

MINUTES OF THE JUNE 20, 2007 REGULAR MEETING OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Sandstrom, Farley; Haynes

Also Present: Counselor Don Banner; Administrator Rick Kidd

Guests: Scott Hobson, City of Pueblo Planning, and Jim Melby, Colorado Division of Wildlife

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

The Minutes of the May 23, 2007 Regular Meeting were reviewed. Farley moved to approve the Minutes. The Minutes were approved as posted.

Treasurer's Report:

The accountant's reports for May 2007 were reviewed.

Bills – The following bills were posted for review and approval

\$ 250.00	MBD&G, Accountant fees
\$ 112.63	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
\$ 104.00	US Postal Service, 12-mo Box Rental
\$ 164.64	Pueblo Chieftain, Amended Official Plan Publication

Farley moved to receive and file the reports, approve payment of the monthly bills, and purchase a new \$55,000 certificate of deposit. Motion passed.

Fishing Is Fun Contract -- Hobson and Melby were here to address the current contract. It is a \$30,000 grant plus \$10,000 contribution for a total contract value of \$40,000. It is for bank shaping and riprap at the confluence of the Arkansas River and Wildhorse Creek, two cross vanes (same as previously constructed) below the confluence, and five fish hoppers. Hobson reported that the City will set up a project account and up-front the money. The PCD will probably receive the check and then will transfer the money to the City. City will take care of contracting and project close-out. Melby said that he would approve for the PCD to transfer the Sponsor's contractual responsibilities to the City. Hobson will prepare an email about the City taking this on and then get Jim Guthrie (Colorado DOW) to agree to it. The project will get started this fall and be finished next spring.

Funding – Sandstrom reported that the Court Order has been published. There was an article in the June 4 Pueblo Chieftain, by Margie Wood. Banner will have the Order recorded. Sandstrom said that we need to get the 1926 valuations of the properties in the District and then get those valuations assigned to the existing parcel list. Haynes will follow-up with the County Treasurer's office to see if they can do this. Kidd is to print out the spreadsheet that the County prepared and give to Sandstrom. Sandstrom and Banner will then meet to determine what needs to be done to get back to the 1926 records. Haynes then said that she would print out part of the County spreadsheet and get it to Sandstrom and Banner.

Ice House (Alpha Beta) – Kidd reported that they are interested in acquiring approximately 20,000 to 40,000 square feet. They want to establish a price up front. Kidd to get an idea of how many square feet we really want to sell and what the Dawson unit price was.

June 18 98
May 23, 2007 Minutes, Page 2 of 2

Spaccamonti Excavating Cost Proposals – Spaccamonti provided proposals for removal of trees and a vault toilet at Runyon Lake. Farley moved to have them remove and dispose of the vault toilet at a price of \$710. Motion passed. It was agreed to have Kidd meet with Spaccamonti and mark specific trees to be removed and obtain a new price.

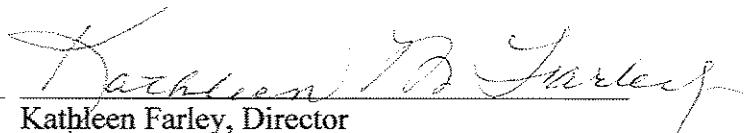
Chem-Way Cost Proposals – They provided a proposal to spray for weeds as needed along the backside of the Levee from the railroad bridge to the Santa Fe Avenue bridge (\$580.00) and to sterilize the cracks on the backside of the Levee directly across from the Union Depot (\$367.00). Haynes moved to have Chem-Way do this work. Motion passed.

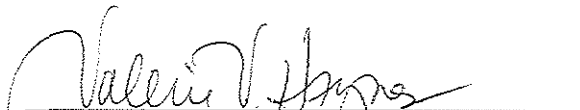
District Boundary Legal Description – Kidd to get the PCD boundary description to Banner.

There being no further business to come before the Board, the business meeting was adjourned at 9:24 a.m. We then went on a driving tour of the Arkansas River Levee and a tour around part of Runyon Lake.

APPROVED:


Gus Sandstrom, Director


Kathleen Farley, Director


Valerie V. Haynes, Director

THE PUEBLO CONSERVANCY DISTRICT

NOTICE OF MEETING

DATE: JUNE 20, 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 MAY 23, 2007 MINUTES
3. TREASURER'S REPORT
 - a. MAY 2007 ACCOUNTANT'S REPORTS
 - b. PAYMENT OF BILLS
4. FISHING IS FUN CONTRACT
5. FUNDING PROCESS
6. ALPHA-BETA RAILROAD TUNNEL
7. OTHER BUSINESS AS MAY BE BROUGHT BEFORE THE BOARD
8. INSPECTION WALK OF LEVEE AND RUNYON LAKE AREAS. To be conducted after the business of the Board. Anticipated completion by 12:00 pm.
9. ADJOURNMENT

Future meetings scheduled for:

July 18	August 15
September 19	October 17
November 14	December 19

Spaccamonti' Quotes

Chem - Klay Quote

MINUTES OF THE MAY 23, 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 8:14 am.

The Minutes of the April 18, 2007 Regular Meeting were reviewed. Haynes moved to approve the Minutes. The Minutes were approved as posted.

Treasurer's Report:

Sandstrom reported that Calvin Mason said that we had \$30,000 available to roll over into a new investment. Mason recommended a certificate of deposit.

The accountant's reports for April 2007 were reviewed.

Bills – The following bills were posted for review and approval

\$ 250.00	MBD&G, Accountant fees
\$ 120.69	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
\$ 300.00	SCA Insurance, United Fire & Casualty Bonding

Haynes moved to receive and file the reports, approve payment of the monthly bills, and roll the Wachovia funds into a new certificate of deposit. Motion passed.

Funding / Official Plan – Discussed the publication of the Motion for Approval of the Amended Official Plan. The Board requested Sandstrom to try to get the Pueblo Chieftain to run an article along with the official publication. Banner will give the final Order to Sandstrom and he will deliver it to Judge Maes.

Pueblo Ice House (Alpha-Beta) -- According to 1971 documents that the Ice House got from the Colorado Department of Transportation the box culverts and open channel that had conveyed the Historic Arkansas River flows under the railroad tracks and to Santa Fe Avenue were filled. Apparently the Santa Fe siphon had been relocated further north at an earlier time. The Ice House is requesting an easement for the box culverts. The Board agreed that they would be willing to enter into negotiations for the sale, not an easement, of this area that would be contingent upon the Ice House locating the culverts and preparing the legal description.

Fishing Is Fun Contract -- Haynes moved to authorize the Sub-Grant Agreement for the project. Kidd pointed out that there was a considerable amount of design and administration time that the agreement stipulated was the responsibility of the sponsor. This is work that the City of Pueblo and the Colorado Division of Wildlife had originally said that they would do. The motion was approved contingent upon receiving confirmation that the City and the State will do the work as originally agreed.

RECORD OF PROCEEDINGS

May 23, 2007 Minutes, Page 2 of 2

Levee Certification – Banner met with SEH Engineering. Mr. McKnight used to work for Range Engineering. They want to see a copy of a certification that has been done by another engineering firm before they will offer a proposal. Kidd said that the Colorado Water Conservation Board will be holding workshops in June and they are to have an example. Kidd will not be able to attend, but has requested a copy of all information presented. He will provide copies to the Board as soon as the CWCB sends him the information.

UBS Financial Agreement – Kidd presented the 2007 UBS annual agreement. Sandstrom signed the agreement on behalf of the Board.

Levee Piping – Kidd reported that he and Pat Edelmann and a USGS technician met on the site. The River is currently too high for any testing. The USGS determined that they will also have to get more dye than they currently have available. It is estimated that it will be July before the River flows are low enough to allow testing.

Weeds – Kidd is to request Chem-Way to provide a proposal for spraying the weeds on the concrete face of the levee facing Union Depot. It was agreed that Chem-Way should proceed with this work after submitting their proposal.

June 20 Meeting – After the business of the Board is conducted at the regularly scheduled meeting we will dismiss for a tour of the River corridor. The goal is to be finished by noon.

The next meetings are scheduled for:

July 18	August 15	September 19
October 17	November 14	December 19

Kidd is to request Spaccamonti Excavating to provide a cost proposal for removal of trees along the River levee and demolition of the old toilets at Lake Ruyon.

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



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

503 N Main, Suite 740

Pueblo, CO 81003

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 May 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 five months ended May 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

June 18, 2007

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

	<u>4/30/2007</u>	<u>12/31/2006</u>
ASSETS		
VECTRA BANK CHECKING	\$ 53,805	\$ 42,348
VECTRA BANK MONEY MARKET	11,653	11,593
BROKERAGE MONEY MARKET ACCOUNTS	33,692	65,804
COLOTRUST INVESTMENT	25,000	25,000
WACHOVIA SECURITIES INVESTMENT	561,842	528,952
PIPER JAFFRAY INVESTMENT	340,403	341,889
ACCRUED INTEREST	-	4,805
BOOK INVENTORY	-	-
TOTAL ASSETS	<u>\$ 1,026,395</u>	<u>\$ 1,020,391</u>
LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 625
PAYROLL TAXES PAYABLE	69	330
DEFERRED INCOME	<u>2,500</u>	<u>1,042</u>
TOTAL LIABILITIES	<u>2,569</u>	<u>1,997</u>
RESERVE FOR EMERGENCIES	6,000	6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	156,376	156,376
UNDESIGNATED	<u>861,450</u>	<u>856,018</u>
TOTAL FUND EQUITY	<u>1,023,826</u>	<u>1,018,394</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,026,395</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 FIVE MONTHS ENDED MAY 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	\$ 107	\$ 427	\$ -	\$ -	\$ 1,224
MONEY MARKET ACCOUNTS	80	557	-	-	1,550
WACHOVIA SECURITIES	499	7,618	-	-	29,739
PIPER JAFFRAY	1,107	4,069	-	-	13,413
UNREALIZED GAINS (LOSSES)	(8,490)	(969)	-	-	(2,309)
TOTAL INTEREST INCOME	(6,697)	11,702	30,000	18,298	43,617
LEASE PAYMENTS	208	1,041	2,500	1,459	2,700
OTHER INCOME	-	3,001	-	(3,001)	-
COST OF SALES	-	-	-	-	(6,290)
TOTAL REVENUES	\$ (6,489)	\$ 15,744	\$ 32,500	\$ 16,756	\$ 40,027
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 1,500	\$ 7,000	\$ 5,500	\$ 8,833
81 DIRECTORS FEES	180	900	3,000	2,100	2,160
82 FICA TAXES	-	-	240	240	165
83 ENGINEER/ADMINISTRATIVE	400	1,600	4,800	3,200	4,800
90 AUDIT & BOOKKEEPING	250	1,000	3,000	2,000	2,700
92 INSURANCE/BONDS	300	2,499	2,500	1	2,034
96 OFFICE EXPENSE	-	121	650	529	264
97 OFFICE RENT	-	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	121	1,827	100,000	98,173	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	1,551	9,947	325,440	315,493	100,820
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (8,040)	\$ 5,797	\$ (292,940)	\$ (298,737)	\$ (60,793)

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
5/31/2007

6/18/2007 2:58 PM

<u>BROKER</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>PAR VALUE</u>	<u>BALANCE 12/31/2006</u>	<u>ADDITIONS</u>	<u>MKT VALUE CHANGE</u>	<u>REDEMPTION SALES</u>	<u>BALANCE 12/31/2007</u>	<u>INTEREST RECEIVED 12/31/2007</u>
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				11,592.88	60.41	-	-	11,653.29	60.41
PIPER JAFFRAY	Money Market Account				8,703.05	1,545.33	-	-	10,248.38	188.34
WACHOVIA SEC.	Evergreen Money Mkt Fund				57,100.82	41,579.98	-	75,237.60	23,443.20	308.94
TOTAL CASH ACCOUNTS WITH BROKERS					77,396.75	43,185.72	-	75,237.60	45,344.87	557.69
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00	-	-	-	25,000.00	537.02
TOTAL COLOTRUST					25,000.00	-	-	-	25,000.00	537.02
WACHOVIA SEC.	FNMA 05-27 GA REMIC MULTICLASS CMO	4/25/2034	5.500%	450,000.00	102,107.43	-	316.53	24,705.43	77,718.53	2,466.97
	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	-	(39.60)	-	32,154.48	600.00
	FHLMC 2688 DD RETAIL LOTTERY	11/15/2033	5.500%	36,000.00	34,173.36	-	(202.32)	-	33,971.04	825.00
	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	-	314.53	13,000.00	51,886.80	1,375.00
	FHLMC 3133 MB REMIC MULTICLASS CMO	3/15/2036	6.000%	150,000.00	148,267.50	-	(285.00)	-	147,982.50	3,750.00
	FNMA 05-16 WD REMIC MULTICLASS CMO	1/25/2035	5.000%	56,000.00	18,973.61	-	(16.02)	2,565.61	16,391.98	397.67
	GNMA 06-27 WE REMIC MULTICLASS CMO	6/20/2036	6.000%	50,000.00	49,494.00	-	64.00	-	49,558.00	750.00
	FHLMC 3230 BB REMIC MULTICLASS CMO	4/15/2036	5.750%	50,000.00	49,170.00	-	(63.50)	-	49,106.50	1,197.90
	FHLMC 3264 UU REMIC MULTICLASS CMO	6/15/2036	5.750%	50,000.00	-	50,006.00	(897.31)	1,000.00	48,108.69	477.56
	NATIONAL CITY CD	6/15/2007	5.150%	30,000.00	30,000.00	-	-	-	30,000.00	-
	WORLD SAVINGS BK FSB CD	5/2/2008	5.200%	25,000.00	-	24,994.75	(31.75)	-	24,963.00	(5.25)
TOTAL WACHOVIA SEC.					528,952.25	75,000.75	(840.44)	41,271.04	561,841.52	11,834.85
PIPER JAFFRAY	GNMA POOL #24920	6/15/2008	8.250%		1,729.94	-	(42.40)	714.38	973.16	50.81
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	12/15/2009	3.000%	120,000.00	113,568.00	-	330.00	-	113,898.00	1,500.00
	FEDL NATL MTG ASSN INVT NOTES B/E	8/20/2010	4.000%	100,000.00	96,688.00	-	(157.00)	-	96,531.00	1,666.65
	FEDL NATL MTG ASSN INVT NOTES B/E	6/24/2011	4.000%	130,000.00	124,677.80	-	(405.60)	-	124,272.20	2,166.65
	FHLMC #170217	3/1/2017	8.000%		5,225.72	-	146.18	642.61	4,729.29	166.61
TOTAL PIPER JAFFRAY					341,889.46	-	(128.82)	1,356.99	340,403.65	5,550.72
TOTAL INVESTMENTS					895,841.71	75,000.75	(969.26)	42,628.03	927,245.17	17,922.59
TOTAL ALL ACCOUNTS					973,238.46	118,186.47	(969.26)	117,865.63	972,590.04	18,480.28

PUEBLO CONSERVANCY DISTRICT

MAY 2007 - JUNE 2007

RECEIPTS

VENDOR	ITEM	AMOUNT
First Clearing, LLC	Interest Payment	\$ 250.00
First Clearing, LLC	Interest Payment	\$ 1,781.04
First Clearing, LLC	Interest Payment	\$ 250.00
First Clearing, LLC	Interest Payment	\$ 474.78
UBS Financial	Interest Payment	\$ 1,105.12
Wells Fargo - COLOTRUST	Dividend	\$ 109.78
		\$ 3,970.72

DEBITS

VENDOR	ITEM	AMOUNT	CHECK	Code
Aquila	Electrical Billing	\$ 112.63	3423	105
MBDG, PC	Bookkeeping	\$ 250.00	3424	90
Don Banner -- B&B, PC	Attorney Fees	\$ 300.00	3425	80
Kidd Engineering	Engineer/Admin Fees	\$ 400.00	3426	83
Director Sandstrom	Fees	\$ 55.41	3427	81
Director Farley	Fees	\$ 55.41	3428	81
Director Haynes	Fees	\$ 55.41	3429	81
US Postal Service	12 mo. Box Rental	\$ 104.00	3230	96
Pueblo Chieftain	Amended Official Plan Publication	\$ 164.64	3431	96
		\$ 1,497.50		



Looking North to South



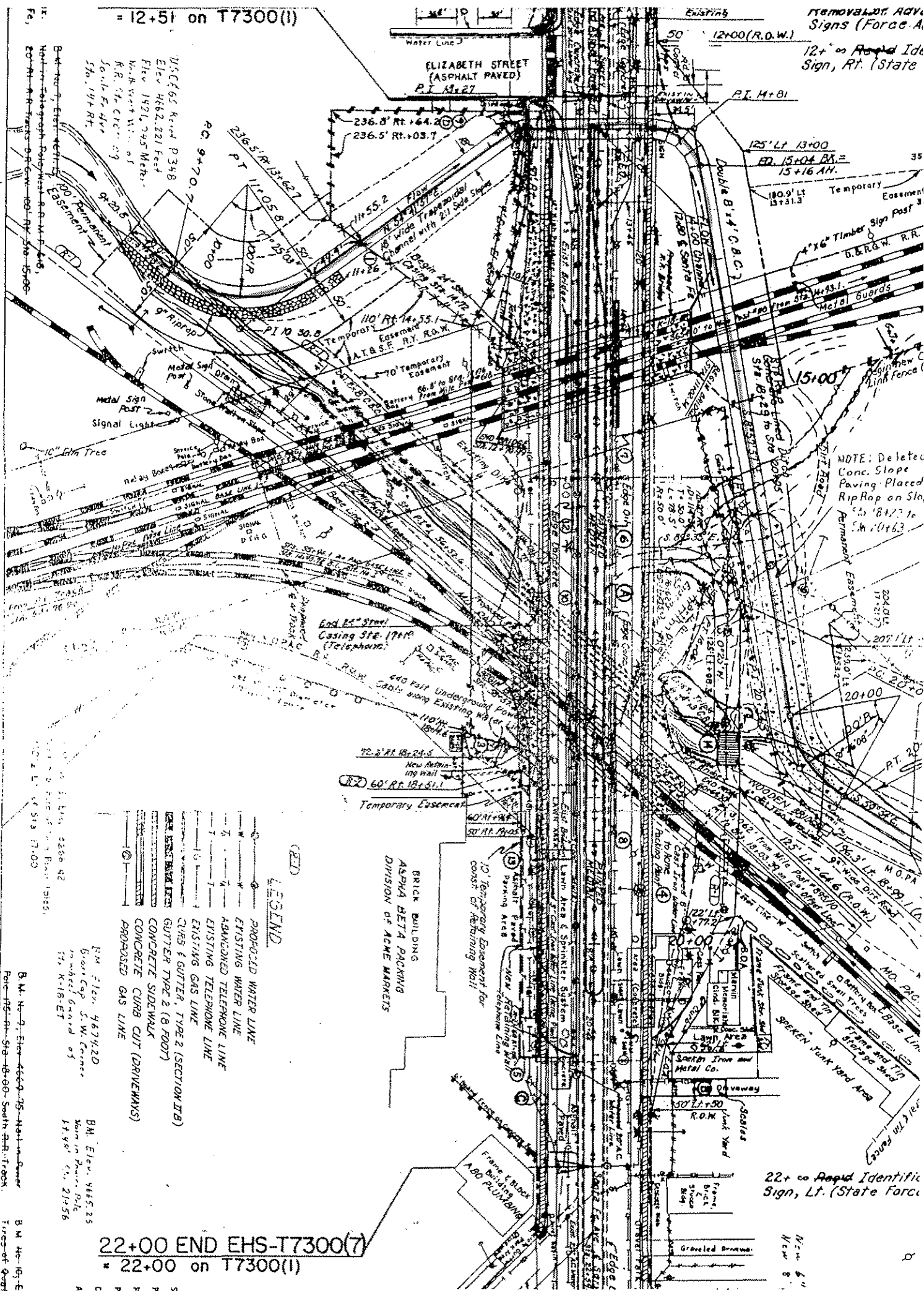
Looking North to South



Looking South to North

= 12+51 on T7300(1)

Removal of Adva
Signs (Force A
12+00 Rapid Id
Sign, Rt. (State



22+00 END EHS-T7300(7)
= 22+00 on T7300(1)

10/20/71

**TEMPORARY EASEMENT
TO BE ACQUIRED
FROM**

PARCEL NO. TE-5A
STA. 14+ TO STA. 16+

THE PUEBLO CONSERVANCY DISTRICT

FOR

T 7300(1)
Ilax - Santa Fe Ry.

STATE HIGHWAY NO. 50

DESCRIPTION

A tract or parcel of land No. TE-5A of the State Department of Highways, Division of Highways, State of Colorado, Project No. T 7300(1) containing 0.40 acres, more or less, in the SE $\frac{1}{4}$ of Section 36, Township 20 South, Range 65 West, of the Sixth Principal Meridian, in Pueblo County, Colorado, said tract or parcel being more particularly described as follows:

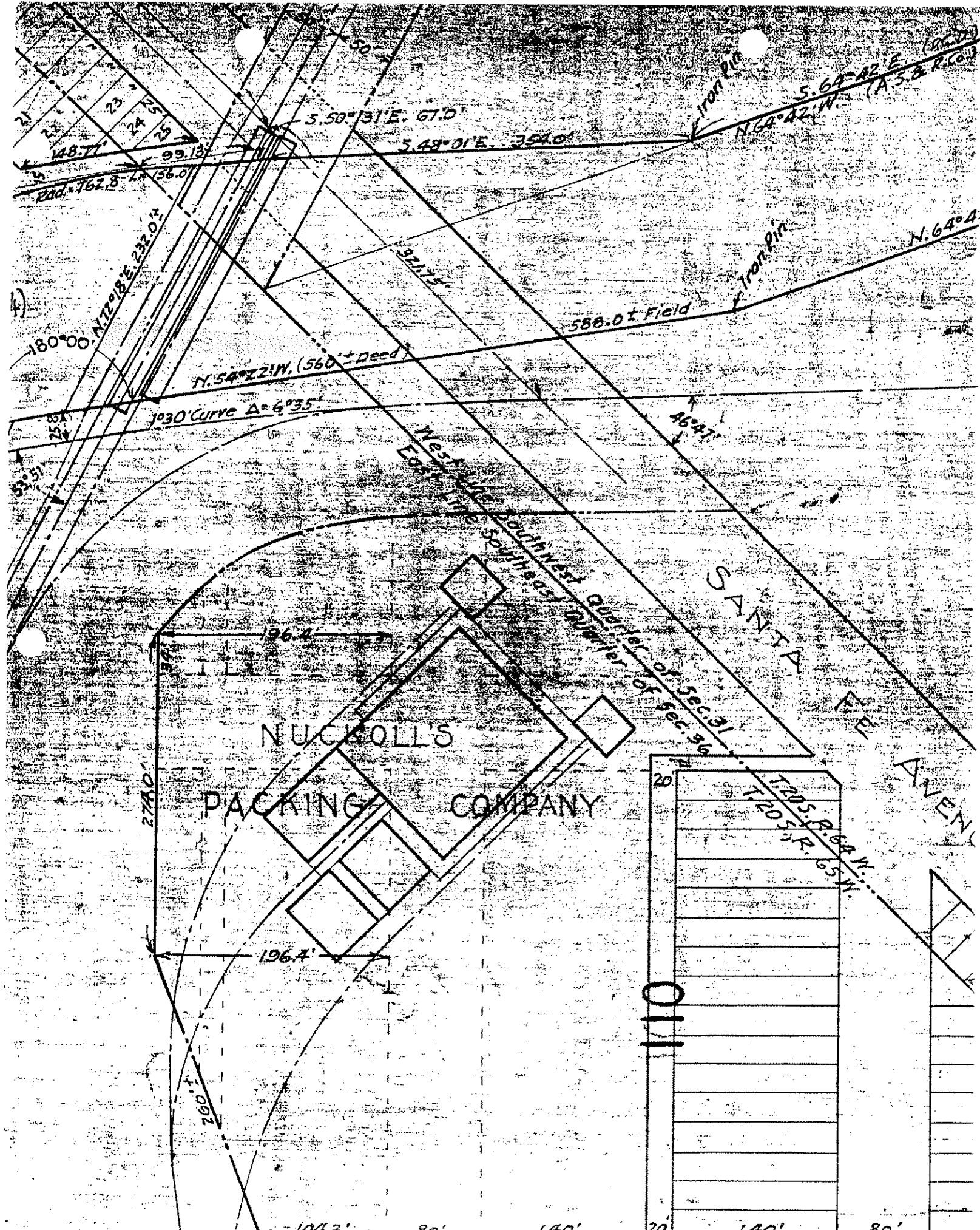
A strip of land 70.0 feet in width and lying 41.0 feet to the left of (northeasterly of) and 29.0 feet to the right of (southwesterly of) and adjacent to the following described line:

Beginning at a point which lies 294.4 feet to the right of (westerly of) Project T 7300(1) survey centerline station 14+77.0;

1. Thence S. 47° 17' E. a distance of 249.3 feet to a point which lies 110.0 feet to the right of (westerly of) Project T 7300(1) survey centerline station 16+44.8.

The above described temporary easement contains 0.40 acres, more or less.

The purpose for this temporary easement is to fill in an old channel.



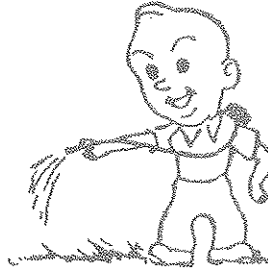
DRAWING No 1068

PHONE QUOTE FROM SPACCAMONTI EXCAVATING

SANTA FE BRIDGE TO RUNYON LAKE TREE REMOVAL
TREES 2-IN OR GREATER IN DIAMETER, OUT TO 15-FT FROM THE TOE OF
THE LEVEE

TREE REMOVAL ON SOUTH SIDE – NO STUMPS APPROXIMATELY 7 TREES	\$908
TREE REMOVAL ON NORTH SIDE – NO STUMPS APPROXIMATELY 44 TREES	\$8490
STUMP REMOVAL	\$4170
ABANDONED VAULT TOILETS AT RUNYON LAKE	\$710

CHEM-WAY



1017 S. SANTA FE AVE., PUEBLO, COLORADO 81006
719-543-7910

May 24, 2007

Pueblo Conservancy District. #2
Attn: Rick Kidd
PO Box 234
Pueblo, Co. 81002

Dear Rick,

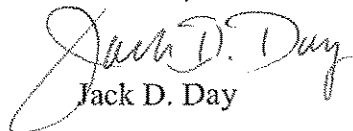
Thank you for your continued confidence in having Chem-Way do the weed control for the district at the Arkansas River thru Pueblo.

Our bid for the 2007 season for weed control for the backside of the levee at the Grove is \$580.00. The area includes from the R.R. bridge to the Santa Fe Ave. bridge. We will make treatments, as weed pressure dictates.

Also, our bid to sterilize the cracks, located on the backside of the levee directly across the tracks from the old R.R. station is \$367.00. This is a one-time treatment, guaranteed for the 2007 growing season.

If you have any questions, please call me at the Chem-Way office, 534-7910.

Sincerely,


Jack D. Day