

MINUTES OF THE JUNE 21, 2006 REGULAR MEETING OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Sandstrom; Haynes; Farley

Also Present: Counselor Don Banner; Administrator Rick Kidd

President Sandstrom called the Pueblo Conservancy District board meeting to order at 8:00 am.

With a quorum present, the Minutes of the May 17, 2006 Regular Meeting were reviewed. Farley moved to approve the Minutes. The Minutes were approved as posted.

Treasurer's Report:

The final accountant's reports for April and May were reviewed. Farley moved to receive and file the April and May reports. Motion passed

Bills – The following bills were posted for review and approval

\$ 225.00	MBD&G, Accountant fees
\$ 116.77	Aquila, Electricity
\$ 300.00	Don Banner, Attorney fees
\$ 19.32	Don Banner, Postage
\$ 400.00	Kidd Engineering, Administrator/Engineer fees
\$ 450.00	Kidd Engineering, Levee Certification Meeting
\$ 8.84	Kidd Engineering, Postage
\$ 55.41	Sandstrom, Director's Fee
\$ 24.74	Sandstrom, Photo copies
\$ 4.61	Sandstrom, Postage
\$ 55.41	Haynes, Director's Fee
\$ 55.41	Farley, Director's Fee
\$ 720.00	Whitt Transfer & Storage, Move to Heritage Center
\$ 132.00	US Postal Service, Box Rental, 12 months

Farley moved to approve payment of the monthly bills. Motion passed

Investments – Sandstrom reported that the Wachovia money market account has approximately \$65,000 in it and the amount could go up to \$80,000 in the next few days. Calvin Mason is recommending purchasing some 5-year AAA Bonds. After discussion it was moved that \$50,000 of AAA Bonds be purchased and an additional \$25,000 put into Certificates of Deposit if the balance does increase to \$80,000. Motion passed. Farley is to contact Mason.

Special District Attorney - Banner said that there had not been a report yet.

Purchase Proposal, John Starr – Board agreed that Starr is to do the survey to determine actual amount and location of land to be purchased. Kidd to have First American Heritage research apparent ownership conflict.

Levee Certification – CWCB letter summarizing the April 17, 2006 meeting was reviewed. Sandstrom still needs to write a letter to Dennis Maroney explaining the District's position. This is a follow-up from the May 17 meeting and an affirmation of Kidd's report to the levee group during the June 29th conference call. Haynes is concerned about PCD responsibilities to the people, above our general maintenance responsibilities. After discussions it was decided to hold back on the letter to Maroney. PCD may want to use the certification requirements to our benefit for seeking new funding. The certification requirements are not yet known. We will know more about how we want to respond after we receive Anderson Consulting / FEMA recommendations for the certification requirements.

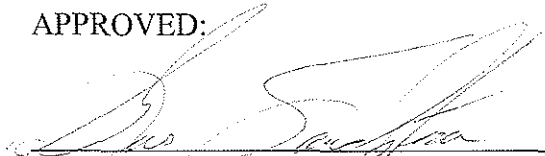
June 21, 2006 Minutes, Page 2 of 2

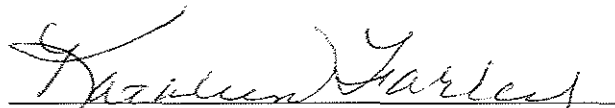
COPPA – They are going to stake out their approximate property location. Amella Surveying has volunteered to do this work. COPPA hopes that marking out their property will help facilitate their fund raising activities. They may be holding some small events there to help draw awareness.

The next meeting will be held at the Southeastern Colorado Heritage Center on July 26 at 8:00 am.

There being no further business to come before the Board, the meeting was adjourned at 9:53 a.m.

APPROVED:


Gus Sandstrom, Director


Kathleen Farley, Director


Valerie V. Haynes, Director

THE PUEBLO CONSERVANCY DISTRICT

NOTICE OF MEETING

DATE: JUNE 21, 2006 (Wednesday) AT 8:00 A.M.

PLACE: SOUTHEASTERN COLORADO HERITAGE CENTER,
201 WEST B STREET, PUEBLO, COLORADO

AGENDA

1. ROLL CALL
2. APPROVAL OF MAY 17, 2006 MINUTES
3. TREASURER'S REPORT
 - a. APRIL AND MAY 2006 ACCOUNTANT'S REPORTS
 - b. PAYMENT OF BILLS
4. 4TH STREET BRIDGE CDOT RIGHT-OF-WAY
5. SANTA FE AVENUE PROPERTY PURCHASE OFFER
6. OTHER BUSINESS AS MAY BE BROUGHT BEFORE THE BOARD
7. ADJOURNMENT

Levee Certification Conference

July meeting date is on the 26th.

MINUTES OF THE MAY 17, 2006 REGULAR MEETING OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Sandstrom; Haynes; Farley

Also Present: Counselor Don Banner; Administrator Rick Kidd

President Sandstrom called the Pueblo Conservancy District board meeting to order at 8:04 am.

With a quorum present, the Minutes of the April 11, 2006 Regular Meeting were reviewed. Farley moved to approve the Minutes. The Minutes were approved as posted.

Treasurer's Report:

The preliminary accountant's report for March final report was reviewed. April final was not available. Haynes moved to receive the March report. Motion passed

Bills – The following bills were posted for review and approval

\$ 225.00	MBD&G, Accountant fees
\$ 116.77	Aquila, Electricity
\$ 300.00	Don Banner, Attorney fees
\$ 400.00	Kidd Engineering, Administrator/Engineer fees
\$ 55.41	Sandstrom, Director's fee for February 2006
\$ 55.41	Haynes, Director's fee for February 2006
\$ 55.41	Farley, Director's fee for February 2006
\$ 70.00	Begg's Safe & Lock, Safe combination set
\$ 3260.00	Atkinson-Noland, Levee investigation – partial
\$ 1000.00	Atkinson-Noland, Levee investigation – final
\$ 750.00	Kidd Engineering, District boundary map
\$ 2202.00	First American Heritage Title, District ownership title work

Haynes moved to approve payment of the monthly bills. Motion passed

Kidd is to notify Joanne Cook that she needs to make arrangements for an alternate that will be able to prepare the final May report prior to the June 21 meeting.

Levee Certification – Sandstrom expressed a concern that the levee certification is for the benefit of the City, not the Conservancy District. The District's purpose is only for the maintenance of the levee, which was constructed by others. After discussion, it was agreed that Sandstrom is to prepare a letter that conveys this message to Dennis Maroney, Pueblo Drainage Engineer

Levee Painting – Cindy is teaching at the Pueblo School for the Arts and Sciences (PSAS) and this project is integrated in with other training. The goal is to try to get "new blood" with Youth for Public Service. Pueblo Levee Mural Project (PLMP) is also inviting past artists to come back in to repair their work and/or paint new features. They are hoping to develop this into an annual event. PLMP will require each artist or participant to sign a release form and will provide a copy to the District.

Special District Attorney – Banner presented an engagement agreement for Collins Cockrel and Cole. This agreement is to be reviewed by Sandstrom and Haynes.

CDOT Easement – Kidd presented a letter concerning CDOT's purchase of District property for the 4th Street Bridge relocation. CDOT will pay for one independent appraisal done to CDOT requirements. Sandstrom is to send a letter to CDOT, stating that based upon their initial assessment that the property will be valued at over \$5000 the District is not currently planning to

May 17, 2006 Minutes, Page 2 of 2

hire an independent appraiser. However, the District wants to retain the right to obtain an independent appraisal if we do not believe the CDOT appraisal is reasonable.

Purchase Proposal – The Board agreed that they will entertain an offer to sell a portion of their property between John Starr (751 South Santa Fe Avenue) and the levee. The District must, however, retain the right of access to maintain and repair the levee as needed. Banner is to contact Starr and notify him that the District is interested but we need to look at boundaries.

HARP and IGA – Sandstrom mentioned that the existing IGA is not being adhered to. The HARP Authority is not being brought into discussions on the commercial projects and negotiations. They are holding meetings with the City to determine if changes should be made in the IGA. Urban Renewal is bringing in a potential new project in the HARP area. There is currently an offer on every lot of the HARP project.

Ownership Map – Kidd estimates that it will take \$5000 to \$7000 to complete a detailed ownership and easement map, based on the title work done by First American Heritage. Farley moved to approve this expenditure. Motion passed.

The next meeting will be held at the Southeastern Colorado Heritage Center on June 21 at 8:00 am.

There being no further business to come before the Board, the meeting was adjourned at 9:25 a.m.

APPROVED:

Gus Sandstrom, Director

Kathleen Farley, Director

Valerie V. Haynes, Director



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ACCOUNTANTS' COMPILATION REPORT

Board of Directors
The Pueblo Conservancy District
Pueblo, Colorado

We have complied the accompanying balance sheets – general fund only – of the Pueblo Conservancy District as of April 30, 2006 and December 31, 2005, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the one month and four months ended April 30, 2006, and the twelve months ended December 31, 2005, 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

May 25, 2006

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
APRIL 30, 2006 AND DECEMBER 31, 2005

	<u>4/30/2006</u>	<u>12/31/2005</u>
ASSETS		
VECTRA BANK CHECKING	\$ 37,565	\$ 24,754
VECTRA BANK MONEY MARKET	11,503	11,475
BROKERAGE MONEY MARKET ACCOUNTS	54,720	93,353
COLOTRUST INVESTMENT	25,000	25,000
WACHOVIA SECURITIES INVESTMENT	524,232	571,301
PIPER JAFFRAY INVESTMENT	338,364	343,428
ACCRUED INTEREST	5,032	5,032
BOOK INVENTORY	<u>6,290</u>	<u>6,290</u>
 TOTAL ASSETS	 <u>\$ 1,002,706</u>	 <u>\$ 1,080,633</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 740
PAYROLL TAXES PAYABLE	55	82
DEFERRED INCOME	<u>2,708</u>	<u>1,042</u>
 TOTAL LIABILITIES	 <u>2,763</u>	 <u>1,864</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	156,376	111,176
UNDESIGNATED	<u>837,567</u>	<u>961,593</u>
 TOTAL FUND EQUITY	 <u>999,943</u>	 <u>1,078,769</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,002,706</u>	 <u>\$ 1,080,633</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
ACTUAL AND BUDGET - GENERAL FUND
FOR THE ONE AND FOUR MONTHS ENDED APRIL 30, 2006
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2005

	ACTUAL				
	CURRENT MONTH	YEAR TO DATE	2006 BUDGET	UNUSED BUDGET	2005 ACTUAL
REVENUES					
INTEREST INCOME					
COLOTRUST	\$ 97	\$ 359	\$ -	\$ -	\$ 782
MONEY MARKET ACCOUNTS	65	465	-	-	2,346
WACHOVIA SECURITIES	2,814	11,410	-	-	25,159
PIPER JAFFRAY	1,127	4,520	-	-	13,529
UNREALIZED GAINS (LOSSES)	1,877	(20,941)	-	-	(22,500)
TOTAL INTEREST INCOME	5,980	(4,187)	40,000	44,187	19,316
LEASE PAYMENTS	208	1,033	2,500	1,467	2,499
OTHER INCOME	-	-	-	-	10,180
COST OF SALES	-	-	-	-	(138)
TOTAL REVENUES	\$ 6,188	\$ (3,154)	\$ 42,500	\$ 45,654	\$ 31,857
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 1,200	\$ 3,600	\$ 2,400	\$ 3,600
81 DIRECTORS FEES	180	720	2,160	1,440	2,160
82 FICA TAXES	-	-	166	166	165
83 ENGINEER/ADMINISTRATIVE	400	1,200	4,800	3,600	4,800
90 AUDIT & BOOKKEEPING	225	675	2,700	2,025	2,700
92 INSURANCE/BONDS	-	2,034	2,500	466	1,616
96 OFFICE EXPENSE	-	16	650	634	271
97 OFFICE RENT	-	700	1,800	1,100	1,984
100 PROFESSIONAL FEES	-	510	5,000	4,490	751
103 TRAVEL	-	-	-	-	-
105 REPAIRS & MAINTENANCE	115	18,617	80,000	61,383	22,991
108 CONTINGENCIES	-	-	500	500	-
109 EMERGENCY REPAIR	-	-	20,000	20,000	-
110 CAPITAL IMPROVEMENTS	-	-	25,000	25,000	845
111 PLANNING & DEVELOPMENT	-	-	-	-	-
112 HARP - O & M	-	50,000	50,000	-	50,000
113 SALES TAX	-	-	-	-	-
TOTAL EXPENDITURES	1,220	75,672	198,876	123,204	91,883
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 4,968	\$ (78,826)	\$ (156,376)	\$ (77,550)	\$ (60,026)

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
4/30/2006

5/25/2006 9:18 AM

<u>BROKER</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>PAR VALUE</u>	<u>BALANCE 12/31/2005</u>	<u>ADDITIONS</u>	<u>MKT VALUE CHANGE</u>	<u>REDEMPTION SALES</u>	<u>BALANCE 12/31/2006</u>	<u>INTEREST RECEIVED 12/31/2006</u>
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				11,474.56	28.10	-	-	11,502.66	28.10
PIPER JAFFRAY	Money Market Account				5,678.95	774.67	-	-	6,453.62	57.40
WACHOVIA SEC.	Evergreen Money Mkt Fund				87,673.99	181,809.41	-	223,093.50	46,389.90	379.77
TOTAL CASH ACCOUNTS WITH BROKERS					104,827.50	182,612.18	-	223,093.50	64,346.18	465.27
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00	-	-	-	25,000.00	359.07
TOTAL COLOTRUST					25,000.00	-	-	-	25,000.00	359.07
WACHOVIA SEC.	FNMA 05-27 GA REMIC MULTICLASS CMO	4/25/2034	5.500%	450,000.00	271,260.34	-	(204.91)	55,778.81	215,276.62	5,040.32
	FHLMC 3040 CA REMIC MULTICLASS CMO	9/15/2019	5.000%	108,000.00	93,900.44	-	(2,699.80)	91,200.64	-	1,901.96
	FNMA 03-52 BD REMIC MULTICLASS CMO	3/25/2033	5.500%	28,000.00	27,732.04	-	(400.94)	27,331.10	-	633.10
	FHLMC 2646 LL RETAIL LOTTERY	8/15/2033	5.000%	78,000.00	32,888.88	-	(1,318.68)	-	31,570.20	754.17
	FHLMC 2688 DD RETAIL LOTTERY	11/15/2033	5.500%	36,000.00	35,844.84	-	(2,609.64)	-	33,235.20	825.00
	FHLMC 2804 UC REMIC MULTICLASS CMO	11/15/2033	6.000%	8,000.00	181.59	-	(0.57)	181.02	0.00	3.10
	FHLMC 3004 GG RETAIL LOTTERY	7/15/2034	5.000%	80,000.00	75,336.00	-	(2,487.20)	-	72,848.80	1,666.65
	FHLMC 3133 MB REMIC MULTICLASS CMO	3/15/2036	6.000%	150,000.00	-	152,368.50	(5,737.50)	-	146,631.00	25.00
	FNMA 05-16 WD REMIC MULTICLASS CMO	1/25/2035	5.000%	56,000.00	34,157.34	-	(1,134.60)	6,476.17	26,546.57	560.46
TOTAL WACHOVIA SEC.					571,301.47	152,368.50	(16,593.84)	180,967.74	526,108.39	11,409.76
PIPER JAFFRAY	GNMA POOL #24920	6/15/2008	8.250%		3,032.38	-	(40.33)	290.19	2,701.86	79.21
	FEDL HOME LN MTG CORP FREDDIE NOTES B/E	12/15/2009	3.000%	120,000.00	112,555.20	-	(1,198.80)	-	111,356.40	1,200.00
	FEDL NATL MTG ASSN INVT NOTES B/E	8/20/2010	4.000%	100,000.00	96,480.00	-	(1,190.00)	-	95,290.00	1,333.32
	FEDL NATL MTG ASSN INVT NOTES B/E	6/24/2011	4.000%	130,000.00	124,436.00	-	(1,768.00)	-	122,668.00	1,733.32
	FHLMC #170217	3/1/2017	8.000%		6,924.88	-	(149.78)	427.08	6,348.02	174.08
TOTAL PIPER JAFFRAY					343,428.46	-	(4,346.91)	717.27	338,364.28	4,519.93
TOTAL INVESTMENTS					939,729.93	152,368.50	(20,940.75)	181,685.01	889,472.67	16,288.76
TOTAL ALL ACCOUNTS					1,044,557.43	334,980.68	(20,940.75)	404,778.51	953,818.85	16,754.03



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ACCOUNTANTS' COMPILATION REPORT

Board of Directors
The Pueblo Conservancy District
Pueblo, Colorado

We have compiled the accompanying balance sheets – general fund only – of the Pueblo Conservancy District as of May 31, 2006 and December 31, 2005, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the one month and five months ended May 31, 2006, and the twelve months ended December 31, 2005, 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

June 12, 2006

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
MAY 31, 2006 AND DECEMBER 31, 2005

	<u>5/31/2006</u>	<u>12/31/2005</u>
ASSETS		
VECTRA BANK CHECKING	\$ 31,537	\$ 24,754
VECTRA BANK MONEY MARKET	11,510	11,475
BROKERAGE MONEY MARKET ACCOUNTS	74,116	93,353
COLOTRUST INVESTMENT	25,000	25,000
WACHOVIA SECURITIES INVESTMENT	504,885	571,301
PIPER JAFFRAY INVESTMENT	335,891	343,428
ACCRUED INTEREST	5,032	5,032
BOOK INVENTORY	<u>6,290</u>	<u>6,290</u>
 TOTAL ASSETS	 <u>\$ 994,261</u>	 <u>\$ 1,080,633</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 740
PAYROLL TAXES PAYABLE	69	82
DEFERRED INCOME	<u>2,500</u>	<u>1,042</u>
 TOTAL LIABILITIES	 <u>2,569</u>	 <u>1,864</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	156,376	111,176
UNDESIGNATED	<u>837,567</u>	<u>961,593</u>
 TOTAL FUND EQUITY	 <u>999,943</u>	 <u>1,078,769</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,002,512</u>	 <u>\$ 1,080,633</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
ACTUAL AND BUDGET - GENERAL FUND
FOR THE ONE AND FOUR MONTHS ENDED MAY 31, 2006
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2005

	<u>ACTUAL</u>				
	<u>CURRENT</u>	<u>YEAR</u>	<u>2006</u>	<u>UNUSED</u>	<u>2005</u>
	<u>MONTH</u>	<u>TO DATE</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES					
INTEREST INCOME					
COLOTRUST	\$ 97	\$ 456	\$ -	\$ -	\$ 782
MONEY MARKET ACCOUNTS	170	635	-	-	2,346
WACHOVIA SECURITIES	1,239	12,649	-	-	25,159
PIPER JAFFRAY	1,126	5,646	-	-	13,529
UNREALIZED GAINS (LOSSES)	(2,586)	(23,526)	-	-	(22,500)
TOTAL INTEREST INCOME	46	(4,140)	40,000	44,140	19,316
LEASE PAYMENTS	208	1,241	2,500	1,259	2,499
OTHER INCOME	-	-	-	-	10,180
COST OF SALES	-	-	-	-	(138)
TOTAL REVENUES	\$ 254	\$ (2,899)	\$ 42,500	\$ 45,399	\$ 31,857
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 1,500	\$ 3,600	\$ 2,100	\$ 3,600
81 DIRECTORS FEES	180	900	2,160	1,260	2,160
82 FICA TAXES	-	-	166	166	165
83 ENGINEER/ADMINISTRATIVE	400	1,600	4,800	3,200	4,800
90 AUDIT & BOOKKEEPING	225	900	2,700	1,800	2,700
92 INSURANCE/BONDS	-	2,034	2,500	466	1,616
96 OFFICE EXPENSE	-	16	650	634	271
97 OFFICE RENT	-	700	1,800	1,100	1,984
100 PROFESSIONAL FEES	2,952	3,462	5,000	1,538	751
103 TRAVEL	-	-	-	-	-
105 REPAIRS & MAINTENANCE	4,447	23,064	80,000	56,936	22,991
108 CONTINGENCIES	-	-	500	500	-
109 EMERGENCY REPAIR	-	-	20,000	20,000	-
110 CAPITAL IMPROVEMENTS	-	-	25,000	25,000	845
111 PLANNING & DEVELOPMENT	-	-	-	-	-
112 HARP - O & M	-	50,000	50,000	-	50,000
113 SALES TAX	-	-	-	-	-
TOTAL EXPENDITURES	8,504	84,176	198,876	114,700	91,883
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (8,250)	\$ (87,075)	\$ (156,376)	\$ (69,301)	\$ (60,026)

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
5/31/2006

6/14/2006 8:10 AM

<u>BROKER</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>PAR VALUE</u>	<u>BALANCE 12/31/2005</u>	<u>ADDITIONS</u>	<u>MKT VALUE CHANGE</u>	<u>REDEMPTION SALES</u>	<u>BALANCE 12/31/2006</u>	<u>INTEREST RECEIVED 12/31/2006</u>
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				11,474.56	35.90	-	-	11,510.46	35.90
PIPER JAFFRAY	Money Market Account				5,678.95	1,341.45	-	-	7,020.40	105.11
WACHOVIA SEC.	Evergreen Money Mkt Fund				87,673.99	200,638.50	-	223,093.50	65,218.99	494.04
TOTAL CASH ACCOUNTS WITH BROKERS					104,827.50	202,015.85	-	223,093.50	83,749.85	635.05
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00	-	-	-	25,000.00	455.57
TOTAL COLOTRUST					25,000.00	-	-	-	25,000.00	455.57
WACHOVIA SEC.	FNMA 05-27 GA REMIC MULTICLASS CMO	4/25/2034	5.500%	450,000.00	271,260.34	-	(802.19)	73,509.35	196,948.80	6,153.34
	FHLMC 3040 CA REMIC MULTICLASS CMO	9/15/2019	5.000%	108,000.00	93,900.44	-	(2,699.80)	91,200.64	-	1,901.96
	FNMA 03-52 BD REMIC MULTICLASS CMO	3/25/2033	5.500%	28,000.00	27,732.04	-	(400.94)	27,331.10	-	633.10
	FHLMC 2646 LL RETAIL LOTTERY	8/15/2033	5.000%	78,000.00	32,888.88	-	(1,436.04)	-	31,452.84	754.17
	FHLMC 2688 DD RETAIL LOTTERY	11/15/2033	5.500%	36,000.00	35,844.84	-	(2,193.12)	-	33,651.72	825.00
	FHLMC 2804 UC REMIC MULTICLASS CMO	11/15/2033	6.000%	8,000.00	181.59	-	(0.57)	181.02	0.00	3.10
	FHLMC 3004 GG RETAIL LOTTERY	7/15/2034	5.000%	80,000.00	75,336.00	-	67.20	-	75,403.20	1,666.65
	FHLMC 3133 MB REMIC MULTICLASS CMO	3/15/2036	6.000%	150,000.00	-	152,368.50	(8,011.50)	-	144,357.00	25.00
	FNMA 05-16 WD REMIC MULTICLASS CMO	1/25/2035	5.000%	56,000.00	34,157.34	-	(1,748.29)	7,460.45	24,948.60	686.64
TOTAL WACHOVIA SEC.					571,301.47	152,368.50	(17,225.25)	199,682.56	506,762.16	12,648.96
PIPER JAFFRAY	GNMA POOL #24920	6/15/2008	8.250%		3,032.38	-	(52.49)	486.65	2,493.24	97.35
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	12/15/2009	3.000%	120,000.00	112,555.20	-	(1,603.20)	-	110,952.00	1,500.00
	FEDL NATL MTG ASSN INVT NOTES B/E	8/20/2010	4.000%	100,000.00	96,480.00	-	(1,750.00)	-	94,730.00	1,666.65
	FEDL NATL MTG ASSN INVT NOTES B/E	6/24/2011	4.000%	130,000.00	124,436.00	-	(2,743.00)	-	121,693.00	2,166.65
	FHLMC #170217	3/1/2017	8.000%		6,924.88	-	(152.43)	749.69	6,022.76	214.94
TOTAL PIPER JAFFRAY					343,428.46	-	(6,301.12)	1,236.34	335,891.00	5,645.59
TOTAL INVESTMENTS					939,729.93	152,368.50	(23,526.37)	200,918.90	867,653.16	18,750.12
TOTAL ALL ACCOUNTS					1,044,557.43	354,384.35	(23,526.37)	424,012.40	951,403.01	19,385.17

PUEBLO CONSERVANCY DISTRICT

MAY 2006 - JUNE 2006

RECEIPTS

VENDOR	ITEM	AMOUNT
First Clearing, LLC	Interest Payment	\$ 1,398.33
First Clearing, LLC	Interest Payment	\$ 1,143.45
Piper Jaffray	Dividend/Interest	\$ 1,124.20
Wells Fargo - Colotrust	Dividend	\$ 103.23
First Clearing, LLC	Interest Payment	\$ 1,398.33
		\$ 5,167.54

DEBITS

VENDOR	ITEM	AMOUNT	CHECK	Code
MBDG, PC	Bookkeeping	\$ 225.00	3327	90
Aquila	Electrical Billing	\$ 116.77	3326	105
Don Banner -- BB&C, PC	Attorney Fees	\$ 300.00	3328	80
Don Banner -- BB&C, PC	Postage	\$ 19.32	XXXXXX	96
Kidd Engineering	Engineer/Admin Fees	\$ 400.00	3329	83
Kidd Engineering	Levee Certification Meeting	\$ 450.00	XXXXXX	105
Kidd Engineering	Postage	\$ 8.84	XXXXXX	96
Director Sandstrom	Fees	\$ 55.41	3330	81
Director Sandstrom	Photo Copies	\$ 24.74	XXXXXX	96
Director Sandstrom	Keys	\$ 4.61	XXXXXX	96
Director Farley	Fees	\$ 55.41	3331	81
Director Haynes	Fees	\$ 55.41	3332	81
Whitt Transfer & Storage	Move to Heritage Center	\$ 720.00	3333	97
US Postal Service	Box Rental - 12 months	\$ 132.00	3334	96
		\$ 2,567.51		

STATE OF COLORADO

DEPARTMENT OF TRANSPORTATION



Region 2
P.O. Box 536
Pueblo, CO 81002
(719) 546-5705
Toll-Free: 1-877-546-6283
FAX-(719) 546-5414

May 24, 2006

The Pueblo Conservancy District
Gus Sandstrom, President
P.O. Box 234
Pueblo, CO 81002

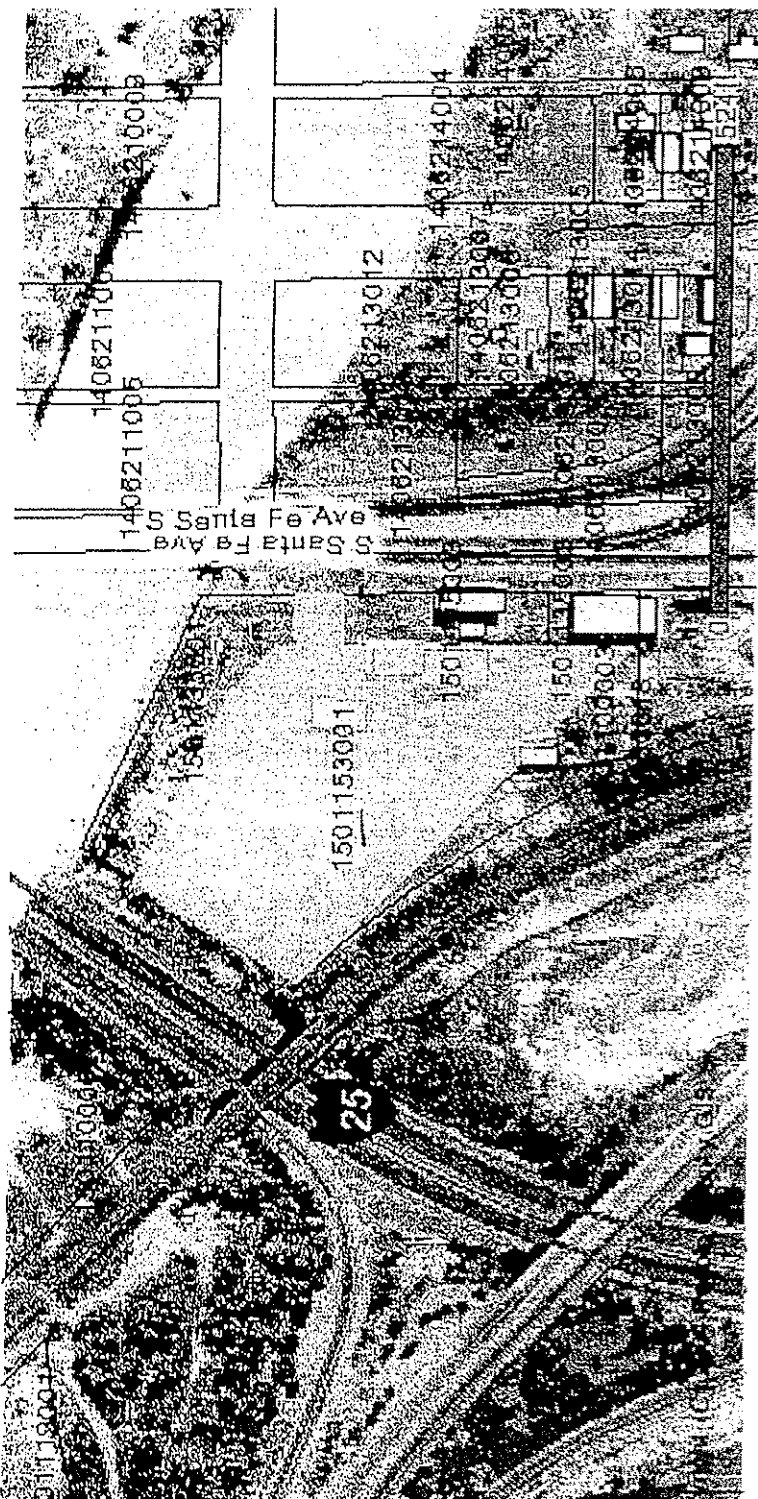
Mr. Sandstrom;

Thank you for your letter received on May 19, 2006 concerning Parcels PE-15, PE-15A and 15B on Project No. BR0961-008, commonly called the 4th Street Bridge Project. We are currently awaiting the appraisal on the property. It should be completed within 60 days. I will contact you when we have received and reviewed it. If you have any questions in the meantime I can be reached at 719-546-5705.

Sincerely,

A handwritten signature in black ink, which appears to read 'Michael Shay', is positioned above the printed name.

Michael Shay
Real Estate Specialist



- 1981 purchase
- no access other than through his property.
- fenced since 1981
- 24,022 sq ft
- offered \$73,000

RECORDED DOCUMENT GUARANTEE

SCHEDULE A (Continued)

Decree recorded July 8, 1925 at Reception No. 373087. (All of Blocks 15, 16, 17 & 18 of Stanton and Snyder's Subdivision Except portion sold to Pueblo County in Deed #898028 and All of Blocks 24 to 29, Stanton and Snyder's Subdivision)

Warranty Deed recorded June 17, 1924 at Reception No. 346851. (Lots 9 to 19 and Lots 21 to 30, Block 21, Lots 10 to 20 and Lots 28 to 37, Block 22, Lots 8 to 20 and Lots 28 to 40, Block 23, Lots 5 to 8 and Lot 25 to 28, Block 32, Lots 3 to 8, Lot 11, and Lots 21 to 34, Block 33, Stanton and Snyder's Subdivision)

Deed dated March 6, 1924 in Book 531 at page 555. (Lot 20, Block 21, Stanton and Snyder's Subdivision)

Deed dated February 28, 1924 in Book 531 at page 587. (Lots 38 to 40, Block 22, and Lots 21 and 22, Block 32, Stanton and Snyder's Subdivision)

All of Blocks 24 to 29, Stanton and Snyder's Subdivision/ (No Deed Found)

Quit Claim Deed dated January 31, 1924 in Book 574 at page 156. (Lots 1 to 3, Block 32, Stanton and Snyder's Subdivision)

Quit Claim Deed dated March 1, 1924 in Book 531 at page 552. (Lot 4, Block 32, Stanton and Snyder's Subdivision)

Deed dated March 5, 1924 in Book 531 at page 591. (Lots 23 and 24, Block 32, Stanton and Snyder's Subdivision)

Quit Claim Deed dated March 13, 1924 in Book 531 at page 590. (Lots 1 and 2, Block 33, Stanton and Snyder's Subdivision)

Deed dated February 27, 1924 in Book 531 at page 527. (Lot 9 and 10, Block 33, Stanton and Snyder's Subdivision)

Warranty Deed recorded January 13, 1928 in Book 672 at page 458 at Reception No. 416692. (Lots 12 and the North ½ of Lot 13, Block 33, Stanton and Snyder's Subdivision)

Warranty Deed recorded January 13, 1928 in Book 672 at page 457 at Reception No. 416691. (the South ½ of Lot 13 and all of Lot 14, Block 33, Stanton and Snyder's Subdivision)

Warranty Deed recorded January 13, 1928 in Book 672 at page 459 at Reception No. 416693. (Lots 35 and 36, Block 33, Stanton and Snyder's Subdivision)

Warranty Deed recorded January 13, 1928 in Book 672 at page 460 at Reception No. 416694. (Lots 37 to 40, Block 33, Stanton and Snyder's Subdivision)

No Deed Found(Blocks 34 to 39 Stanton & Snyder)

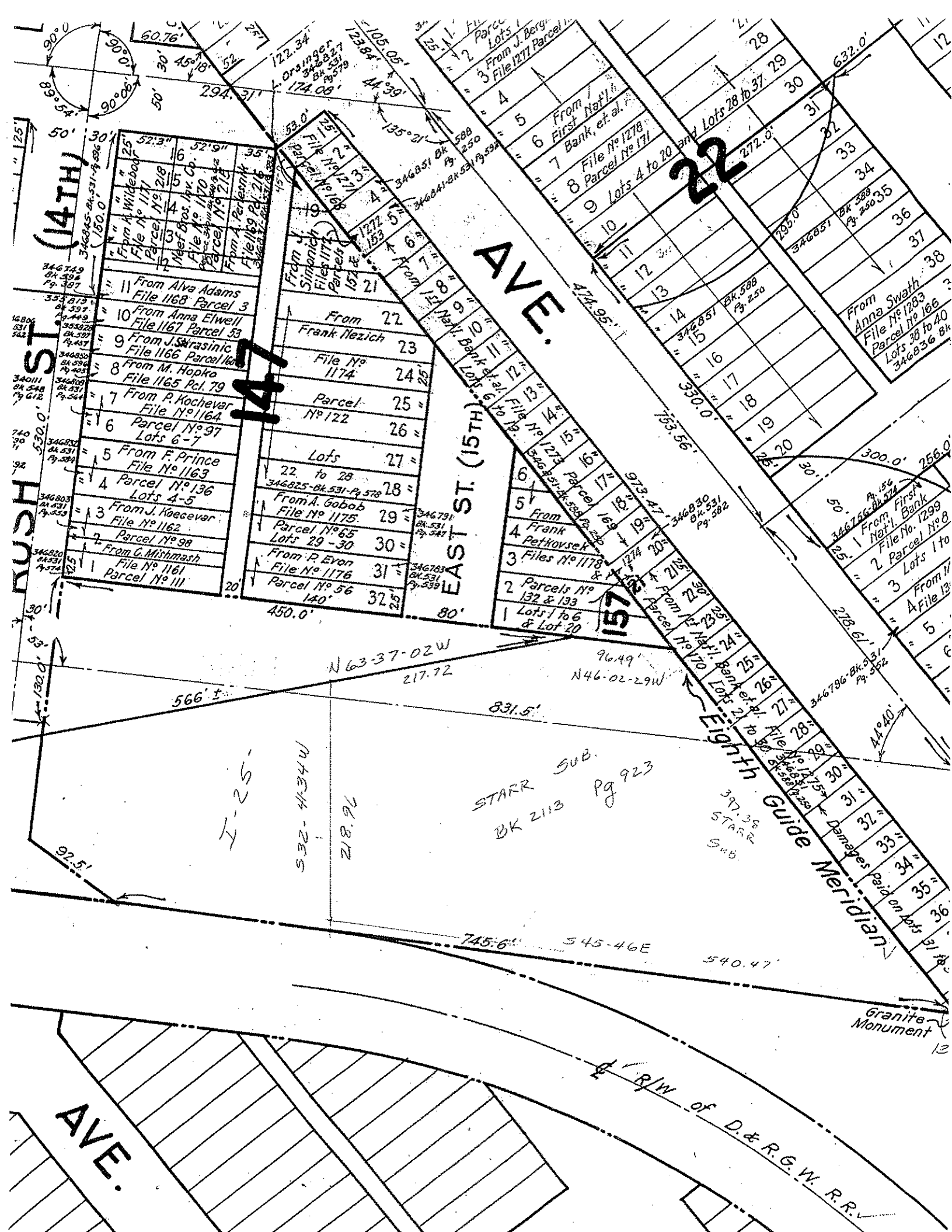
Decree recorded March 14, 1924 at Reception No. 340111. (Lots 3 to 5, Railey's Subdivision of Lot 3, Block "I", South Pueblo)

Quit Claim Deed dated February 29, 1924 in Book 531 at page 544 at Reception No. 346788. (all of Lots 7 to 12, Block 107, South Pueblo)

Quitclaim Deed recorded July 17, 2000 at Reception No. 1342066. (A portion of Lot 2, Block 9, in Uplands Park and a portion of the abandoned D. & R.G.W. Railroad R/W lying North of and adj thereto in the SE1/4 of the NE ¼ of Sec. 34, Twp. 20 S., R. 65 W)

No Deed Found (Lots 1 to 7, Block 57, South Pueblo)

No Deed Found (All of Block 159, South Pueblo)



(14TH)

AVE.

EAST ST. (15TH)

22

147

157

Eighth

Guide Meridian

STARR SUB.
BK 2113 Pg 923

397.36
STARR
SUB.

Granite Monument

AVE.

R/W of D. & R. G. W. R.R.

As shown on the document
 recorded of B. 1000 A. 576

Station	21	22	23	24	25	26	27	28	29	30	31	32	33	34
Dist	12													
Dist														

at Guide Meridian
 East line section 1-2
 according to the recorded plat
 of Stanton and Snyder Sub.

Course of Survey

River

Lot 1

Section 10, Township 10N, Range 10E

Section 10, Township 10N, Range 10E

Section 10, Township 10N, Range 10E

Rick's

Main Identity (RICK)

From: "Gladwell, Dawn" <Dawn.Gladwell@state.co.us>
To: "Rick Kidd" <rickkidd@kiddengineering.com>
Date: Thursday, June 01, 2006 1:27 PM
Attach: Pueblo_levee_tour_ltr_final.pdf
Subject: RE: 1st Pueblo Levee Meeting

Rick,

Thank you for letting me know. I am glad that I sent out this email. I have attached the letter that I sent. Do I have the correct address for you?

44811 East U.S. Hwy 50
Avondale, CO 81022

Let me know if you have any questions.

Dawn

-----Original Message-----

From: Rick Kidd [mailto:rickkidd@kiddengineering.com]
Sent: Thursday, June 01, 2006 1:18 PM
To: Gladwell, Dawn
Subject: Re: 1st Pueblo Levee Meeting

Dawn,
Apparently I did not get the May 10 letter you referenced. Please fill me in.
Thanks,
Rick Kidd

----- Original Message -----

From: Gladwell, Dawn
To: dmaroney@pueblo.us ; Rickkidd@kiddengineering.com
Cc: Greg Koch ; Dan Carlson ; Kevin Doyle
Sent: Thursday, June 01, 2006 1:15 PM
Subject: 1st Pueblo Levee Meeting

Good Afternoon,

In my letter dated May 10th, the first conference call date is stated incorrectly. Instead of June 25th at 10 am the letter should read June 29th at 10 am. I hope that this didn't cause anyone too much confusion.

Thank you,

Dawn

Dawn Gladwell, P.E., CFM

Floodplain Mapping Coordinator
Colorado Water Conservation Board
1313 Sherman Street, Room 721
Denver, CO 80203
303-866-3921(ph)

6/7/2006

STATE OF COLORADO

Colorado Water Conservation Board

Department of Natural Resources

1313 Sherman Street, Room 721
Denver, Colorado 80203
Phone: (303) 866-3441
FAX: (303) 866-4474
www.cwcb.state.co.us



May 10, 2006

Dennis Maroney, P.E., CFM
City of Pueblo
211 E. "D" Street
Pueblo, CO 81003

Bill Owens
Governor

Russell George
Executive Director

Rod Kuharich
CWCB Director

Rick Brown
Acting Deputy Director

Dear Mr. Maroney:

Thank you for organizing the levee tour and meeting at the City of Pueblo (City) offices on April 27th. This is a letter to follow up on items that were discussed.

The levees below were visited during the tour and the following determinations were made:

Fountain Creek – This levee was designed and constructed by the U. S. Army Corps of Engineers (Corps) in the late 1980's to contain the 200-year flood event. Due to significant aggradation of Fountain Creek, certain sections of the levee apparently have insufficient freeboard. Preliminary indications are that the Corps will provide certification provided that the City add freeboard to the levee along the downstream reach. The City plans to construct a parapet wall to provide the required freeboard. The City is coordinating directly with the Corps to complete the recertification process for this levee.

East Dry Creek – The City is in the process of obtaining a detailed study of the floodplain along this levee. The study will extend to the confluence of the Arkansas River. The history and design of this levee is unknown. This levee has failed in the past and repairs have been made by Pueblo County. The County indicated that they do not have interest in taking ownership of the levee or the associated maintenance and operation activities. Without public ownership, this levee can not be recertified and will not be shown as providing protection on the DFIRM.

Wild Horse Dry Creek – There is a question as to how much of this levee system actually protects residents from inundation during the 100-year flood event. Based on detailed floodplain studies, the 100-year profile is below the toe of the levee. The City and the Pueblo Conservancy District (District) need to determine what sections of this levee provide protection to the extent that, if removed, the 100-year floodplain would inundate the landward properties. The assumed starting water surface elevation (SWEL) at the Wild Horse Dry Creek confluence with the Arkansas River should be revisited in relation to peak flow timing. If the study that is currently underway assumed a coincidental peak for both flooding sources the SWEL might be too conservative. The recertification process for this levee will be conducted by the District.

Arkansas River – There is a question as to how much of this levee actually provides Pueblo residents protection from the 100-year event. The City and the District need to determine the sections of the levee system that require recertification. The Base Flood Elevations (BFE's) need to be compared to the natural ground elevations to determine if the levee is acting as a

levee. In other words, if the manmade structure were to be removed, what would be the resultant inundation scenario for the landward properties.

Anderson Consulting performed an initial review of the Corps study report for the kayak course reach of the Arkansas River. This reach of the Arkansas River is a Zone A floodplain. The City found that the report contained the design plans of the kayak course and not the as-built information. FEMA's consultant, Michael Baker Jr., suggested that if the design plans reasonably represent the as-built conditions, they could be used to develop a model to determine if the levee is acting as such. The model could also be used to update the current regulatory Zone A floodplain. Further evaluation would be necessary based upon revised discharges in the Fountain Creek study results. If additional detail is needed, as-built topography, a hydraulic model and a new mapped floodplain would require additional funds. If necessary, FEMA is able to provide additional funding for this detailed study.

The District has identified an area along the kayak course that is showing signs of piping. This is thought to have occurred as a result of the Corps construction of the kayak course. The District is working to assess the situation.

Outstanding Questions:

As a result of the meeting and levee tour, the following questions are still outstanding and should be answered in the upcoming months:

- ✓ • When will the ground surface elevations on the landward side of the levees be verified with the 100-year water surface elevations to verify whether the levee sections identified are being used as such?
- By what date will the Corps provide certification of the Fountain Creek levee?
- ✓ • Will the new study on Wild Horse Dry Creek show that the new 100-year water surface elevations require use of the levee?
- What sections of the Wild Horse Dry Creek levee need to be recertified?
- ✓ • When will the Pueblo Conservancy District be able to provide certification of the requisite portion of the Wild Horse Dry Creek levee?
- What sections of the Arkansas River levee need to be recertified?
- Will there need to be any additional detailed studies to determine what sections of the Arkansas levee needs to be recertified?
- ✓ • How is the issue of piping along the Arkansas levee being addressed and when will this occur?
- ✓ • What is the extent of the piping along the toe of the Arkansas levee?
- What are the guidelines necessary to accomplish recertification of the levees?

Funding:

FEMA is prepared to provide additional funding (\$30K) for an Arkansas River detailed study, if needed.

CWCB is prepared to provide some funding for levee certification. A cost estimate is needed to determine the amount of funding that is required. Construction loans with low interest rates are available through the CWCB, and local jurisdictions should contact Kirk Russell at (303) 866-3449 or kirk.russell@state.co.us for further information.

Future Planning:

This levee issue is expected to resurface in the future and certification will be necessary in order for levee protection to be utilized for FEMA floodplain mapping updates. Recertification will need to be in accordance with 44CFR Section 65.10(a), it is the responsibility of the community or other party seeking recognition of a levee system at the time of a flood risk study or restudy to provide the data outlined in 44 CFR 65.10.

The CWCB suggests the implementation of a long-term maintenance plan for the continued use and future need for recertification of these levees and/or integration of a levee mitigation plan into the City's stormwater and floodplain management plan to eventually eliminate the need for some or all of the existing levees.

Coordination Effort:

The CWCB proposes monthly conference calls with all interested parties to keep the project moving toward the ultimate goal of updated floodplain maps. These conference call meetings would be used to address any problems as they arise during this complicated project and to keep all parties updated regarding the status of the progress. We would like to schedule calls on the last Thursday of every month at 10 a.m. (the first conference call will be on June 25th at 10 am, so participants should call the CWCB Flood Protection conference number 1-888-387-8686, Room #2354118). Please let me know if there is a problem with this date for any reason. The CWCB strives for maximum attendance during the conference calls.

Thank you very much for your time and attention to this matter.

Sincerely,

Dawn Gladwell, P.E., CFM
Floodplain Mapping Coordinator

cc:

Ricky Kidd – Kidd Engineering and Construction Management Services, Inc.

Dan Carlson – FEMA

Kevin Doyle – Michael Baker Jr.

Tom Browning – CWCB

Greg Koch – Anderson Consulting Engineers, Inc.