC	Interest Payment	\$ 2,111.01
Wells Fargo	Colo Trust	\$ 71.58
PiperJaffray	Interest Payment	\$ 1,141.34
Jimmy Dawson	Sale of two lots	\$ 10,000.00
		\$ 14,108.92

DEBITS

VENDOR	ITEM	AMOUNT	CHECK	Code
MBDG, PC	June Bookkeeping	\$ 225.00	3233	90
Belmont Self Storage	Storage Rental	Paid through October		97
Aquila	Electrical Billing	\$ 111.83	3232	105
HARP Authority	8-20-05 Office Lease	\$ 100.00	3234	97
Don Banner -- BB&C, PC	Attorney Fees	\$ 300.00	3235	80
Kidd Engineering	Engineer/Admin Fees	\$ 400.00	3236	83
Director Sandstrom	Fees	\$ 55.41	3237	81
Director Farley	Fees	\$ 55.41	3238	81
Director Haynes	Fees	\$ 55.41	3239	81
Chem-Way	Weed Spraying (9-9-05)	\$ 273.00	3240	105
		\$ 1,576.06		

PUEBLO CONSERVANCY DISTRICT
FIXED ASSETS

	<u>IMPROVEMENTS</u>	<u>OFFICE EQUIPMENT</u>	<u>MAINTENANCE EQUIPMENT</u>
12/31/1990	5,012,020.48	2,294.70	1,100.00
1991 ADDITIONS	63,170.00 - 2	<i>Trail Safe Re to Rm for</i>	-
1992 ADDITIONS	3,500.00	-	-
1993 ADDITIONS	9,461.00	-	-
1994 ADDITIONS	48,272.00 - 2	-	-
1995 ADDITIONS	5,245.53	-	-
1996 ADDITIONS HARP	135,313.86	-	-
1997 ADDITIONS			
MAIN ST. TRAIL	20,000.00	-	-
HARDPOINTS	16,569.00	-	-
HARP	14,949.75	-	-
COMMUTER TRAIL	25,000.00	-	-
1998 ADDITIONS			
WEST 4TH ST DOCK & TRAIL	25,000.00	-	-
HARDPOINTS	9,979.00	-	-
HARP	4,076.21	-	-
LEVEE ROAD	2,550.00	-	-
1999 ADDITIONS			
CROSS OVER BRIDGE	15,231.00	-	-
2000 ADDITIONS			
CROSS OVER BRIDGE	<u>4,422.02</u>	<u>-</u>	<u>-</u>
BALANCE, 12/31/2000	<u>5,414,759.85</u>	<u>2,294.70</u>	<u>1,100.00</u>

KIDD ENGINEERING AND CONSTRUCTION
MANAGEMENT SERVICES, INC.

FACSIMILE TRANSMITTAL SHEET

TO:	Joanne Cook	FROM:	Rick Kidd
COMPANY:	MBDG	DATE:	9/28/2005
FAX NUMBER:	544-2849	TOTAL NO. OF PAGES INCLUDING COVER:	2
PHONE NUMBER:	543-0516	SENDER'S REFERENCE NUMBER:	
RE:	PCD Budget	YOUR REFERENCE NUMBER:	

☒ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☒ PLEASE REPLY ☐ PLEASE RECYCLE

NOTES/COMMENTS:

Joanne,

Please review this budget template and give me the numbers for 2004 Actual and 2005 Estimate. Also, please check for changes you recommend for the 2006 Budget.

I just noticed your email address on your card. I will email this to you also.

Thanks,

Rick

**PUEBLO CONSERVANCY DISTRICT
2006 BUDGET**

	2004 Budget	2004 Actual	2005 Budget	2005 Estimate	2006 Budget
REVENUES					
Interest	\$ 58,000		\$ 50,000		\$ 50,000
Leases, Books, Other	\$ 3,500		\$ 2,500		\$ 2,500
Unrealized Gains	\$ -		\$ -		\$ -
Total Revenues	\$ 61,500	\$ -	\$ 52,500	\$ -	\$ 52,500
EXPENDITURES					
Legal Fees	\$ 3,600		\$ 3,600		\$ 3,600
Directors Fees	\$ 3,000		\$ 2,160		\$ 2,160
FICA Taxes	\$ 240		\$ 166		\$ 166
Engineer/Administrative	\$ 4,800		\$ 4,800		\$ 4,800
Audit & Bookkeeping	\$ 2,400		\$ 2,400		\$ 2,700
Insurance/Bonds	\$ 2,000		\$ 2,500		\$ 2,500
Office Expense	\$ 650		\$ 650		\$ 650
Office Rent/Storage	\$ 1,200		\$ 1,800		\$ 1,800
Professional Fees	\$ 4,700		\$ 5,000		\$ 5,000
History Book Pub. & Tax	\$ -		\$ -		\$ -
Travel	\$ 500		\$ -		\$ -
Repairs & Maintenance	\$ 45,000		\$ 45,000		\$ 45,000
Contingencies	\$ 500		\$ 500		\$ 500
Emergency Repairs	\$ 20,000		\$ 20,000		\$ 20,000
Capital Improvements	\$ 25,000		\$ 25,000		\$ 25,000
Planning & Development	\$ -		\$ -		\$ -
HARP - O&M	\$ -		\$ 50,000		\$ 50,000
Sales Tax	\$ -		\$ 100		\$ 100
Total Expenditures	\$ 113,590	\$ -	\$ 163,676	\$ -	\$ 163,976
Excess of Revenues Over (Under) Expenditures	\$ (52,090)	\$ -	\$ (111,176)	\$ -	\$ (111,476)
Beginning Reserve Fund Balance	\$ 1,117,553		\$ 1,142,486		\$ 1,142,486
Ending Reserve Fund Balance	\$ 1,065,463	\$ -	\$ 1,031,310	\$ -	\$ 1,031,010

Spaccamonti Excavating, Inc.

"A woman owned,
Disadvantaged Business Enterprise"

1805 Aspen Circle
Pueblo, CO 81006
(719) 544-8943 FAX (719) 544-6688

BUDGET PROPOSAL

To: Pueblo Conservancy District
Phone: 250-1881
Fax: 583-1216
Address
City / State:
Attention: Rick Kidd

Date: 9/13/2005

Work To Be Performed At: Conservancy Dist. Property
Location of Project: Along the Arkansas River

We hereby propose to furnish all equipment and perform all labor for the clean up along the following sites:

A crew consisting of 4-5 laborers, 1-10 ton dump truck (for transportation of material), 1-skid steer (for loading larger material), chain saws and a supervisor is what I estimate it will take have the areas cleaned in the amount of time that I have quoted.

West bank of the Arkansas River between 4th Street and Main Street \$ 8,675.00
By using county inmate labor there could be a savings of \$ 4,200.00
5 WORKING DAYS

West side of Corona Street just North of Union Street \$ 3,470.00
By using county inmate labor there could be a savings of \$ 1,680.00
2 WORKING DAYS

Along bank North of the Towers \$ 1,735.00
By using county inmate labor there could be a savings of \$ 840.00
1 WORKING DAY

Work will include dead tree removal and trash removal. These prices are only an estimate and could vary due to the differing amounts of material in the areas and the time it will take to clean each area. Dump fees are not included in the pricing. *Estimate 240 cr @ 3*

You are reminded that I believe my estimated prices of time and fees to be accurate; it is merely my interpretation of the site assessments

Inmate Labor
13,030
4,720
7,160
4720

All work will be completed on a T & M basis using the current rate sheet (attached)

Any alteration or deviation from the above specifications involving extra cost will be performed only upon written direction from the contractor and will become an extra charge over and above the estimate.

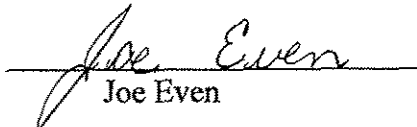
All agreements contingent upon strikes, accidents or delays beyond our control.

Spaccamonti Excavating, Inc. will carry Workman's Compensation Insurance, Public Liability and Property Damage Insurance on the above quoted work. Owner to carry any other necessary insurance on the above work.

Buyer agrees to pay Spaccamonti Excavating, Inc. for any costs incurred by them in the collection of any moneys not paid to them within a reasonable period of time after the performance of any work, in full or in part, that results from this proposal.

All invoices are due upon receipt. Any past due amount shall bear interest at the rate of 1½ % per month. Spaccamonti Excavating, Inc., shall be entitled to all costs of collection, including reasonable attorney's fees.

Respectfully Submitted By: Spaccamonti Excavating, Inc.


Joe Even

ACCEPTANCE OF PROPOSAL

The above quoted price(s) and specifications are satisfactory and are hereby accepted. You are hereby authorized to proceed with the work as specified.

By: _____ Date: _____

[illegible]

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QUIT CLAIM DEED

THIS DEED, made this 24th day of August, 2005, between **Pueblo Conservancy District**, a Conservancy District, established pursuant to C.R.S. §37-1-101, et. seq. of the County of Pueblo and State of Colorado, Grantor, and **James D. Dawson** 242 Dittmer Ave., Pueblo, Colorado 81004, Grantee.

WITNESSETH, that the Grantor, for and in consideration of the sum of Ten Thousand Dollars and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, has remised, released, sold and **QUIT CLAIMED**, and by these presents does remise, release, sell and **QUIT CLAIM** unto the Grantee, his heirs, successors and assigns, forever, all the right, title, interest, claim and demand which the Grantor has in and to the real property, together with improvements, if any, situate, lying and being in the County of Pueblo, State of Colorado described as follows:

Lot 15, Block 3, Lot 25 and Lot 26, Block 4, Comstock Place, being a subdivision of Block U, South Pueblo, Colorado, according to the recorded plat thereof,

TO HAVE AND TO HOLD the same, together with all and singular the appurtenances and privileges thereunto belonging or in anywise thereunto appertaining, and all the estate, right, title, interest and claim whatsoever of the Grantor, either in law or equity, to the only proper use, benefit and behoof of the Grantee, his heirs and assigns forever, subject to a covenant by the Grantee hereof, his heirs, successors and assigns that said persons shall prevent erosion from the property conveyed herein and Grantee's adjacent property on to Grantor's adjacent property.

IN WITNESS WHEREOF, the Grantor has executed this Deed on the date set forth above.

PUEBLO CONSERVANCY DISTRICT

By _____

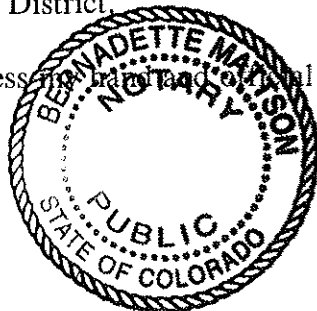
Gus F. Sandstrom, President

Valerie Haynes, Secretary

STATE OF COLORADO)
) SS.
COUNTY OF PUEBLO)

The foregoing document was acknowledged before me this 24th day of August, 2005 by Gus F. Sandstrom, as President, and by Valerie Haynes, as Secretary for the Pueblo Conservancy District.

Witness my hand and official seal.



Bernadette Mattson
Notary Public
My Comm. Exp. 4/27/09

AFFIDAVIT OF PUBLICATION

THE PUEBLO CHIEFTAIN

State of Colorado)

Pueblo Chieftain

RICK KIDD
PUEBLO CONSERVANCY DIST
PO BOX 234
PUEBLO CO 81002-0234

REFERENCE: B11122
L37403

NOTICE OF BUDGE

Nancy R. Branin

, being first duly sworn upon her
oath and says: That she is a representative of
THE STAR-JOURNAL PUBLISHING CORPORATION, and
has personal knowledge of the facts set forth
herein; that said Corporation is a corporation
organized under the laws of the State of Colorado
and that its principal office and place of business
is in the city of Pueblo, in the County of Pueblo,
in the State of Colorado; that it is the
proprietor, printer and publisher of THE PUEBLO
CHIEFTAIN, which is, and at all times herein
mentioned was a daily newspaper of general
circulation printed and published in said City of
Pueblo; that said newspaper is, and at all times
was published daily, has been admitted to the
United States Mails as a second class matter under
the provisions of the Act of Congress of March 3,
1879, and any amendments thereof, and is duly
qualified for publishing legal notices and
advertisements within the meaning of the laws of
the state of Colorado of which is attached a true
copy cut from said newspaper and was published
on the following dates:

PUBLISHED ON: 09/25

FILED ON: 09/25/05

In witness whereof, I have hereunto set my hand this 29th day of Sept A.D. 2005

Subscribed and sworn to before me this 29th day of Sept A.D. 2005
My commission expires November 29, 2007.

Notary

PUBLIC NOTICE

NOTICE OF BUDGET

The Board of Directors of THE PUEBLO CONSERVANCY DISTRICT, hereby gives notice that the proposed budget for the fiscal year commencing January 1, 2006 shall be open for inspection by the public at the office of the District at the Vectra Bank Building, 200 1st Street, 3rd Floor (HARP Conference Room) Pueblo, Colorado at such times as may be arranged by appointment with the District Administrator, Rick Kidd, whose phone number is (719) 544-5239. The Board of Directors will consider the adoption of such proposed budget on the 11th day of October, 2005, at 8:00 o'clock a.m. at the meeting place of the District, Vectra Bank Building, 200 1st Street, 3rd Floor Conference Room, Pueblo, Colorado, and any interested elector may inspect such proposed budget and file or register any objections thereto at any time prior to the final adoption of the budget.

DIANE C. TAFOYA
NOTARY PUBLIC
STATE OF COLORADO

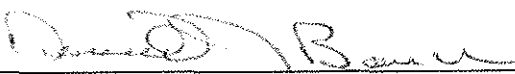
COPY

DISTRICT COURT, PUEBLO COUNTY, COLORADO Court address: 320 W. 10th St., Pueblo, CO 81003 Phone number: (719) 583-7000 (Information)	▲ COURT USE ONLY ▲
IN THE MATTER OF THE PUEBLO CONSERVANCY DISTRICT	
Donald J. Banner, #3026 Banner, Bower, Chostner, Kwitek & Ohlsen, P.C. Attorneys for The Pueblo Conservancy District 601 N. Main Street, Suite 200 Pueblo, Colorado 81003 (719) 544-5081	Case No. 17664 Division: B
NOTICE OF FILING 2005 BUDGET	

COMES NOW, The Pueblo Conservancy District, by its attorneys, Banner, Bower, Chostner, Kwitek & Ohlsen, P.C., and gives notice that it has filed, with the Division of Local Government, the original Letter of 2005 Budget Transmittal and 2005 Budget, copies of which are attached hereto.

DATED this 16th day of December, 2004.

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


 Donald J. Banner, #3026
 Attorneys for The Pueblo Conservancy District

TRANSMITTAL OF 2005 BUDGET

To: Division of Local Government
1313 Sherman St., Room 520
Denver, CO 80203

Attached is the 2005 Budget for **THE PUEBLO CONSERVANCY DISTRICT**

The budget was adopted on December 15, 2004.

If there are any questions regarding the budget, please contact **Rick Kidd, P.E.**, Engineer of the District, at (719) 544-5239.

The total mill levy certified to the County Commissioners is 0 mills.

Based on an assessed valuation of n/a, the total property tax revenue is \$ n/a.

AN INCREASE LEVY BEYOND THE PROPERTY TAX REVENUE LIMIT WILL NOT BE REQUESTED

Enclosed is a copy of the certification of mill levies sent to the County Commissioners.

 Yes X No

No copy of the certification to the County Commissioners is enclosed because no property tax has been assessed.

DATED: December 15, 2004.

Name of person completing this form:

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

By 
Donald J. Banner, #3026
Attorneys for The Pueblo Conservancy District
P. O. Box 1423
Pueblo, CO 81002-1423
Telephone: (719) 544-5086

BUDGET MESSAGE

The budgetary basis of accounting used by the Pueblo Conservancy District is based upon the cash basis method of accounting.

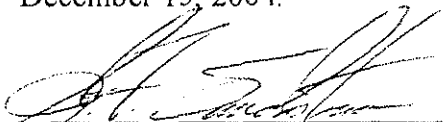
The budget includes the anticipated source of revenues, being revenues from interest on certificates of deposit and other investments as well as leasehold revenues. The budget includes the anticipated expenses by the Pueblo Conservancy District for capital improvements, emergency flood repairs, routine repairs and maintenance, engineering, legal and administrative fees, as well as other anticipated expenses.

The Pueblo Conservancy District was created by special statutory legislation for the purpose of constructing and maintaining a river levee system to protect the City and County of Pueblo from flooding on the Arkansas River. The District is no longer a taxing entity and derives its operational funds from reserve fund investments.

The Board of Directors of the Pueblo Conservancy District supervises those repairs, maintenance and capital improvements necessary to maintain the levee.

For Amendment 1 and all other purposes, expenditures by the District for capital improvements, emergency flood repairs, expenditures for the operation and maintenance of the Harp portion of the river channel and the first \$45,000 each year for repairs and maintenance, may be expended from reserve fund balances. All other expenditures of the District shall be expended from income.

This Budget Message is attached to the 2005 Budget, which the undersigned certifies to be the Year 2005 Budget adopted by the Pueblo Conservancy District on December 15, 2004.


G.F. Sandstrom, President

**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