

MINUTES OF THE DECEMBER 13, 2006 REGULAR MEETING OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Sandstrom; Farley; Haynes

Also Present: Counselor Don Banner; Administrator Rick Kidd
Guests: Michael Shay, Scott Hobson, Bill Zwick, Dan Centa, Pepper Whittleff; Dennis Maroney

With a quorum present, the Pueblo Conservancy District board meeting was called to order at 8:05 am.

The Minutes of the November 29, 2006 Regular Meeting were reviewed. Farley moved to approve the Minutes. The Minutes were approved as posted.

Treasurer's Report:

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

Bills – The following bills were posted for review and approval

\$ 225.00	MBD&G, Accountant fees
\$ 117.15	Aquila, Electricity
\$ 300.00	Don Banner, Attorney fees
\$ 400.00	Kidd Engineering, Administrator/Engineer fees
\$ 55.41	Sandstrom, Director's Fee
\$ 55.41	Haynes, Director's Fee
\$ 55.41	Farley, Director's Fee

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

4th Street Bridge – Michael Shay was in attendance to represent CDOT. Hobson, Zwick, Centa, and Whittleff were in attendance representing the City. Sandstrom gave some background and stated that when the District received the first letter from CDOT that this letter indicated that the anticipated value of the requested right-of-way was around \$5000. This amount seemed appropriate to the District, based upon other sales and offers we had received. However, the offer that CDOT tendered is only \$2050. Kidd also provided slides from a CDOT PowerPoint presentation indicating that CDOT is telling contractors that there are potential access and staging sites on District property. No one has approached the District about compensation for these areas. Hobson and Zwick said that CDOT has made several promises, in earlier meetings, about what they would do and that CDOT is now reneging. Furthermore, the proposed access route and staging area will have an adverse impact on kayak and other recreational uses of the area. The District has an existing easement with the City and we cannot do anything in violation of that agreement, without City consent. Shay said that he could not address the access and staging issues, only the right-of-way. He said that Dean Sandoval and Karen Rowe will need to address the access and staging. Shay said that the letter he sent out indicated that the anticipated value of the right-of-way was less than \$5000. The CDOT appraiser looked at comparables and felt like the value should be even less than the \$2050 offered. Sandstrom told Shay about the lots that the District has sold to Dawson and the offer from Starr. Shay said that we should provide him an offer about what we thought the property was worth. He also said that we could provide him information on the property we sold. Banner and Kidd are to review the appraisal. Sandstrom is to prepare a letter to CDOT in response to their easement plans and offer. The letter will state that the scope of issues are greater than the requested easement and that these issues must be resolved prior to agreement on the terms of the easement.

December 13, 2006 Minutes, Page 2 of 2

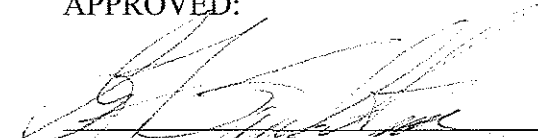
Levee Certification - Maroney said that new FEMA rules allow for an additional two years for the actual certification. However, the District must provide a sign-off stating that we will do whatever work is required to have the levee certified. Maroney is to contact FEMA to see if they are available to attend our next regular meeting, January 17, 2007. Target time is 9:00 am.

Levee Piping – Sandstrom reported on the December 12 meeting with the Corps of Engineers (ACE). ACE says that we must first determine the source of the seepage water before we can determine what, if anything, should be done for repair. They stated that radio-isotope methods may be the best way to track the seepage path. ACE is to give us a cost estimate for determining the source of seepage.

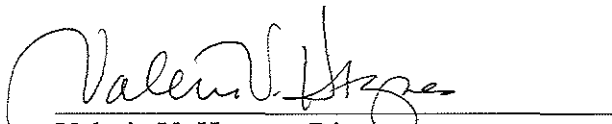
The next meeting is set for January 17 at 8:00 am.

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

THE PUEBLO CONSERVANCY DISTRICT

NOTICE OF MEETING

DATE: DECEMBER 13, 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 NOVEMBER 29, 2006 MINUTES
3. TREASURER'S REPORT
 - a. NOVEMBER 2006 ACCOUNTANT'S REPORTS
 - b. PAYMENT OF BILLS
4. 4TH STREET BRIDGE EASEMENT
5. REPORT ON LEVEE MEETING WITH CORPS OF ENGINEERS
6. OTHER BUSINESS AS MAY BE BROUGHT BEFORE THE BOARD
7. ADJOURNMENT

MINUTES OF THE NOVEMBER 29, 2006 REGULAR MEETING OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Sandstrom; Haynes

Also Present: Administrator Rick Kidd

With a quorum present, the Pueblo Conservancy District board meeting was called to order at 8:17 am.

The Minutes of the October 18, 2006 Regular Meeting were reviewed. Haynes moved to approve the Minutes. The Minutes were approved as posted.

Treasurer's Report:

The accountant's reports for October were reviewed. Haynes moved to receive and file the October reports. Motion passed.

Bills — The following bills were posted for review and approval

\$ 225.00	MBD&G, Accountant fees
\$ 118.91	Aquila, Electricity
\$ 300.00	Don Banner, Attorney fees
\$ 400.00	Kidd Engineering, Administrator/Engineer fees
\$ 55.41	Sandstrom, Director's Fee
\$ 55.41	Haynes, Director's Fee
\$ 55.41	Farley, Director's Fee
\$ 23.52	Pueblo Chieftain, Budget Hearing Notice
\$ 35.00	Vectra Bank, Safe Deposit Box Rental

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

District Appraisal — Sandstrom reported that the Rio Grand Conservancy District is not to the appraisal process yet. Their attorney, Dave Robbins, is to call him. Sandstrom said that there were no criteria established for the appraisers in the court order for the original appraisal. The September 22, 1923 appraisal of benefits was \$9,496,910, with a construction value of \$4,000,000. After a project was completed in March of 1993 the court order has a valuation of \$5,078,690 for improvements. Sandstrom asked if we could include the improvement costs for the Legacy and Fishing is Fun projects, Runyon Lake improvements, and costs for repairs and roads. Furthermore, can we use the entire cost of the projects or just the Conservancy District's share? Sandstrom suggested that we offer Judge Maes six appraiser candidates with backgrounds in construction, real estate, and insurance. Kidd is to compile the costs of all the projects since 1993, including the City's paid improvements.

Future Meetings — The following dates were proposed for the future meetings:

February 14, 2007	May 23, 2007
March 14, 2007	June 20, 2007
April 18, 2007	

The final decision on these dates is to be made at the December 13 meeting. The January meeting has already been scheduled for the 17th.

Planning Session — The January 17 meeting will be a planning session for the District's valuation and appraiser candidates. The Board needs to be prepared for this to be a longer meeting.

November 29, 2006 Minutes, Page 2 of 2

4th Street Bridge – CDOT has offered \$2078 for the easements they requested. This is well below the approximate \$5000 that was in their original correspondence. Kidd reported that he attended a “90 Percent Completion” plan review meeting and that CDOT’s plan was for the individual contractors to make arrangements with the City and the Conservancy District for access and staging area easements. After discussion, it was agreed that the Board wants the arrangements for access and staging areas to be a part of the agreement with CDOT. Sandstrom is to request that a CDOT representative attend our December 13 meeting to discuss this issue. Kidd is to invite the City to attend this meeting also.

Levee Piping – Kidd is to invite Scott Hobson, from the City of Pueblo, to attend the meeting when the Army Corps of Engineers representatives come to meet with us.

The next meeting is set for December 13 at 8:00 am. The January meeting is scheduled for the 17th.

There being no further business to come before the Board, the meeting was adjourned at 8:55 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 compiled the accompanying balance sheets – general fund only – of the Pueblo Conservancy District as of November 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 eleven months ended November 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

December 11, 2006

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

	<u>11/30/2006</u>	<u>12/31/2005</u>
ASSETS		
VECTRA BANK CHECKING	\$ 39,776	\$ 24,754
VECTRA BANK MONEY MARKET	11,581	11,475
BROKERAGE MONEY MARKET ACCOUNTS	31,467	93,353
COLOTRUST INVESTMENT	25,000	25,000
WACHOVIA SECURITIES INVESTMENT	565,493	571,301
PIPER JAFFRAY INVESTMENT	342,357	343,428
ACCRUED INTEREST	5,032	5,032
BOOK INVENTORY	-	6,290
TOTAL ASSETS	<u>\$ 1,020,706</u>	<u>\$ 1,080,633</u>
LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 740
PAYROLL TAXES PAYABLE	151	82
DEFERRED INCOME	1,250	1,042
TOTAL LIABILITIES	<u>1,401</u>	<u>1,864</u>
RESERVE FOR EMERGENCIES	6,000	6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	156,376	111,176
UNDESIGNATED	856,929	961,593
TOTAL FUND EQUITY	<u>1,019,305</u>	<u>1,078,769</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,020,706</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 ELEVEN MONTHS ENDED NOVEMBER 30, 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	\$ 109	\$ 1,094	\$ -	\$ -	\$ 782
MONEY MARKET ACCOUNTS	42	1,304	-	-	2,346
WACHOVIA SECURITIES	987	27,401	-	-	25,159
PIPER JAFFRAY	1,116	12,328	-	-	13,529
UNREALIZED GAINS (LOSSES)	527	597	-	-	(22,500)
TOTAL INTEREST INCOME	2,781	42,724	40,000	(2,724)	19,316
LEASE PAYMENTS	208	2,492	2,500	8	2,499
OTHER INCOME	-	-	-	-	10,180
COST OF SALES	(6,290)	(6,290)	-	6,290	(138)
TOTAL REVENUES	\$ (3,301)	\$ 38,926	\$ 42,500	\$ 3,574	\$ 31,857
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 8,233	\$ 3,600	\$ (4,633)	\$ 3,600
81 DIRECTORS FEES	180	1,980	2,160	180	2,160
82 FICA TAXES	-	-	166	166	165
83 ENGINEER/ADMINISTRATIVE	400	4,000	4,800	800	4,800
90 AUDIT & BOOKKEEPING	225	2,250	2,700	450	2,700
92 INSURANCE/BONDS	-	2,034	2,500	466	1,616
96 OFFICE EXPENSE	59	264	650	386	271
97 OFFICE RENT	-	1,420	1,800	380	1,984
100 PROFESSIONAL FEES	-	3,462	5,000	1,538	751
103 TRAVEL	-	-	-	-	-
105 REPAIRS & MAINTENANCE	118	24,746	80,000	55,254	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	1,282	98,389	198,876	100,487	91,883
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (4,583)	\$ (59,463)	\$ (156,376)	\$ (96,913)	\$ (60,026)

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
11/30/2006

12/11/2006 10:58 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	106.90	-	-	11,581.46	106.90
PIPER JAFFRAY	Money Market Account				5,678.95	2,592.02	-	-	8,270.97	266.77
WACHOVIA SEC.	Evergreen Money Mkt Fund				87,673.99	288,904.04	-	353,382.10	23,195.93	930.50
TOTAL CASH ACCOUNTS WITH BROKERS					104,827.50	291,602.96	-	353,382.10	43,048.36	1,304.17
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00	-	-	-	25,000.00	1,094.34
TOTAL COLOTRUST					25,000.00	-	-	-	25,000.00	1,094.34
WACHOVIA SEC.	FNMA 05-27 GA REMIC MULTICLASS CMO	4/25/2034	5.500%	450,000.00	271,260.34	-	6,505.20	150,570.38	127,195.16	11,198.27
	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	-	(144.36)	-	32,744.52	1,654.17
	FHLMC 2688 DD RETAIL LOTTERY	11/15/2033	5.500%	36,000.00	35,844.84	-	(984.96)	-	34,859.88	1,815.00
	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	-	794.75	5,000.00	71,130.75	3,654.13
	FHLMC 3133 MB REMIC MULTICLASS CMO	3/15/2036	6.000%	150,000.00	-	152,368.50	(2,881.50)	-	149,487.00	4,525.00
	FNMA 05-16 WD REMIC MULTICLASS CMO	1/25/2035	5.000%	56,000.00	34,157.34	-	(503.96)	13,228.50	20,424.88	1,312.89
	GNMA 06-27 WE REMIC MULTICLASS CMO	6/20/1936	6.000%	50,000.00	-	50,006.00	(62.50)	-	49,943.50	758.33
	FHLMC 3230 BB REMIC MULTICLASS CMO	4/15/1936	5.750%	50,000.00	-	50,006.00	(299.00)	-	49,707.00	-
	NATIONAL CITY CD	6/15/2007	5.150%	30,000.00	-	29,979.90	20.10	-	30,000.00	(55.03)
TOTAL WACHOVIA SEC.					571,301.47	282,360.40	(657.54)	287,511.64	565,492.69	27,400.92
PIPER JAFFRAY	GNMA POOL #24920	6/15/2008	8.250%		3,032.38	-	12.55	1,109.21	1,935.72	189.19
	FEDL HOME LN MTG CORP FREDDIE NOTES B/E	12/15/2009	3.000%	120,000.00	112,555.20	-	980.40	-	113,535.60	3,300.00
	FEDL NATL MTG ASSN INVT NOTES B/E	8/20/2010	4.000%	100,000.00	96,480.00	-	176.00	-	96,656.00	3,666.63
	FEDL NATL MTG ASSN INVT NOTES B/E	6/24/2011	4.000%	130,000.00	124,436.00	-	283.40	-	124,719.40	4,766.63
	FHLMC #170217	3/1/2017	8.000%		6,924.88	-	(198.13)	1,216.04	5,510.71	405.61
TOTAL PIPER JAFFRAY					343,428.46	-	1,254.22	2,325.25	342,357.43	12,328.06
TOTAL INVESTMENTS					939,729.93	282,360.40	596.68	289,836.89	932,850.12	40,823.32
TOTAL ALL ACCOUNTS					1,044,557.43	573,963.36	596.68	643,218.99	975,898.48	42,127.49

9:40 AM

12/11/06

PUEBLO CONSERVANCY DISTRICT
Reconciliation Summary
1001 - CASH - VECTRA CHECKING, Period Ending 11/30/2006

	Nov 30, 06
Beginning Balance	40,457.81
Cleared Transactions	
Checks and Payments - 5 items	-1,799.32
Deposits and Credits - 2 items	2,212.21
Total Cleared Transactions	412.89
Cleared Balance	<u>40,870.70</u>
Uncleared Transactions	
Checks and Payments - 7 items	-1,094.34
Total Uncleared Transactions	-1,094.34
Register Balance as of 11/30/2006	<u>39,776.36</u>
Ending Balance	39,776.36

9:40 AM

12/11/06

PUEBLO CONSERVANCY DISTRICT
Reconciliation Detail
1001 - CASH - VECTRA CHECKING, Period Ending 11/30/2006

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						40,457.81
Cleared Transactions						
Checks and Payments - 5 items						
Check	5/17/2006	3323	ATKINSON-NOLAN...	X	-1,000.00	-1,000.00
Check	10/18/2006	3360	MBDG, PC	X	-225.00	-1,225.00
Check	10/18/2006	3362	KIDD ENGINEERING	X	-400.00	-1,625.00
Check	11/13/2006	3366	Aquila	X	-118.91	-1,743.91
Check	11/29/2006	3370	GUS SANDSTROM	X	-55.41	-1,799.32
Total Checks and Payments					-1,799.32	-1,799.32
Deposits and Credits - 2 items						
Deposit	11/6/2006			X	987.43	987.43
Deposit	11/9/2006			X	1,224.78	2,212.21
Total Deposits and Credits					2,212.21	2,212.21
Total Cleared Transactions					412.89	412.89
Cleared Balance					412.89	40,870.70
Uncleared Transactions						
Checks and Payments - 7 items						
Check	11/29/2006	3374	VECTRA BANK		-35.00	-35.00
Check	11/29/2006	3373	PUEBLO CHIEFTAIN		-23.52	-58.52
Check	11/29/2006	3372	VALERIE HAYNES		-55.41	-113.93
Check	11/29/2006	3371	K FARLEY		-55.41	-169.34
Check	11/29/2006	3369	KIDD ENGINEERING		-400.00	-569.34
Check	11/29/2006	3367	MBDG, PC		-225.00	-794.34
Check	11/29/2006	3368	BB&C, PC		-300.00	-1,094.34
Total Checks and Payments					-1,094.34	-1,094.34
Total Uncleared Transactions					-1,094.34	-1,094.34
Register Balance as of 11/30/2006					-681.45	39,776.36
Ending Balance					-681.45	39,776.36

9:42 AM

12/11/06

PUEBLO CONSERVANCY DISTRICT
Reconciliation Summary
1002 · CASH-VECTRA MONEY MKT, Period Ending 11/30/2006

	Nov 30, 06
Beginning Balance	11,569.66
Cleared Transactions	
Deposits and Credits - 1 item	11.80
Total Cleared Transactions	11.80
Cleared Balance	<u>11,581.46</u>
Register Balance as of 11/30/2006	11,581.46
Ending Balance	11,581.46

9:42 AM

12/11/06

PUEBLO CONSERVANCY DISTRICT
Reconciliation Detail
1002 - CASH-VECTRA MONEY MKT, Period Ending 11/30/2006

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						11,569.66
Cleared Transactions						
Deposits and Credits - 1 item						
General Journal	11/30/2006	AJE 1...		X	11.80	11.80
Total Deposits and Credits					11.80	11.80
Total Cleared Transactions					11.80	11.80
Cleared Balance					11.80	11,581.46
Register Balance as of 11/30/2006					11.80	11,581.46
Ending Balance					<u>11.80</u>	<u>11,581.46</u>

NOVEMBER 2006 - DECEMBER 2006

RECEIPTS

VENDOR	ITEM	AMOUNT
First Clearing, LLC	Interest Payment	\$ 250.00
First Clearing, LLC	Interest Payment	\$ 1,377.50
First Clearing, LLC	Interest Payment	\$ 680.86
UBS	Interest	\$ 1,114.78
Wells Fargo - Colotrust	Dividend	\$ 106.42
		\$ 3,529.56

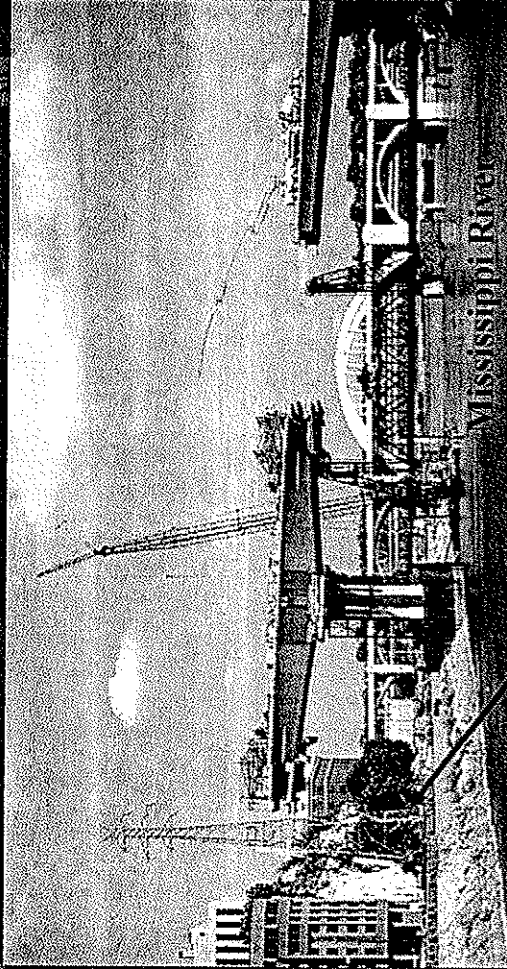
DEBITS

VENDOR	ITEM	AMOUNT	CHECK	Code
Aquila	Electrical Billing	\$ 117.15	3375	105
MBDG, PC	Bookkeeping	\$ 225.00	3376	90
Don Banner -- BB&C, PC	Attorney Fees	\$ 300.00	3377	80
Kidd Engineering	Engineer/Admin Fees	\$ 400.00	3378	83
Director Sandstrom	Fees	\$ 55.41	3379	81
Director Farley	Fees	\$ 55.41	3380	81
Director Haynes	Fees	\$ 55.41	3381	81
		\$ 1,091.23		

Construction Access & Staging Areas



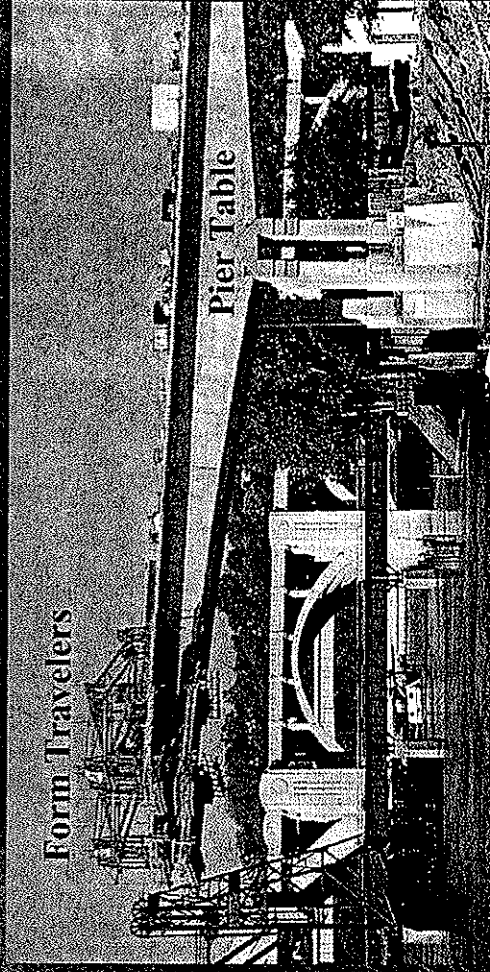
Segment Casting / Concrete / Advanced Concrete



Mississippi River

Chicago
Northwestern
Railroad

Form Travelers



Pier Table

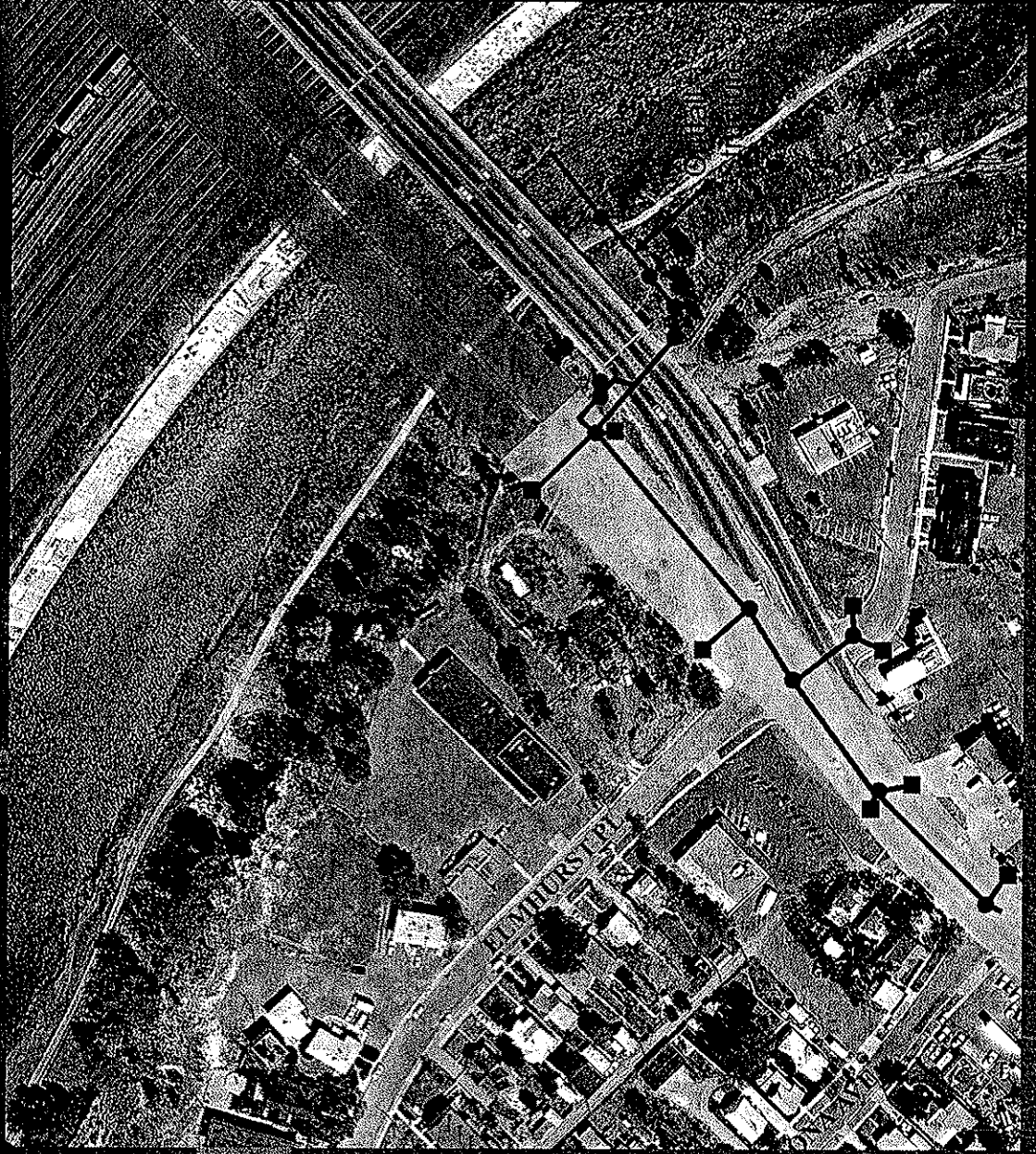
Mississippi River



Drainage

New Drainage System

West End



Drainage

New Drainage System
West End Outfall Structure

