

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

Directors Present: Sandstrom, Farley, Haynes

Also Present: Administrator Rick Kidd
Guests: Mikal Torgerson

With a quorum present, the Pueblo Conservancy District board meeting was called to order at 8:07 am.

The Minutes of the June 20, 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 June 2007 were reviewed.

Bills – The following bills were posted for review and approval

\$ 250.00	MBD&G, Accountant fees
\$ 116.13	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
\$ 408.73	Colorado Special Districts P&L, General Liability Insurance adjustment for 2007 Budget
\$ 193.00	Chem-Way Lawn Care, Grove Area Levee Back
\$ 710.00	Spaccamonti Excavating, Runyon Lake Vault Toilet Demolition
\$10,000.00	HARP Authority, 2007 O&M Fee

Farley moved to receive and file the reports, approve payment of the monthly bills. Motion passed.

Pueblo Ice House — Mikal Torgerson provided an update on this project. The City of Pueblo has approved the proposed use. The architectural drawings for the first phase are done. It is anticipated that construction will start in about four months. They would like for the Pueblo Conservancy District to give them a Quit Claim Deed for the area believed to contain the two box culverts. Torgerson says that Stewart Title will then warrant the title.

Howard Property – Mikal Torgerson offered a proposal to purchase a Conservancy District lot at the end of Howard. He wants to put in a kayak storage facility on this parcel. Torgerson is prepared to offer \$1600 to \$1800, based upon what he found to be the County assessment for this area.

Funding – Sandstrom said that the cost/benefit value is probably what we will call the basis for our assessment. This was the 1926 valuation. The percentage assessment has to be justified to the Court. Sandstrom currently believes the assessment will need to be around three percent. Kidd is to find the highest annual budget in the last 10 years.

HARP – Sandstrom reported that the HARP Authority has had additional expenses this year due to vandalism and repairs, above what had been anticipated and budgeted. They are currently about \$33,000 over budget this year to date. HARP and adjoining businesses are now putting surveillance cameras in place to help police the Riverwalk. The HARP staff currently develops

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42 percent of the annual budget. They are hoping to negotiate a "base budget" contribution to count on from the City and the County.

Farley moved to contribute \$10,000 to HARP to help with their current budget crisis. Motion passed. Haynes moved that the 2007 budget be amended to transfer \$10,000 from the Repairs and Maintenance line item to the HARP-O&M line item. Motion passed.

Sandstrom reported that the commercial master developers are running into conflict with City Planning on development time-lines. The commercial developers are recommending that the development proceed in a different order to maximize marketing for area development.

4th Street Bridge – Kidd reported that the Colorado Department of Transportation had allowed proposals for alternative designs for this bridge. The briefing that they provided indicated that all pre-approved alternate plans include intrusion into the levee. This causes some concerns about access and the potential of changing the stability of the levee. Haynes moved that the District prepare a resolution stating that we do not approve of an alternate bridge design which includes a bridge support pier in the levee. Motion passed.

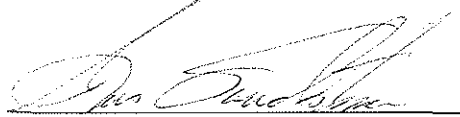
Tree Removal – Sandstrom reported that the Pueblo Board of Water Works has utilized the Colorado Women's Tree Removal Team to clear trees from their diversion dam below City Park down to the bridge at the confluence with Wild Horse Creek. Sandstrom is working to find out more about this team and the scope of work that the team has the capability of doing.

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.

Spaccamonti Excavating Cost Proposals – Spaccamonti provided new proposals for removal of trees along the levee at Runyon Lake. These proposals were after a meeting between Spaccamonti and Kidd to better define the trees needing to be removed per the Corps of Engineers site visit. Their proposal was \$5,090 to cut and haul the trees away, and \$4,498 to cut the trees and use a chipper to blow the chips around as mulch in the area. Farley moved to have Spaccamonti cut and remove the trees at a cost of \$5,090.00. Motion passed.

There being no further business to come before the Board, the business meeting was adjourned at 9:40 a.m.

APPROVED:



Gus Sandstrom, Director



Kathleen Farley, Director



Valerie V. Haynes, Director

THE PUEBLO CONSERVANCY DISTRICT

NOTICE OF MEETING

DATE: JULY 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 JUNE 20, 2007 MINUTES
3. TREASURER'S REPORT
 - a. JUNE 2007 ACCOUNTANT'S REPORTS
 - b. PAYMENT OF BILLS
4. OFFER TO PURCHASE PROPERTY ON HOWARD – MIKAL TORGERSON
5. UPDATE ON PUEBLO ICE HOUSE – MIKAL TORGERSON
6. FUNDING PROCESS
7. HARP UPDATE - SANDSTROM
8. 4TH STREET BRIDGE UPDATE – KIDD
9. TREE REMOVAL – SANDSTROM and KIDD
10. OTHER BUSINESS AS MAY BE BROUGHT BEFORE THE BOARD
11. ADJOURNMENT

Future meetings scheduled for:

August 15

September 19

November 14

October 17

December 19

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.

RECORD OF PROCEEDINGS

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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



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

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Pueblo, CO 81003

Phone (719) 543-0516

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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 June 30, 2007 and December 31, 2006, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the one month and six months ended June 30, 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

July 17, 2007

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
JUNE 30, 2007 AND DECEMBER 31, 2006

	<u>6/30/2007</u>	<u>12/31/2006</u>
ASSETS		
VECTRA BANK CHECKING	\$ 56,278	\$ 42,348
VECTRA BANK MONEY MARKET	11,665	11,593
BROKERAGE MONEY MARKET ACCOUNTS	25,937	65,804
COLOTRUST INVESTMENT	25,000	25,000
WACHOVIA SECURITIES INVESTMENT	566,577	528,952
PIPER JAFFRAY INVESTMENT	340,098	341,889
ACCRUED INTEREST	-	4,805
BOOK INVENTORY	-	-
TOTAL ASSETS	<u>\$ 1,025,555</u>	<u>\$ 1,020,391</u>
LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 625
PAYROLL TAXES PAYABLE	83	330
DEFERRED INCOME	<u>2,291</u>	<u>1,042</u>
TOTAL LIABILITIES	<u>2,374</u>	<u>1,997</u>
RESERVE FOR EMERGENCIES	6,000	6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	156,376	156,376
UNDESIGNATED	<u>860,805</u>	<u>856,018</u>
TOTAL FUND EQUITY	<u>1,023,181</u>	<u>1,018,394</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,025,555</u>	<u>\$ 1,020,391</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURE
ACTUAL AND BUDGET - GENERAL FUND
FOR THE ONE AND SIX MONTHS ENDED JUNE 30, 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	\$ 110	\$ 536	\$ -	\$ -	\$ 1,224
MONEY MARKET ACCOUNTS	118	676	-	-	1,550
WACHOVIA SECURITIES	2,545	10,163	-	-	29,739
PIPER JAFFRAY	1,105	5,173	-	-	13,413
UNREALIZED GAINS (LOSSES)	(3,220)	(4,189)	-	-	(2,309)
TOTAL INTEREST INCOME	658	12,359	30,000	17,641	43,617
LEASE PAYMENTS	208	1,250	2,500	1,250	2,700
OTHER INCOME	-	3,001	-	(3,001)	-
COST OF SALES	-	-	-	-	(6,290)
TOTAL REVENUES	\$ 866	\$ 16,610	\$ 32,500	\$ 15,890	\$ 40,027
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 1,800	\$ 7,000	\$ 5,200	\$ 8,833
81 DIRECTORS FEES	180	1,080	3,000	1,920	2,160
82 FICA TAXES	-	-	240	240	165
83 ENGINEER/ADMINISTRATIVE	400	2,000	4,800	2,800	4,800
90 AUDIT & BOOKKEEPING	250	1,250	3,000	1,750	2,700
92 INSURANCE/BONDS	-	2,499	2,500	1	2,034
96 OFFICE EXPENSE	269	389	650	261	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	112	1,940	100,000	98,060	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	1,511	11,458	325,440	313,982	100,820
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (645)	\$ 5,152	\$ (292,940)	\$ (298,092)	\$ (60,793)

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
PUEBLO CONSERVANCY DISTRICT

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<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	71.90	-	-	11,664.78	71.90
PIPER JAFFRAY	Money Market Account				8,703.05	1,706.58	-	-	10,409.63	230.87
WACHOVIA SEC.	Evergreen Money Mkt Fund				57,100.82	73,644.21	-	115,217.80	15,527.23	373.17
TOTAL CASH ACCOUNTS WITH BROKERS					77,396.75	75,422.69	-	115,217.80	37,601.64	675.94
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00	-	-	-	25,000.00	556.80
TOTAL COLOTRUST					25,000.00	-	-	-	25,000.00	556.80
WACHOVIA SEC.	FNMA 05-27 GA REMIC MULTICLASS CMO	4/25/2034	5.500%	450,000.00	102,107.43	-	138.36	38,830.35	63,415.44	2,868.14
	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	-	(671.76)	-	31,522.32	750.00
	FHLMC 2688 DD RETAIL LOTTERY	11/15/2033	5.500%	36,000.00	34,173.36	-	(683.08)	-	33,488.28	990.00
	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	-	(45.63)	15,000.00	49,526.64	1,616.67
	FHLMC 3133 MB REMIC MULTICLASS CMO	3/15/2036	6.000%	150,000.00	148,267.50	-	(727.50)	-	147,540.00	4,500.00
	FNMA 05-16 WD REMIC MULTICLASS CMO	1/25/2035	5.000%	56,000.00	18,973.61	-	(458.01)	3,062.99	15,452.61	471.28
	GNMA 06-27 WE REMIC MULTICLASS CMO	6/20/2036	6.000%	50,000.00	49,494.00	-	56.50	-	49,550.50	1,250.00
	FHLMC 3230 BB REMIC MULTICLASS CMO	4/15/2036	5.750%	50,000.00	49,170.00	-	(588.50)	-	48,581.50	1,437.48
	FHLMC 3264 UU REMIC MULTICLASS CMO	6/15/2036	5.750%	50,000.00	-	50,006.00	(1,224.63)	1,000.00	47,781.37	712.32
	FHLMC 3290 WA REMIC MULTICLASS CMO	4/15/2007	5.000%	58,000.00	-	54,391.62	363.53	-	54,755.15	-
	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	(31.00)	-	24,963.75	(5.25)
TOTAL WACHOVIA SEC.					528,952.25	129,392.37	(3,873.72)	87,893.34	566,577.56	14,590.64
PIPER JAFFRAY	GNMA POOL #24920	6/15/2008	8.250%		1,729.94	-	(51.35)	798.55	880.04	58.51
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	12/15/2009	3.000%	120,000.00	113,568.00	-	363.60	-	113,931.60	1,800.00
	FEDL NATL MTG ASSN INVT NOTES B/E	8/20/2010	4.000%	100,000.00	96,688.00	-	(188.00)	-	96,500.00	1,999.98
	FEDL NATL MTG ASSN INVT NOTES B/E	6/24/2011	4.000%	130,000.00	124,677.80	-	(568.10)	-	124,109.70	2,599.98
	FHLMC #170217	3/1/2017	8.000%		5,225.72	-	128.04	677.16	4,676.60	197.37
TOTAL PIPER JAFFRAY					341,889.46	-	(315.81)	1,475.71	340,097.94	6,655.84
TOTAL INVESTMENTS					895,841.71	129,392.37	(4,189.53)	89,369.05	931,675.50	21,803.28
TOTAL ALL ACCOUNTS					973,238.46	204,815.06	(4,189.53)	204,586.85	969,277.14	22,479.22

PUEBLO CONSERVANCY DISTRICT

JUNE 2007 - JULY 2007

RECEIPTS

VENDOR	ITEM	AMOUNT
First Clearing, LLC	Interest Payment	\$ 3,313.47
First Clearing, LLC	Interest Payment	\$ 250.00
First Clearing, LLC	Interest Payment	\$ 430.55
UBS Financial	Interest	\$ 1,103.12
Wells Fargo - Colotrust	Dividend	\$ 106.43
		\$ 5,203.57

DEBITS

VENDOR	ITEM	AMOUNT	CHECK	Code
Aquila	Electrical Billing	\$ 116.13	3432	105
MBDG, PC	Bookkeeping	\$ 250.00	3434	90
Don Banner -- B&B, PC	Attorney Fees	\$ 300.00	3435	80
Kidd Engineering	Engineer/Admin Fees	\$ 400.00	3436	83
Director Sandstrom	Fees	\$ 55.41	3437	81
Director Farley	Fees	\$ 55.41	3438	81
Director Haynes	Fees	\$ 55.41	3439	81
Colo Special Districts P&L	GL Ins adj for 2007 budget	\$ 408.73	3433	92
Chem-Way Lawn Care	Grove Area Levee Back	\$ 193.00	3440	105
Spaccamonti Excavating	Runyon Vault Toilet Demo	\$ 710.00	3441	105
HARP Authority	2007 O&M Fee	\$ 10,000.00	3442	112
		\$ 12,544.09		

PHONE QUOTE FROM SPACCAMONTI EXCAVATING

TREE REMOVAL ALONG LEVEE FROM SANTA FE AVENUE BRIDGE TO
RUNYON LAKE DRIVEWAY

CUT AND HAUL AWAY	\$5,090.00
CUT, CHIP AND BLOW AROUND AREA	\$4,498.00