

MINUTES OF THE APRIL 18, 2007 REGULAR MEETING OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: 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 8:04 am.

The Minutes of the March 14, 2007 Regular Meeting were reviewed. Haynes moved to approve the Minutes. The Minutes were approved as posted.

Treasurer's Report:

The final accountant's report for March 2007 were reviewed. Haynes moved to receive and file the reports. Motion passed.

Bills – The following bills were posted for review and approval

\$ 250.00	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
\$ 1,350.00	Spaccamonti Excavating, Wildhorse Creek Levee Cleaning

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

Funding – Banner provided an update since Farley was not at the last meeting. There is a mechanism in the Conservancy District statute for putting money into a maintenance fund once the construction is completed. The Supreme Court has ruled that maintenance fees are not taxes. The first thing that we need to do is to get the District's official plan updated and approved. The official plan does not currently include the environmental and trails work that we are authorized to do.

Official Plan – Banner has drafted a plan and it is in a motion to file with the Court. Haynes moved to adopt the Official Plan and file it with the Court. The adoption of the plan was approved.

Banner will file the motion after discussing timing with Sandstrom. Banner suggested that the District may want to publish the Official Plan in the paper. Banner says that the amount of levy against the properties must be determined prior to November. The process to determine the assessment amount has to be approved the the judge. Publishing of the Official Plan should not be done until after the judge approves the Plan.

PCD Board – Banner has a motion to reappoint Sandstrom and Farley to the PCD Board. He will file it with the Court.

County Easement – The County requested an easement to install a culvert under the sidewalk along Thomas Phelps Creek. They provided a draft easement. Kidd explained that the purpose is to help take the "top" off of some of the flood water that collects in the area east of the baseball diamonds. Banner recommended that maintenance also be included in the easement, and that the District not warrant the title to the property in question. Farley moved to approve the easement subject to the changes and improvement of the legal description. Motion passed.

April 18, 2007 Minutes, Page 2 of 2

4th Street Bridge Easement – It was moved to formally accept the \$4500 counter proposal offered by the District to CDOT. The proposed CDOT easement must be put into acceptable form. Farley moved and motion passed.

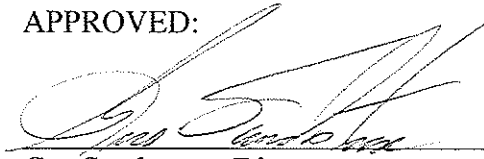
Levee Piping – Kidd reported that Pat Edelmann, with the USGS, says that he has some dye and the equipment together. Kidd and Edelmann will be scheduling to meet to do trial work.

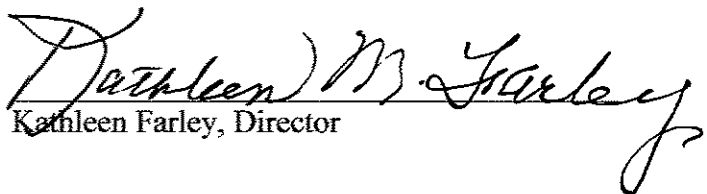
Levee Certification – Banner suggested going to a third party and get a proposal for what they believe it should take for certification of the levees. The District would then send this proposal to FEMA to see if they would accept the plan for certification. It was agreed that Banner would talk to SEH Engineering about preparing a proposal.

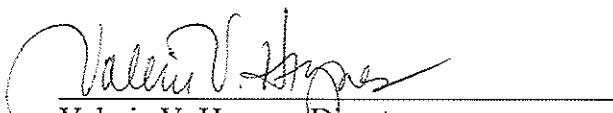
The next meeting is set for May 23 at 8:00 am.

There being no further business to come before the Board, the meeting was adjourned at 9:00 a.m.

APPROVED:


Gus Sandstrom, Director


Kathleen Farley, Director


Valerie V. Haynes, Director

THE PUEBLO CONSERVANCY DISTRICT

NOTICE OF MEETING

DATE: APRIL 18, 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 MARCH 14, 2007 MINUTES
3. TREASURER'S REPORT
 - a. MARCH 2007 ACCOUNTANT'S REPORTS
 - b. PAYMENT OF BILLS
4. FUNDING PROCESS
5. OTHER BUSINESS AS MAY BE BROUGHT BEFORE THE BOARD
6. ADJOURNMENT

Future meetings scheduled for:

May 23

June 20

Rick: I have trouble in San Isabel and will not be able to make it Wednesday. I need to head up there now and then meet folks in San Isabel at 8am for some immediate repair work. The number there is 489-2994 but let it ring ten or twelve times. If I'm under the cabin it takes a while to hear it and get to it.

Anyway here is my input.

- ✓1. I think we should adopt the official plan, Don and I should discuss it with Jagger & Kogosevek to see if they desire or suggest any amendment before submitting it to the judge.
2. Judge Maes has agreed to let me remove the file boxes to get them organized and copy anything we want.
3. We need to get the maps and the safe in a position we can get to them and when that occurs please let me know. We have a local historian who wants to do some research and can help organize the maps and safe. He is Payton Abbott and is writing a history of the Arkansas River.
- ✓4. I have not found a student helper yet but have a lead. The preacher didn't work out. But I will get it done.
- ✓5. We should close the \$4,500.00 deal with CDOT. Mike Shay will send us the check for the easement.
- ✓6. We need to find a time to talk with city or whoever about how to get the maintenance road (trail) that has now become dirt back to use with cement or at least pavement.
- ✓7. We probably need to contact Ballantyne and let him set up a meeting of the group they wanted to discuss the highway with when they met with us.
8. In May we need to set a date to tour the levy and make a list of needs so we can prioritize them.
9. Have we heard from the Corps re: the piping and what about the dye?
10. How are we coming on the ownership map?
- ✓11. I'll call you when I get back.
- ✓12. Did we get an order reappointing board members?
- ✓13. I wasn't able to reach Val but Kathy & I pre-approved the drain under the sidewalk at Runyon. That needs to be ratified at the meeting.

Have a good day and a good meeting Wed.

Gus

*Agenda
for May*

MINUTES OF THE MARCH 14, 2007 REGULAR MEETING OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Sandstrom; Haynes

Also Present: Counselor Don Banner; Administrator Rick Kidd

With a quorum present, the Pueblo Conservancy District board meeting was called to order at 8:08 am.

The Minutes of the February 14, 2007 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 December 2006, January 2007 and February 2007 were reviewed. Haynes moved to receive and file the reports. Motion passed.

Bills — The following bills were posted for review and approval

\$ 250.00	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

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

Funding — Sandstrom and Banner reviewed the State statute with regards to taxes that can be imposed by the District. Since we are not buying new land and the funding is for maintenance only then we do not need an appraisal. We need to pull the files to get the original formula for assessment of taxes to the lots within the District. WE may not need to do an election either because a Supreme Court decision says that this is not a "tax". Sandstrom wants to hire some student to help pull curt orders, put in order, and glean information that we need.

Haynes moved to allow Sanstrom to hire a clerk / researcher at a budget of \$1000. Motion passed.

Southeastern Colorado Heritage Center Membership — Haynes moved continuing our membership and payment of \$500 for 2007 dues. Motion passed

Official Plan — Approval of an official plan for the District should be on the agenda for the next meeting.

Terrance Valdez — Kidd reported that Spaccamonti gave a quote of \$1350 to clean the sediment that has washed down the Wildhorse Creek levee bank and to the yard to Mr. Valdez. Haynes moved to approve this expenditure. Motion passed.

Starr Land Purchase — Banner wanted the records to show that the sale to John Starr has been consummated

RECORD OF PROCEEDINGS

March 14, 2007 Minutes, Page 2 of 2

The next meeting is set for April 18 at 8:00 am.

There being no further business to come before the Board, the meeting was adjourned at 9:00 a.m.

APPROVED:

Gus Sandstrom, Director

Kathleen Farley, Director

Valerie V. Haynes, Director



McPherson,
Breyfogle,
Daveline &
Goodrich, PC
Certified Public Accountants

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 sheets – general fund only – of the Pueblo Conservancy District as of March 31, 2007 and December 31, 2006, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the one month and three months ended March 31, 2007, and the twelve months ended December 31, 2006, 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

April 16, 2007

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
MARCH 31, 2007 AND DECEMBER 31, 2006

	<u>2/28/2007</u>	<u>12/31/2006</u>
ASSETS		
VECTRA BANK CHECKING	\$ 48,132	\$ 42,348
VECTRA BANK MONEY MARKET	11,629	11,593
BROKERAGE MONEY MARKET ACCOUNTS	37,992	65,804
COLOTRUST INVESTMENT	25,000	25,000
WACHOVIA SECURITIES INVESTMENT	561,582	528,952
PIPER JAFFRAY INVESTMENT	343,434	341,889
ACCRUED INTEREST	-	4,805
BOOK INVENTORY	-	-
TOTAL ASSETS	<u>\$ 1,027,769</u>	<u>\$ 1,020,391</u>
LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 625
PAYROLL TAXES PAYABLE	41	330
DEFERRED INCOME	417	1,042
TOTAL LIABILITIES	<u>458</u>	<u>1,997</u>
RESERVE FOR EMERGENCIES	6,000	6,000
DESIGNATED FOR SUBSEQUENT		
YEAR'S EXPENDITURES	156,376	156,376
UNDESIGNATED	864,935	856,018
TOTAL FUND EQUITY	<u>1,027,311</u>	<u>1,018,394</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,027,769</u>	<u>\$ 1,020,391</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
ACTUAL AND BUDGET - GENERAL FUND
FOR THE ONE AND THREE MONTHS ENDED MARCH 31, 2007
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2006

	ACTUAL				
	CURRENT MONTH	YEAR TO DATE	2007 BUDGET	UNUSED BUDGET	2006 ACTUAL
REVENUES					
INTEREST INCOME					
COLOTRUST	\$ 100	\$ 210	\$ -	\$ -	\$ 1,224
MONEY MARKET ACCOUNTS	98	358	-	-	1,550
WACHOVIA SECURITIES	2,603	2,760	-	-	29,739
PIPER JAFFRAY	1,110	1,854	-	-	13,413
UNREALIZED GAINS (LOSSES)	(2,582)	6,272	-	-	(2,309)
TOTAL INTEREST INCOME	1,329	11,454	30,000	18,546	43,617
LEASE PAYMENTS	208	625	2,500	1,875	2,700
OTHER INCOME	3,000	3,001	-	(3,001)	-
COST OF SALES	-	-	-	-	(6,290)
TOTAL REVENUES	\$ 4,537	\$ 15,080	\$ 32,500	\$ 17,420	\$ 40,027
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 900	\$ 7,000	\$ 6,100	\$ 8,833
81 DIRECTORS FEES	180	540	3,000	2,460	2,160
82 FICA TAXES	-	-	240	240	165
83 ENGINEER/ADMINISTRATIVE	400	800	4,800	4,000	4,800
90 AUDIT & BOOKKEEPING	250	500	3,000	2,500	2,700
92 INSURANCE/BONDS	-	2,199	2,500	301	2,034
96 OFFICE EXPENSE	-	121	650	529	264
97 OFFICE RENT	500	500	500	-	1,420
100 PROFESSIONAL FEES	-	-	8,000	8,000	3,462
APPRAISAL	-	-	60,000	60,000	-
103 TRAVEL	-	-	250	250	-
105 REPAIRS & MAINTENANCE	119	238	100,000	99,762	24,982
PIPING REPAIRS	-	-	75,000	75,000	-
108 CONTINGENCIES	-	-	500	500	-
109 EMERGENCY REPAIR	-	-	20,000	20,000	-
110 CAPITAL IMPROVEMENTS	-	-	25,000	25,000	-
111 PLANNING & DEVELOPMENT	-	-	5,000	5,000	-
112 HARP - O & M	-	-	10,000	10,000	50,000
113 SALES TAX	-	-	-	-	-
TOTAL EXPENDITURES	1,749	5,798	325,440	319,642	100,820
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 2,788	\$ 9,282	\$ (292,940)	\$ (302,222)	\$ (60,793)

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
3/31/2007

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BROKER	DESCRIPTION	MATURITY DATE	RATE	PAR VALUE	BALANCE 12/31/2006	ADDITIONS	MKT VALUE CHANGE	REDEMPTION SALES	BALANCE 12/31/2007	INTEREST RECEIVED 12/31/2007	ACCRUED INTEREST 12/31/2007	ACCRUED INTEREST 12/31/2006	G/L ACCT	ADJUSTMENT 12/31/2007
CASH ACCOUNTS														
VECTRA BANK	Money Market Account				11,592.88	35.89	-	-	11,628.77	35.89				-
PIPER JAFFRAY	Money Market Account				8,703.05	962.80	-	-	9,665.85	108.70				-
WACHOVIA SEC.	Evergreen Money Mkt Fund				57,100.82	21,462.90	-	50,237.60	28,326.12	213.44				-
TOTAL CASH ACCOUNTS WITH BROKERS					77,396.75	22,461.59	-	50,237.60	49,620.74	358.03				-
INVESTMENTS														
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00	-	-	-	25,000.00	320.42	110.31	110.31		-
TOTAL COLOTRUST					25,000.00	-	-	-	25,000.00	320.42	110.31	110.31	4007	-
WACHOVIA SEC.	FNMA 05-27 GA REMIC MULTICLASS CMO	4/25/2034	5.500%	450,000.00	102,107.43	-	162.71	10,865.61	91,404.53	1,601.88	575.20	581.65		(6.45)
	FHLMC 3040 CA REMIC MULTICLASS CMO	9/15/2019	5.000%	108,000.00	-	-	-	-	-	-	-	-		-
	FNMA 03-52 BD REMIC MULTICLASS CMO	3/25/2033	5.500%	28,000.00	-	-	-	-	-	-	-	-		-
	FHLMC 2646 LL RETAIL LOTTERY	8/15/2033	5.000%	78,000.00	32,194.08	-	549.36	-	32,743.44	300.00	218.22	217.07		1.15
	FHLMC 2688 DD RETAIL LOTTERY	11/15/2033	5.500%	36,000.00	34,173.36	-	640.44	-	34,813.80	495.00	244.78	243.31		1.47
	FHLMC 2804 UC REMIC MULTICLASS CMO	11/15/2033	6.000%	8,000.00	-	-	-	-	-	-	-	-		-
	FHLMC 3004 GG RETAIL LOTTERY	7/15/2034	5.000%	80,000.00	64,572.27	-	878.75	8,000.00	57,451.02	858.33	419.69	434.53		(14.84)
	FHLMC 3133 MB REMIC MULTICLASS CMO	3/15/2036	6.000%	150,000.00	148,267.50	-	1,455.00	-	149,722.50	2,250.00	1,124.31	1,120.67		3.64
	FNMA 05-16 WD REMIC MULTICLASS CMO	1/25/2035	5.000%	56,000.00	18,973.61	-	71.96	1,383.85	17,661.72	244.36	93.54	94.26		(0.72)
	GNMA 06-27 WE REMIC MULTICLASS CMO	6/20/2036	6.000%	50,000.00	49,494.00	-	120.00	-	49,614.00	500.00	331.56	331.36		0.20
	FHLMC 3230 BB REMIC MULTICLASS CMO	4/15/2036	5.750%	50,000.00	49,170.00	-	401.00	-	49,571.00	718.74	358.34	357.38		0.96
	FHLMC 3264 UU REMIC MULTICLASS CMO	6/15/2036	5.750%	50,000.00	-	50,006.00	(405.84)	1,000.00	48,600.16	7.98	-	-		-
	NATIONAL CITY CD	6/15/2007	5.150%	30,000.00	30,000.00	-	-	-	30,000.00	-	836.88	836.88		-
TOTAL WACHOVIA SEC					528,952.25	50,006.00	3,873.38	21,249.46	561,582.17	6,976.29	4,202.52	4,217.11	4006	(14.59)
PIPER JAFFRAY	GNMA POOL #24920	6/15/2008	8.250%		1,729.94	-	(34.57)	412.64	1,292.73	33.51	16.28	17.79		(1.51)
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	12/15/2009	3.000%	120,000.00	113,568.00	-	871.20	-	114,439.20	900.00	450.00	450.00		-
	FEDL NATL MTG ASSN INVT NOTES B/E	8/20/2010	4.000%	100,000.00	96,688.00	-	625.00	-	97,313.00	999.99	442.92	442.92		-
	FEDL NATL MTG ASSN INVT NOTES B/E	6/24/2011	4.000%	130,000.00	124,677.80	-	854.10	-	125,531.90	1,299.99	518.81	518.81		-
	FHLMC #170217	3/1/2017	8.000%		5,225.72	-	73.21	441.46	4,857.47	102.73	51.20	52.43		(1.23)
TOTAL PIPER JAFFRAY					341,889.46	-	2,398.94	854.10	343,434.30	3,336.22	1,479.21	1,481.95	4008	(2.74)
TOTAL INVESTMENTS					895,841.71	50,006.00	6,272.32	22,103.56	930,016.47	10,632.93	5,792.04	5,809.37		(17.33)
TOTAL ALL ACCOUNTS					973,238.46	72,467.59	6,272.32	72,341.16	979,637.21	10,990.96	5,792.04	5,809.37	1200	(17.33)

PUEBLO CONSERVANCY DISTRICT

MARCH 2007 - APRIL 2007

RECEIPTS

VENDOR	ITEM	AMOUNT
First Clearing, LLC	Interest Payment	\$ 519.49
UBS Financial	Interest Payment	\$ 1,107.97
Wells Fargo - Colotrust	Dividend	\$ 110.08
		\$ 1,737.54

DEBITS

VENDOR	ITEM	AMOUNT	CHECK	Code
Aquila	Electrical Billing	\$ 118.91	3407	105
MBDG, PC	Bookkeeping	\$ 250.00	3408	90
Don Banner -- B&B, PC	Attorney Fees	\$ 300.00	3409	80
Kidd Engineering	Engineer/Admin Fees	\$ 400.00	3410	83
Director Sandstrom	Fees	\$ 55.41	3411	81
Director Farley	Fees	\$ 55.41	3412	81
Director Haynes	Fees	\$ 55.41	3413	81
Spaccamonti Excavating	Wildhorse Creek Levee Cleaning	\$ 1,350.00	3414	105
		\$ 2,585.14		

DRAINAGE EASEMENT AND MAINTENANCE AGREEMENT
Easement from Runyon Sports Complex

THIS AGREEMENT, between the Pueblo Conservancy District of the County of Pueblo, State of Colorado, hereinafter referred to as "Owner", and the Board of County Commissioners of the County of Pueblo, State of Colorado, hereinafter referred to as "County".

WITNESSETH:

WHEREAS, the Owner owns the property being a portion of the NW1/4 of Section 6, Township 21 South, Range 64 West of the 6th Principal Meridian, more particularly described at Reception No. 1408959 in the records of the Pueblo County Clerk and Recorder, Colorado; and

WHEREAS, the County has the lawful authority and jurisdiction to provide for the construction and maintenance of public roads and easements in the County of Pueblo; and

WHEREAS, the County desires to install a drainage ditch between the Runyon Sports Complex and the Thomas Phelps Creek (also known as the Centel Discharge Ditch) located on Owner's property; and

WHEREAS, the Owner is agreeable to allowing the stormwater flows from the Runyon Sports Complex to be channeled to the Thomas Phelps Creek (also known as the Centel Discharge Ditch); and

WHEREAS, it would be to the mutual benefit of the parties hereto to drain the excess storm water across the Owner's property;

NOW THEREFORE IN consideration of the foregoing and the following covenants and promises the parties agree as follows:

1. Owner hereby grants and conveys to the County, its successors and assigns a permanent, irrevocable easement (see Exhibit A) to, from, and across any portion of the real property more particularly described as follows that is owned by Owner.

A 20 foot easement, located in the NW1/4 of Section 6, Township 21 South, Range 64 West of the 6th Principal Meridian, the centerline of which is described as follows;

Beginning at the northeasterly most corner of that parcel of land recorded in Book 2654 at Pages 480 through 484, of the Pueblo County Records, at Reception No. 1005712; thence S 25°17'05" E, along the easterly line of said parcel, a distance of 41.60 feet, to the True Point of Beginning, from which the city monument at the intersection of Stanton Avenue and Locust Street bears S 71°56'19" W, a distance of 1866.84 feet;

Thence N 54°35'38" E, a distance of 18.30 feet, to the Point of Terminus. Point of Terminus being the Thomas Phelps Creek (also known as the Centel Discharge Ditch).

Bearings based on the monument line between the City Survey Monuments located at the intersection of Moffat Avenue and Locust Street and at the intersection of Stanton Avenue and Locust Street assumed to bear S 87°47'43" W.

2. County agrees to bear all costs associated with the construction of the ditch.

3. Owner covenant that it is lawfully seized and possessed of the real property described above, that it has good and lawful right to convey it, and/or to encumber or make subject to agreements including this drainage agreement, and that it will forever warrant and defend the title thereto against all claims and actions brought against County regarding the ownership of this property and the right to grant the drainage agreement as set forth herein.

4. This drainage agreement shall run with the land and shall inure to the benefit of and be binding upon the parties hereto, their heirs, legal representatives, successors and assigns.

5. County shall, at its expense, record this document in the records of the Pueblo County Clerk and Recorder.

IN WITNESS WHEREOF the parties have executed this Agreement on the day and year first written above.

OWNER:
PUEBLO CONSERVANCY DISTRICT

ATTEST: _____

Gus Sandstrom, President

STATE OF COLORADO)
)S.S.
COUNTY OF PUEBLO)

The foregoing instrument was acknowledged before me this _____ day of April, 2007 by Gus Sandstrom, President of the Pueblo Conservancy District.

Witness my hand and official seal.

Notary Public

My Commission Expires: _____

BOARD OF COUNTY COMMISSIONERS,
COUNTY OF PUEBLO, STATE OF COLORADO

By: _____
Anthony Nuñez, Chairman

Attest: _____
Clerk of Board

APPROVED AS TO FORM

Assistant County Attorney

Director of Public Works

