

MINUTES OF THE MARCH 19, 2008 REGULAR MEETING OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Sandstrom, Farley, Haynes

Also Present: Administrator Rick Kidd, Counselor Don Banner

Due to the Heritage Center changing their locks, the meeting was convened at Nana Lou's, 100 block West B Street.

With a quorum present, the Pueblo Conservancy District board meeting was called to order at 8:11 am.

Minutes -- The Minutes of the February 20, 2008 Regular Meeting were reviewed. Farley moved to approve the Minutes. The Minutes were approved as posted.

Treasurer's Report:

The accountant's report for February 2008 was reviewed. Farley moved to receive and file the accountant's report. Motion passed.

Bills -- The following bills were posted for review and approval

\$ 250.00	MBD&G, Accountant fees
\$ 115.53	Aquila, Electricity
\$ 400.00	Don Banner, Attorney fees
\$ 500.00	Kidd Engineering, Administrator/Engineer fees
\$ 250.00	Kidd Engineering, Appraised Benefits Book Finder's Fee
\$ 9,852.00	Kidd Engineering, Appraisal Listing and Parcel No. Coord.
\$ 55.41	Sandstrom, Director's Fee
\$ 55.41	Haynes, Director's Fee
\$ 55.41	Farley, Director's Fee
\$ 2,152.03	Colorado SDA P&L Pool, P&L Insurance
\$ 354.34	Special District Association, Membership Dues
\$ 680.00	Southeastern Colorado Heritage Center, Assoc. Membership

Haynes Resignation -- Banner will have to make a filing with the Court and then the District receive a Court Order.

Assessed Benefits -- The Board wants the assessed benefits spreadsheet to identify City, County, State, School and Railroad properties.

As the ownership map is completed, we need to identify parcels of land that the District may want to sell.

Kidd is to get a copy of the railroad tank farm lease to Banner.

Meetings -- Change the April and May meeting dates to April 25 and May 16.

Condemnation -- Banner reported that the County attorneys moved to dismiss. Banner is still working through this issue.

ACE Letter -- Banner drafted a letter to send to the Army Corps of Engineers. Board reviewed and approved to send.

March 19, 2008 Minutes, Page 2 of 2

Mosquito Spraying – Farley asked if the District has an obligation since the Pueblo County Health Department has said that they will have to drop this program. Banner said that there is no legislative obligation. Sandstrom feels that the City/County will somehow fund the program.

Weed Spraying – Kidd said that he had received a proposal for Chem-Way to continue with the weed spraying this year. He did not have a copy of it in the packet, but said that pricing was comparable to last year. Farley moved to continue the contract with Chem-Way and that Kidd is to insert the proposal into the minutes. Motion passed.

Chem-Way 2008 Proposal:

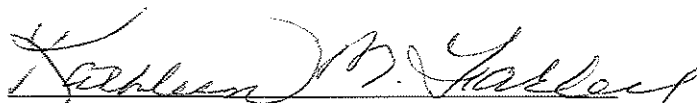
1. Apply a soil sterilant in the cracks of the north face concrete levee adjacent to the Pueblo Union Depot. One time application for season vegetation control will cost \$378.00
2. Apply general weed control on the north face levee located at the Grove, running from the Santa Fe Bridge westerly to the intersection with the railroad tracks. This area will be treated as weed pressure dictates, probably two to three times for the season. Cost will be \$208.00 per treatment.

Kidd is to solicit proposals for weed control spraying next year.

There being no further business to come before the Board, the business 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: MARCH 19, 2008 (Wednesday) AT 8:00 A.M.

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

AGENDA

1. ROLL CALL
2. APPROVAL OF FEBRUARY 20, 2008 MINUTES
3. TREASURER'S REPORT
 - a. ACCOUNTANT REPORT
 - b. PAYMENT OF BILLS
4. DIRECTOR HAYNES' RESIGNATION
5. PROPERTY ASSESSED BENEFIT LISTING
6. OTHER BUSINESS AS MAY BE BROUGHT BEFORE THE BOARD
7. ADJOURNMENT

Future meetings scheduled for:

April ~~23~~ ²⁵

May ~~21~~ ¹⁶

September 17

June 18

October 15

July 16

November 19

August 20

December 17



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 February 29, 2008 and December 31, 2007, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the two months ended February 29, 2008, and the twelve months ended December 31, 2007, 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

March 17, 2008

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
FEBRUARY 29, 2008 AND DECEMBER 31, 2007

	<u>2/29/2008</u>	<u>12/31/2007</u>
ASSETS		
VECTRA BANK CHECKING	\$ 45,470	\$ 44,778
VECTRA BANK MONEY MARKET	11,761	11,738
BROKERAGE MONEY MARKET ACCOUNTS	137,991	17,205
COLOTRUST INVESTMENT	25,000	25,000
WACHOVIA SECURITIES INVESTMENT	591,120	587,679
PIPER JAFFRAY INVESTMENT	254,432	352,817
ACCRUED INTEREST	<u>-</u>	<u>6,424</u>
 TOTAL ASSETS	 <u>\$ 1,065,774</u>	 <u>\$ 1,045,641</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 4,766
PAYROLL TAXES PAYABLE	28	330
DEFERRED INCOME	<u>625</u>	<u>1,042</u>
 TOTAL LIABILITIES	 <u>653</u>	 <u>6,138</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	156,376	264,890
UNDESIGNATED	<u>902,745</u>	<u>768,613</u>
 TOTAL FUND EQUITY	 <u>1,065,121</u>	 <u>1,039,503</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,065,774</u>	 <u>\$ 1,045,641</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
ACTUAL AND BUDGET - GENERAL FUND
FOR THE TWO MONTHS ENDED FEBRUARY 29, 2008
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2006

	ACTUAL				
	CURRENT MONTH	YEAR TO DATE	2008 BUDGET	UNUSED BUDGET	2007 ACTUAL
REVENUES					
INTEREST INCOME					
COLOTRUST	\$ 92	\$ 92	\$ -	\$ -	\$ 1,283
MONEY MARKET ACCOUNTS	53	101	-	-	1,167
WACHOVIA SECURITIES	2,775	545	-	-	31,970
PIPER JAFFRAY	1,097	736	-	-	13,237
UNREALIZED GAINS (LOSSES)	368	21,264	-	-	6,288
TOTAL INTEREST INCOME	4,385	22,738	47,117	24,379	53,945
LEASE PAYMENTS	208	417	2,500	2,083	2,500
OTHER INCOME	-	4,500	3,000	(1,500)	17,368
COST OF SALES	-	-	-	-	-
TOTAL REVENUES	\$ 4,593	\$ 27,655	\$ 52,617	\$ 24,962	\$ 73,813
EXPENDITURES					
80 LEGAL FEES	\$ 400	\$ 700	\$ 4,800	\$ 4,100	\$ 3,600
81 DIRECTORS FEES	180	360	3,000	2,640	2,160
82 FICA TAXES	-	-	166	166	165
83 ENGINEER/ADMINISTRATIVE	500	500	6,000	5,500	4,800
90 AUDIT & BOOKKEEPING	250	250	3,000	2,750	3,000
92 INSURANCE/BONDS	-	-	3,000	3,000	2,908
96 OFFICE EXPENSE	-	109	500	391	2,276
97 OFFICE RENT	-	-	500	500	500
100 PROFESSIONAL FEES	-	-	18,000	18,000	-
APPRAISAL	-	-	-	-	-
103 TRAVEL	-	-	3,500	3,500	-
105 REPAIRS & MAINTENANCE	117	117	90,000	89,883	12,930
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	-	-	60,000	60,000	20,000
113 SALES TAX	-	-	-	-	-
TOTAL EXPENDITURES	1,447	2,036	317,966	315,930	52,339
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 3,146	\$ 25,619	\$ (265,349)	\$ (290,968)	\$ 21,474

SEE ACCOUNTANTS' COMPILATION REPORT

BROKER	DESCRIPTION	MATURITY DATE	RATE	PAR VALUE	BALANCE 12/31/2007	ADDITIONS	MKT VALUE CHANGE	REDEMPTION SALES	BALANCE 1/31/2008	INTEREST RECEIVED 1/31/2008	ACCRUED INTEREST 12/31/2007	ACCRUED INTEREST 12/31/2007	G/L ACCI	ADJUSTMENT 12/31/2007
CASH ACCOUNTS														
VECTRA BANK	Money Market Account				11,738.31	22.92	-	-	11,761.23	22.92				-
PIPER JAFFRAY	Money Market Account				11,435.55	450.13	100,000.00	-	111,885.68	59.04				-
WACHOVIA SEC.	Evergreen Money Mkt Fund				5,769.64	20,335.26	-	-	26,104.90	8.57				-
					28,943.50	20,808.31	100,000.00	-	149,751.81	90.53				-
TOTAL CASH ACCOUNTS WITH BROKERS														
INVESTMENTS														
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00	-	-	-	25,000.00	193.27	101.57	101.57		-
					25,000.00	-	-	-	25,000.00	193.27	101.57	101.57	4007	-
TOTAL COLOTRUST														
WACHOVIA SEC.	FNMA 05-27 GA REMIC MULTICLASS CMO	4/25/2034	5.500%	450,000.00	40,713.77	-	1,084.73	6,487.36	35,311.14	399.47	227.22	228.74		(1.52)
	FLHMC 3040 CA REMIC MULTICLASS CMO	9/15/2019	5.000%	108,000.00	-	-	-	-	-	-	-	-		-
	FLHMC 3334 WW RETAIL LOTTERY	9/15/2036	6.250%	30,000.00	30,237.30	-	880.46	2,000.00	29,117.76	156.25	232.08	236.91		(4.83)
	FLHMC 2646 LL RETAIL LOTTERY	8/15/2033	5.000%	78,000.00	32,122.08	-	1,398.24	-	33,520.32	300.00	219.83	219.57		0.26
	FLHMC 2688 DD RETAIL LOTTERY	11/15/2033	5.500%	36,000.00	33,993.36	-	1,318.68	-	35,312.04	330.00	245.92	245.82		0.10
	FLHMC 2804 UC REMIC MULTICLASS CMO	11/15/2033	6.000%	8,000.00	-	-	-	-	-	-	-	-		-
	FLHMC 3004 GG RETAIL LOTTERY	7/15/2034	5.000%	80,000.00	45,682.21	-	1,925.21	-	47,607.42	408.34	303.35	302.67		0.68
	FLHMC 3133 MB REMIC MULTICLASS CMO	3/15/2036	6.000%	150,000.00	144,406.50	-	6,252.00	-	150,658.50	1,500.00	1,128.65	1,126.71		(0.06)
	FNMA 05-16 WD REMIC MULTICLASS CMO	1/25/2035	5.000%	96,000.00	13,774.69	-	445.78	-	14,218.47	126.19	71.21	71.27		(0.06)
	FLHMC 08-27 WE REMIC MULTICLASS CMO	6/20/2036	6.000%	50,000.00	46,928.50	-	881.00	-	50,809.50	500.00	333.52	333.36		0.16
	FLHMC 3230 BB REMIC MULTICLASS CMO	4/15/2036	5.750%	50,000.00	47,407.50	-	2,058.50	-	49,466.00	479.16	358.09	358.24		(0.15)
	FLHMC 3264 UU REMIC MULTICLASS CMO	6/15/2036	5.750%	50,000.00	46,130.40	-	1,672.80	-	47,803.20	460.00	350.49	350.63		(0.14)
	FLHMC 3290 WA REMIC MULTICLASS CMO	4/15/2007	5.000%	58,000.00	46,519.90	-	748.91	5,528.25	41,940.56	429.93	307.74	315.86		(8.12)
	FLHMC 3357 AA REMIC MULTICLASS CMO	12/15/1936	6.000%	32,000.00	31,728.96	-	551.34	2,000.00	30,280.50	320.00	239.64	243.83		(4.19)
	NATIONAL CITY CD	6/15/2007	5.150%	30,000.00	-	-	-	-	-	-	-	-		-
	WORLD SAVINGS BK FSB CD	5/2/2008	5.200%	25,000.00	25,033.25	-	41.50	-	25,074.75	-	865.48	865.48		-
					587,678.42	-	19,257.35	15,815.61	591,120.16	5,405.34	4,881.22	4,899.09	4006	(17.87)
TOTAL WACHOVIA SEC.														
PIPER JAFFRAY	GNMA POOL #24920	6/15/2008	8.250%		291.78	-	(6.48)	133.55	161.75	4.14	2.84	3.07		(0.23)
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	12/15/2009	3.000%	120,000.00	118,602.00	-	1,401.60	-	120,003.60	600.00	450.00	450.00		-
	FEDL NATL MTG ASSN INVT NOTES B/E	8/20/2010	4.000%	100,000.00	99,813.00	-	187.00	100,000.00	-	666.66	442.92	442.92		-
	FEDL NATL MTG ASSN INVT NOTES B/E	6/24/2011	4.000%	130,000.00	129,756.90	-	283.40	-	130,040.30	866.66	518.81	518.81		-
	FLHMC #170217	3/1/2017	8.000%		4,333.19	-	141.04	267.54	4,228.69	56.39	42.40	42.31		(0.11)
					352,816.87	-	2,006.56	100,391.09	254,432.34	2,193.85	1,456.97	1,457.31	4008	(0.34)
TOTAL PIPER JAFFRAY														
TOTAL INVESTMENTS														
					965,495.29	-	21,263.91	116,206.70	870,552.50	7,796.46	6,439.76	6,457.87		(18.21)
TOTAL ALL ACCOUNTS														
					994,438.79	20,808.31	121,263.91	116,206.70	1,020,304.31	7,886.99	6,439.76	6,457.97	1200	(18.21)

PUEBLO CONSERVANCY DISTRICT

FEBRUARY 2008 - MARCH 2008

RECEIPTS

VENDOR	ITEM	AMOUNT
First Clearing, LLC	Interest Payment	\$ 2,261.90
First Clearing, LLC	Interest Payment	\$ 250.00
First Clearing, LLC	Interest Payment	\$ 235.07
UBS	Interest	
Wells Fargo - Colotrust	Dividend	
		\$ 2,746.97

DEBITS

VENDOR	ITEM	AMOUNT	CHECK	CODE
Aquila	Electrical Billing	\$ 115.53	3499	105
MBDG, PC	Bookkeeping	\$ 250.00	3502	90
Don Banner - B&B, PC	Attorney Fees	\$ 400.00	3503	80
Kidd Engineering	Engineer/Admin Fees	\$ 500.00	3504	83
	Appraised Benefits Book Finder's Fee	\$ 250.00	"	100
	Appraised Benefits Listing and Parcel No. Coordination	\$ 9,852.00	"	100
Director Sandstrom	Fees	\$ 55.41	3505	81
Director Farley	Fees	\$ 55.41	3506	81
Director Haynes	Fees	\$ 55.41	3507	81
Colorado SDA P&L Pool	Property & Liability Insurance	\$ 2,152.03	3501	92
Special District Assoc.	Membership Dues	\$ 354.34	3508	92
Southeastern Colorado Heritage Center	Associate Membership	\$ 680.00	3590	97
		\$ 14,720.13		

**BANNER &
BOWER, P.C.**
ATTORNEYS AT LAW

503 N. MAIN ST., SUITE 221
P. O. BOX 583
PUEBLO, COLORADO 81002-0583
PHONE: (719) 544-5086
FAX: (719) 544-2544

DONALD J. BANNER

MARCH 18, 2008

Mr. Gary Rutherford
Project Manager
Army Corps of Engineers
4104 Jefferson Plaza NE
Albuquerque, NM 87109-3435

In re: Pueblo Conservancy District Levee

Dear Mr. Rutherford,

This office represents the Pueblo Conservancy District which is responsible for the maintenance of the Levee through the City of Pueblo, Colorado.

In previous communications with our District's Engineer, Mr. Rick Kidd and our President, Gus Sandstrom, you or your office has been advised that the Pueblo Conservancy District is of the opinion that damage has been done to the levee as a result of work performed by the Army Corps of Engineers during the Legacy Project. I have been advised that funding does not permit an inspection by the Army Corps of Engineers at this time.

The Pueblo Conservancy District is concerned that changes in the riverbed are causing voids to be created behind the levee wall, compromising the levee's integrity and ability to control a flood, should one occur. We believe it is imperative that the Army Corps of Engineers takes this matter more seriously and addresses its liability to repair the damage done, to prevent further damage and further costs to repair. We feel so strongly about this that I have been authorized to advise you that the Pueblo Conservancy District is willing to participate in the out of pocket costs for the appropriate inspection personnel to come to Pueblo to assess the situation if such an inspection can be scheduled soon.

Please let me know when such an inspection can be made and the approximate out of pocket costs the ACE would anticipate for this purpose. Any inspection would have to be coordinated with our engineer and representatives of the City of Pueblo. I look forward to hearing from you concerning this matter in the next ten days.

Very truly yours,

Valerie V. Haynes
847 30th Lane
Pueblo, CO 81006

March 14, 2008

Honorable Dennis Maes
Tenth Judicial District Chief Judge
310 W. 10th St.
Pueblo, CO 81003

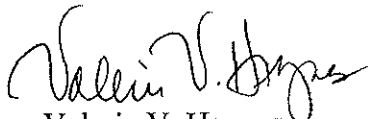
Re: Appointment as Director to Pueblo Conservancy District

Dear Judge Maes:

Please accept this letter of resignation as Director of the Pueblo Conservancy District. I have served on this Board for one term of four years and anticipated beginning a new term on March 19, 2008, however I am unable to accept this re-appointment due to potential future conflicts of interest with my present employment for Pueblo County.

It has been a pleasure to serve Pueblo and the District and I thank you for the opportunity.

Sincerely,


Valerie V. Haynes

cc: Pueblo Conservancy District Board of Directors
Don Banner, Esq.

CHEM-WAY

March 5, 2008

1017 S. SANTA FE AVE., PUEBLO, COLORADO 81006
719-543-7910Pueblo Conservancy District
PO Box 234
Pueblo, Co 81002
Attn: Rick Kidd

Dear Rick,

Thank you for your continued confidence in Chem-Way. We will do a great job for you! Please consider the following proposals for the 2008 growing season.

1. Apply a soil sterilant in the cracks of the north face concrete levee adjacent to the Pueblo Union Depot. One time application for season vegetation control will cost \$378.00.
2. Apply general weed control on the north face levee located at the Grove, running from the Santa Fe Ave Bridge westerly to the intersection with the railroad tracks. We will treat this area as weed pressure dictates. Probably 2-3 times this season, at \$208.00 per treatment.

Please call if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Jack D. Day". Below the signature, the name "Jack D. Day" is printed in a standard font. Further down, there is handwritten text: "#43459" and "400 Spring St".

Jack D. Day
#43459
400 Spring St