

MINUTES OF THE JANUARY 17, 2007 REGULAR MEETING OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Sandstrom; Farley; Haynes

Also Present: Counselor Don Banner; Administrator Rick Kidd

With a quorum present, the Pueblo Conservancy District board meeting was called to order at 8:10 am.

The Minutes of the December 13, 2006 Regular Meeting were reviewed. Farley moved to approve the Minutes. The Minutes were approved as posted.

Treasurer's Report:

The accountant's draft reports for December were reviewed. Farley moved to receive and file the December reports. Motion passed. Kidd is to ask the accountant if we are on an accrual or cash accounting basis.

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
\$ 1100.00	Kidd Engineering, Wildhorse Creek flood HWL and topo
\$ 150.00	4 th Street Bridge DOT ROW survey descriptions
\$ 55.41	Sandstrom, Director's Fee
\$ 55.41	Haynes, Director's Fee
\$ 55.41	Farley, Director's Fee
\$ 330.48	United States Treasury, Form 944 W/H

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

Investments – Sandstrom said that there is \$61,000 available at Wachovia to reinvest, and that Calvin Mason is suggesting that it be put into housing bonds rather than certificates of deposit this time. Farley moved to invest \$50,000 in housing bonds. Motion passed.

4th Street Bridge – Sandstrom said that the HARP Quiet Title action documentation has a statement of what the State said was the value of the river bed. This information is in a box somewhere. Banner is to look at the Starr proposal and Kidd is to get the documents on the sale to Dawson. If the values are favorable, this documentation will be provided to CDOT to justify our request for a higher reimbursement for the ROW.

Wildhorse Levee -- Kidd reported that his surveys show that the land side is at least two feet higher than the high water line from the flood last fall. Kidd says that Maroney (City drainage engineer) is now going back on this being a 200-year storm. Maroney says that some models are showing that this was maybe only a 25-year flood.

Potential Appraisers -- Sandstrom offered the following names for consideration: John Vigil (Wells Fargo Bank), Richard Mullineaux (Insurance), Mark Lang (Houston Construction estimator), and Alan Ward (Pueblo Board of Water Works). Sandstrom has talked to Vigil and Mullineaux and they have both said they are willing to be on the appraisal panel. Sandstrom and Banner are to work together to develop a panel of six potential appraisers, with resumes. Banner is to then prepare a motion to the Court.

January 17, 2007 Minutes, Page 2 of 2

FEMA: Special presentation at 9:00 am

Guests: Nancy Steinberger (FEMA), Shandi Teltschik (FEMA), Dawn Gladwell (CWCB), Mark Kempton (Anderson Consulting), Ryan Carroll (Michael Baker, Inc.), and Dennis Maroney (Pueblo Storm Water).

Maroney said that FEMA and the City wanted to discuss the Provisionally Accepted Levees Program (PAL). If certification is not done by the time of DFIRM mapping, the PAL allows an additional 24 months for actual certification. There has to be an agreement that the Owner will certify the levee within that 24 month period. If this option is used, the maps will include a warning statement that the levee was not yet certified at the time of the mapping. Kidd said that the District cannot commit to doing the certification within 24 months when we do not even know yet what reaches of the levees have to be certified, or what the certification requirements are. Teltschik said that the requirements for certification are in the Army Corps of Engineer (ACE) manuals, that this information has been provided to us and is available over the internet under CFR 65.10. Kidd said that at the meeting last summer Anderson and Baker said that they would be working with FEMA to develop criteria for the District because the standing criteria probably was in excess of what should be required for the District's levees.

Gladwell and Kempton entered the meeting. Gladwell said that prior to 1980 there was no need to do levee evaluations and certifications. Due to concern over the Nation's levee systems, in 1986 FEMA set up requirements under CFR 65.10. Gladwell said that there are three options for the FEMA delineated flood insurance rate mapping (DFIRM). The options are: 1) Get certified and show the levee on DFIRM, 2) Uncertify and redo the flood plain maps, or 3) Agreement to the PAL for certification within 24 months. Teltschik said that all of our levees would have to meet the CFR 65.10 certification. The requirement for certification applies only to the portions where the ground side is less than the 100-year HWL. FEMA and Baker are reviewing the City's study on Wildhorse Creek. CWCB had last year's storm analyzed and they say that it was only a 25-year storm versus the 200-year storm as thought by the City. Kempton confirmed that, per the meeting last summer, Baker is to provide the District recommendations for the soils borings and other requirements for the levee certification.

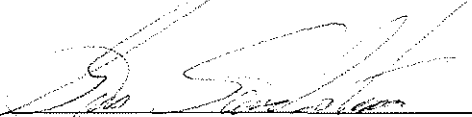
The discharges in the Arkansas River are driven by Goodnight Arroyo and Wildhorse Creek. The composite and flows need to be determined. The corresponding flood elevation in Fountain Creek also needs to be determined. After these determinations are made, Anderson will remodel the flood flows and elevations from the confluence with Fountain Creek, up the Arkansas River, and on up Wildhorse Creek to determine the 100-year flood elevations. Anderson can then tell the District what portions of the levee system need to be certified. FEMA and Baker are to provide the District with guidance on what needs to be done for certification.

The District's 24 months under the PAL agreement, per CWCB and Anderson, does not start until we know the criteria.

The next meeting is set for February 14 at 8:00 am.

There being no further business to come before the Board, the meeting was adjourned at 10:25 a.m.

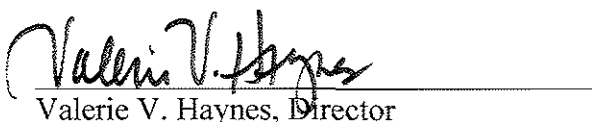
APPROVED:



Gus Sandstrom, Director



Kathleen Farley, Director



Valerie V. Haynes, Director

THE PUEBLO CONSERVANCY DISTRICT

NOTICE OF MEETING

DATE: JANUARY 17, 2007 (Wednesday) AT 8:00 A.M.

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

AGENDA

1. ROLL CALL
2. APPROVAL OF DECMEBER 13, 2006 MINUTES
3. TREASURER'S REPORT
 - a. DECEMBER 2006 ACCOUNTANT'S REPORTS
 - b. PAYMENT OF BILLS
4. 4TH STREET BRIDGE EASEMENT AND ACCESS UPDATE
5. LEVEE UPDATE+
6. POTENTIAL APPRAISERS
7. FEMA REPRESENTATIVES AT 9:00 am
8. OTHER BUSINESS AS MAY BE BROUGHT BEFORE THE BOARD
9. ADJOURNMENT

Future meetings scheduled for:

February 14	May 23
March 14 <i>Kathy Robinson</i>	June 20
April 18	

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

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

	<u>12/31/2006</u>	<u>12/31/2005</u>
ASSETS		
VECTRA BANK CHECKING	\$ 42,348	\$ 24,754
VECTRA BANK MONEY MARKET	11,593	11,475
BROKERAGE MONEY MARKET ACCOUNTS	65,804	93,353
COLOTRUST INVESTMENT	25,000	25,000
WACHOVIA SECURITIES INVESTMENT	528,952	571,301
PIPER JAFFRAY INVESTMENT	341,889	343,428
ACCRUED INTEREST	4,805	5,032
BOOK INVENTORY	<u>-</u>	<u>6,290</u>
 TOTAL ASSETS	 <u>\$ 1,020,391</u>	 <u>\$ 1,080,633</u>
LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ 625	\$ 740
PAYROLL TAXES PAYABLE	330	82
DEFERRED INCOME	<u>1,042</u>	<u>1,042</u>
 TOTAL LIABILITIES	 <u>1,997</u>	 <u>1,864</u>
RESERVE FOR EMERGENCIES	6,000	6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	156,376	111,176
UNDESIGNATED	<u>856,018</u>	<u>961,593</u>
 TOTAL FUND EQUITY	 <u>1,018,394</u>	 <u>1,078,769</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,020,391</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 TWELVE MONTHS ENDED DECEMBER 31, 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	\$ 130	\$ 1,224	\$ -	\$ -	\$ 782
MONEY MARKET ACCOUNTS	246	1,550	-	-	2,346
WACHOVIA SECURITIES	2,338	29,739	-	-	25,159
PIPER JAFFRAY	1,085	13,413	-	-	13,529
UNREALIZED GAINS (LOSSES)	(2,906)	(2,309)	-	-	(22,500)
TOTAL INTEREST INCOME	893	43,617	40,000	(3,617)	19,316
LEASE PAYMENTS	208	2,700	2,500	(200)	2,499
OTHER INCOME	-	-	-	-	10,180
COST OF SALES	-	(6,290)	-	6,290	(138)
TOTAL REVENUES	\$ 1,101	\$ 40,027	\$ 42,500	\$ 2,473	\$ 31,857
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 8,533	\$ 3,600	\$ (4,933)	\$ 3,600
81 DIRECTORS FEES	180	2,160	2,160	-	2,160
82 FICA TAXES	165	165	166	1	165
83 ENGINEER/ADMINISTRATIVE	800	4,800	4,800	-	4,800
90 AUDIT & BOOKKEEPING	450	2,700	2,700	-	2,700
92 INSURANCE/BONDS	-	2,034	2,500	466	1,616
96 OFFICE EXPENSE	-	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	117	24,863	80,000	55,137	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	2,012	100,401	198,876	98,475	91,883
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (911)	\$ (60,374)	\$ (156,376)	\$ (96,002)	\$ (60,026)

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
12/31/2006

1/16/2007 1:34 PM

BROKER	DESCRIPTION	MATURITY DATE	RATE	PAR VALUE	BALANCE 12/31/2005	ADDITIONS	MKT VALUE CHANGE	REDEMPTION SALES	BALANCE 12/31/2006	INTEREST RECEIVED 12/31/2006
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				11,474.56	118.32	-	-	11,592.88	118.32
PIPER JAFFRAY	Money Market Account				5,678.95	3,024.10	-	-	8,703.05	336.80
WACHOVIA SEC.	Evergreen Money Mkt Fund				87,673.99	322,808.93	-	353,382.10	57,100.82	1,095.10
TOTAL CASH ACCOUNTS WITH BROKERS					104,827.50	325,951.35	-	353,382.10	77,396.75	1,550.22
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00	-	-	-	25,000.00	1,200.76
TOTAL COLOTRUST					25,000.00	-	-	-	25,000.00	1,200.76
WACHOVIA SEC.	FNMA 05-27 GA REMIC MULTICLASS CMO	4/25/2034	5.500%	450,000.00	271,260.34	-	7,334.21	176,487.12	102,107.43	11,790.16
	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	-	(694.80)	-	32,194.08	1,804.17
	FHLMC 2688 DD RETAIL LOTTERY	11/15/2033	5.500%	36,000.00	35,844.84	-	(1,671.48)	-	34,173.36	1,980.00
	FHLMC 2804 UC REMIC MULTICLASS CMO	11/15/2033	6.000%	8,000.00	181.59	-	(0.57)	181.02	-	3.10
	FHLMC 3004 GG RETAIL LOTTERY	7/15/2034	5.000%	80,000.00	75,336.00	-	236.27	11,000.00	64,572.27	3,966.63
	FHLMC 3133 MB REMIC MULTICLASS CMO	3/15/2036	6.000%	150,000.00	-	152,368.50	(4,101.00)	-	148,267.50	5,275.00
	FNMA 05-16 WD REMIC MULTICLASS CMO	1/25/2035	5.000%	56,000.00	34,157.34	-	(131.68)	15,052.05	18,973.61	1,401.86
	GNMA 06-27 WE REMIC MULTICLASS CMO	6/20/1936	6.000%	50,000.00	-	50,006.00	(512.00)	-	49,494.00	1,258.33
	FHLMC 3230 BB REMIC MULTICLASS CMO	4/15/1936	5.750%	50,000.00	-	50,006.00	(836.00)	-	49,170.00	-
	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	(3,457.69)	321,251.93	528,952.25	29,959.28
PIPER JAFFRAY	GNMA POOL #24920	6/15/2008	8.250%		3,032.38	-	1.18	1,303.62	1,729.94	201.70
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	12/15/2009	3.000%	120,000.00	112,555.20	-	1,012.80	-	113,568.00	3,600.00
	FEDL NATL MTG ASSN INVT NOTES B/E	8/20/2010	4.000%	100,000.00	96,480.00	-	208.00	-	96,688.00	3,999.96
	FEDL NATL MTG ASSN INVT NOTES B/E	6/24/2011	4.000%	130,000.00	124,436.00	-	241.80	-	124,677.80	5,199.96
	FHLMC #170217	3/1/2017	8.000%		6,924.88	-	(315.48)	1,383.68	5,225.72	441.22
TOTAL PIPER JAFFRAY					343,428.46	-	1,148.30	2,687.30	341,889.46	13,442.84
TOTAL INVESTMENTS					939,729.93	282,360.40	(2,309.39)	323,939.23	895,841.71	44,602.88
TOTAL ALL ACCOUNTS					1,044,557.43	608,311.75	(2,309.39)	677,321.33	973,238.46	46,153.10

PUEBLO CONSERVANCY DISTRICT

DECEMBER 2006-JANUARY 2007

RECEIPTS

VENDOR	ITEM	AMOUNT
First Clearing, LLC	Interest Payment	\$ 250.00
First Clearing, LLC	Interest Payment	\$ 1,604.58
First Clearing, LLC	Interest Payment	\$ 603.97
UBS Financial Services	Interest Payment	\$ 1,113.51
Wells Fargo, COLOTRUST	Dividend	\$ 110.31
		\$ 3,682.37

DEBITS

VENDOR	ITEM	AMOUNT	CHECK	Code
Aquila	Electrical Billing	\$ 118.91	3382	105
MBDG, PC	Bookkeeping	\$ 225.00	3383	90
Don Banner -- BB&C, PC	Attorney Fees	\$ 300.00	3384	80
Kidd Engineering	Engineer/Admin Fees	\$ 400.00	3385	83
Kidd Engineering	Wildhorse Cr HWL & Topo	\$ 1,100.00	"	100
Kidd Engineering	CDOT 4th St Bridge ROW	\$ 150.00	"	100
Director Sandstrom	Fees	\$ 55.41	3386	81
Director Farley	Fees	\$ 55.41	3387	81
Director Haynes	Fees	\$ 55.41	3388	81
United States Treasury	Form 944 W/H	\$ 330.48	3389	82
		\$ 2,671.71		

Memo

To: Rick Kidd
From: Dan Boyd
Date: January 15, 2007
Subject: Proposed 4th St. Bridge

I have looked over the proposed right of way documents from CDOT and the Appraisal report by Kyle L. Wigington, J.D. and offer the following comments:

Upon review of the appraisal report, I find it very generic boiler plate and full of fluff.

The appraiser's definition of "Highest and Best use before and after take" is open space / trails/ recreation – He does not understand or recognize the function and existence of the Conservancy District as being for the protection of life and property. In his report he describes Pueblo on page 29 as a "“Preserve America” community; Pueblo offers the Beautiful Historic Arkansas Riverwalk, many diverse museums and a historic business district. The single most important event in Pueblo History was the flood of 1921, which inundated the Union Ave. district and surrounding areas in over 11 feet of water. As the water receded, so did much of the spirit and character of the District.”

This statement is insulting and shows his ignorance of Pueblo. Pueblo rebuilt after the flood and with the Pueblo Conservancy District relocated the river channel to its present location. The levee is an integral part of the river relocation which the appraiser chose to ignore. No mention of the levee as an improvement is mentioned in his report.

The appraiser calculated a cost of \$0.06 per square foot value for Conservancy property, based on a 49.9 acres parcel in El Paso County, a 188.75 acre and 99.92 in Avondale, which are contiguous parcels and basically the same land and a fourth parcel of 6.6 acres near the old Valco plant west of Pueblo.

These sites are large areas of land, which would be cheaper per square foot price. The smaller the parcel the more cost per square foot. These comps should not be used.

(Decree July 14, 1924 in the matter of the Pueblo Conservancy District has value of land at \$0.0158 per square foot). I'm sure the State has had similar projects to use for comparable costs.

The integrity of the levee, the southwest bluffs and embankment and the river channel itself must not be jeopardized.

As you know, presently there is water siphoning or flowing along and through the levee downstream, adjacent to the railroad refueling area. This is an example of why extreme care must be exercised when building new bridge abutments in Conservancy District property.

In conclusion, all photos in the appraiser's report are described in the wrong direction, though petty, are indicative of the whole report. It is boiler plate and fluff. The comps used are flawed and smells of a rush job. The entire appraisal should not be accepted.

Upon review of the CDOT proposed description I offer the following comments:

Submitted in this packet are two proposed parcels PE-15 and PE-15 Rev. which caused some confusion, however it is parcel PE-15 Rev. that is the parcel concerned here.

Since the proposed permanent easement runs in a N64°49'47"E direction I believe the proper terms in the description should be northeasterly, southwesterly, northwesterly and southeasterly instead of northerly and westerly. This would help eliminate confusion in the description.

The description of Parcel PE-15 Rev. closes and the area is correct.

The signature & date of the surveyor should be written through the seal.

The basis of bearings statement should identify the monuments and should tie to the property.

Parcel PE-15B Rev.

The northwesterly corner of Lot 1, Block 2, Delevan Place is described as the Point of Beginning. How was this corner determined and what monument is placed here? Is it tied to the rest of the world? Again, as above, I would use the terms southwesterly, northwesterly etc., in lieu of northerly, westerly.

Parcel PE-15 B closed and the area is correct. The signature and date should be written through the seal.

The basis of bearings according to bylaws and rules of the State Board of Architects, Engineers and Surveyors 60.1.2.5 - Unacceptable Statements; the description of CDOT Control Monument 7 and Control Monument 15 must be added to Basis of Bearings statement i.e., $\frac{3}{4}$ " x 30" rebar with 3-1/4" Diameter Aluminum cap set in concrete. The bearings used must be identified as grid or ground and what datum was used i.e., 1927? A tie to Point of Beginning should be added. This applies to all of their descriptions.

Parcel PE-15A

The description closed and the area is correct. The basis of bearings should identify the monument as described above and the signature and date should be through the seal.