

MINUTES OF THE MAY 16, 2008 REGULAR MEETING OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Sandstrom, Farley, Haynes

Also Present: Administrator Rick Kidd, Counselor Don Banner

Guest: Steve Arveschoug, HARP Executive Director

With a quorum present, the Pueblo Conservancy District board meeting was called to order at 8:05 am.

Minutes -- The Minutes of the April 23, 2008 Regular Meeting were reviewed. Haynes moved to approve the Minutes. The Minutes were approved as posted.

Treasurer's Report:

The accountant's report for April 2008 was reviewed. There is still about \$33,000 in the money market account at Wachovia, for quick access. Kidd asked that the Board review his invoices. He said that his billings reflect approximately 50% on the ownership mapping and 80% on the appraised benefits books. The actual completion is approximately 75% on the mapping and 80% on the benefits. Farley moved to receive and file the accountant's report and pay the bills and leave the \$33,000 in the money market account. Motion passed.

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

\$ 250.00	MBD&G, Accountant fees
\$ 119.02	Aquila, Electricity
\$ 400.00	Don Banner, Attorney fees
\$ 500.00	Kidd Engineering, Administrator/Engineer fees
\$ 3,792.00	Kidd Engineering, Ownership Map
\$ 3,135.00	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
\$ 50,000.00	HARP Authority, 2008 Budget Allocation
\$ 12,000.00	HARP Authority, 2008 Added Maint Reimb per 1-16-08 Board Action
\$ 220.00	Spaccamonti Excavating, Cleaning Runyon trash rack

Banner requested that the appraised benefits books identify properties that the City and County have acquired since 1926. Banner will review the Court Order to see what how City and County obligations were addressed.

Levee Repair -- Sandstrom says that approximately 200 cfs can be diverted through HARP and the City's storm sewer. Arrangements, with dates, must be made with Aquila.

D&RGW Tank Farm Lease -- Banner sent out a letter to the old address. It was returned and he obtained a new address and resent the letter. There has not been a response.

HARP IGA -- Steve Arveschoug presented the final draft of the IGA. He is in the process of meeting with all of the entities. The Pueblo Conservancy District obligation is clearly dependent upon the District being able to get an assessment in place. Arveschoug reported that the Pueblo Board of Water Works and the Urban Renewal Authority have signed off on the agreement. He has dates scheduled to meet with the City and the County. Farley moved to authorize Sandstrom to execute the agreement on behalf of the District. Motion passed.

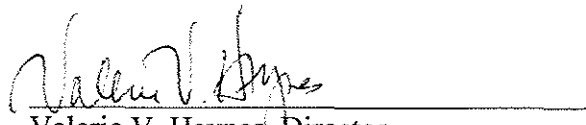
RECORD OF PROCEEDINGS

May 16, 2008 Minutes, Page 2 of 2

Haynes Resignation – Sandstrom reported that Judge Maes has not identified him of any selections. Sandstrom will contact Judge Maes and request the status.

There being no further business to come before the Board, the business meeting was adjourned at 9:00 a.m. The next meeting date is June 18, 2008.

APPROVED:


Gus Sandstrom, Director
Kathleen Farley, Director
Valerie V. Haynes, Director

THE PUEBLO CONSERVANCY DISTRICT

NOTICE OF MEETING

DATE: MAY 16, 2008 (Friday) AT 8:00 A.M.

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

AGENDA

1. ROLL CALL
2. APPROVAL OF APRIL 23, 2008 MINUTES
3. TREASURER'S REPORT
 - a. ACCOUNTANT REPORT
 - b. PAYMENT OF BILLS
4. INVESTMENTS – KEN WHITE
5. HARP IGA – STEVE ARVESCHOUG
6. STATUS OF HAYNES RESIGNATION AND REPLACEMENT
7. LEVEE REPORT
8. OWNERSHIP MAPS
9. APPRAISED BENEFIT COMPILATION
10. OTHER BUSINESS AS MAY BE BROUGHT BEFORE THE BOARD
11. ADJOURNMENT

Future meetings scheduled for:

June 18
September 17

July 16
October 15

August 20
November 19

December 17

MINUTES OF THE APRIL 23, 2008 REGULAR MEETING OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Sandstrom, Farley, Haynes

Also Present: Administrator Rick Kidd, Counselor Don Banner

With a quorum present, the Pueblo Conservancy District board meeting was called to order at 8:12 am.

Minutes -- The Minutes of the March 19, 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 March 2008 was reviewed. Farley moved to receive and file the accountant's report and pay the bills. Motion passed.

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

\$ 250.00	MBD&G, Accountant fees
\$ 117.27	Aquila, Electricity
\$ 400.00	Don Banner, Attorney fees
\$ 500.00	Kidd Engineering, Administrator/Engineer fees
\$ 4,086.00	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
\$ 6,000.00	HARP Authority, 2008 Added Maint Reimb per 1-16-08 Board Action

Investments -- Sandstrom said that he had received a request for Ken White to come to one of our meetings and give us his proposals for money management. It was agreed that Ken would be welcome to come give us his ideas.

Haynes Resignation -- Sandstrom is meeting with Judge Maes at 10:00 am today.

ACE/Levee Meeting -- Kidd reported that he and Sandstrom met with the Corps of Engineers and Scott Hobson, City of Pueblo. ACE was much more interested in working with us than they were at our last meeting. The phenomena we are experiencing with water flow and loss of soil behind the concrete facing is not "piping" per the civil engineer definition of the term. It is erosion caused by water flow. ACE and the City have some funding left from the allocation for the Legacy Project. This money could be available for work to stabilize the concrete facing and the rock dams to protect the structural improvements that have been constructed. One of the big costs will be diversion of the River. The possibility of diverting it through the HARP channel was raised by Kidd. Sandstrom is to meet with HARP to find out what the maximum flow is that could be diverted through the HARP system.

Levee Certification -- Sandstrom and Kidd learned that congress has set up a process by which entities, such as the Pueblo Conservancy District, may receive levee certification assistance through the Corps of Engineers. This process was set up because private engineering firms are not willing to assume the risk of certifying existing levees without adequate design and construction documentation. Funding for this assistance must be provided by congress, on a case by case basis.

April 23, 2008 Minutes, Page 2 of 2

Levee Sealing -- The sealing of the construction and other cracks of the levee concrete facing was also discussed at the meeting with the ACE. It has been found that asphaltic sealants have not been providing the desired protection. ACE is currently recommending certain epoxy systems. They are to provide us with more information concerning this.

Heritage Center -- Sandstrom has met the new president. He will get us the information for new contact people, etc. The District has a new code for the alarm system. Sandstrom will get a key made for Kidd. They have asked us to prepare an inventory of the items we have stored at the Center.

Accounting Agreement -- MDB&G provided us with an agreement for the next year. Haynes moved to accept their proposal and execute the agreement. Motion passed. Kidd is to solicit proposals for accounting services, this fall.

Meeting Agenda -- Steve Arveschough has requested to attend and discuss the IGA with us. We will provide an opportunity for Ken White to present his ideas on our money management.

There being no further business to come before the Board, the business meeting was adjourned at 9:15 a.m. The next meeting date is May 16, 2008.

APPROVED:

Gus Sandstrom, Director

Kathleen Farley, Director

Valerie V. Haynes, Director



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

103 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 April 30, 2008 and December 31, 2007, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the four months ended April 30, 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

May 14, 2008

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
APRIL 30, 2008 AND DECEMBER 31, 2007

	<u>4/30/2008</u>	<u>12/31/2007</u>
ASSETS		
VECTRA BANK CHECKING	\$ 28,544	\$ 44,778
VECTRA BANK MONEY MARKET	11,774	11,738
BROKERAGE MONEY MARKET ACCOUNTS	165,387	17,205
COLOTRUST INVESTMENT	25,000	25,000
WACHOVIA SECURITIES INVESTMENT	552,032	587,679
PIPER JAFFRAY INVESTMENT	254,282	352,817
ACCRUED INTEREST	<u>-</u>	<u>6,424</u>
 TOTAL ASSETS	 <u>\$ 1,037,019</u>	 <u>\$ 1,045,641</u>
LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 4,766
PAYROLL TAXES PAYABLE	55	330
DEFERRED INCOME	<u>208</u>	<u>1,042</u>
 TOTAL LIABILITIES	 <u>263</u>	 <u>6,138</u>
RESERVE FOR EMERGENCIES	6,000	6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	156,376	264,890
UNDESIGNATED	<u>874,380</u>	<u>768,613</u>
 TOTAL FUND EQUITY	 <u>1,036,756</u>	 <u>1,039,503</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,037,019</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 FOUR MONTHS ENDED APRIL 30, 2008
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2007

	ACTUAL				
	CURRENT MONTH	YEAR TO DATE	2008 BUDGET	UNUSED BUDGET	2007 ACTUAL
REVENUES					
INTEREST INCOME					
COLOTRUST	\$ 65	\$ 227	\$ -	\$ -	\$ 1,283
MONEY MARKET ACCOUNTS	175	301	-	-	1,167
WACHOVIA SECURITIES	4,862	8,154	-	-	31,970
PIPER JAFFRAY	761	2,414	-	-	13,237
UNREALIZED GAINS (LOSSES)	(13,869)	9,235	-	-	6,288
TOTAL INTEREST INCOME	(8,006)	20,331	47,117	26,786	53,945
LEASE PAYMENTS	208	833	2,500	1,667	2,500
OTHER INCOME	-	4,500	3,000	(1,500)	17,368
COST OF SALES	-	-	-	-	-
TOTAL REVENUES	\$ (7,798)	\$ 25,664	\$ 52,617	\$ 26,953	\$ 73,813
EXPENDITURES					
80 LEGAL FEES	\$ 400	\$ 1,500	\$ 4,800	\$ 3,300	\$ 3,600
81 DIRECTORS FEES	180	720	3,000	2,280	2,160
82 FICA TAXES	-	-	166	166	165
83 ENGINEER/ADMINISTRATIVE	500	1,500	6,000	4,500	4,800
90 AUDIT & BOOKKEEPING	250	750	3,000	2,250	3,000
92 INSURANCE/BONDS	-	2,506	3,000	494	2,908
96 OFFICE EXPENSE	108	217	500	283	2,276
97 OFFICE RENT	-	680	500	(180)	500
100 PROFESSIONAL FEES	4,086	14,188	18,000	3,812	-
APPRAISAL	-	-	-	-	-
103 TRAVEL	-	-	3,500	3,500	-
105 REPAIRS & MAINTENANCE	117	350	90,000	89,650	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	6,000	6,000	60,000	54,000	20,000
113 SALES TAX	-	-	-	-	-
TOTAL EXPENDITURES	11,641	28,411	317,966	289,555	52,339
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (19,439)	\$ (2,747)	\$ (265,349)	\$ (262,602)	\$ 21,474

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
4/30/2008

5/14/2008 1:50 PM

<u>BROKER</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>PAR VALUE</u>	<u>BALANCE 12/31/2007</u>	<u>ADDITIONS</u>	<u>MKT VALUE CHANGE</u>	<u>REDEMPTION SALES</u>	<u>BALANCE 1/31/2008</u>	<u>INTEREST RECEIVED 4/30/2008</u>
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				11,738.31	36.43	-	-	11,774.74	36.43
PIPER JAFFRAY	Money Market Account				11,435.55	100,722.20	-	-	112,157.75	213.56
WACHOVIA SEC.	Evergreen Money Mkt Fund				5,769.64	47,459.06	-	-	53,228.70	50.93
TOTAL CASH ACCOUNTS WITH BROKERS					28,943.50	148,217.69	-	-	177,161.19	300.92
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00	-	-	-	25,000.00	328.43
TOTAL COLOTRUST					25,000.00	-	-	-	25,000.00	328.43
WACHOVIA SEC.	FNMA 05-27 GA REMIC MULTICLASS CMO	4/25/2034	5.500%	450,000.00	40,713.77	-	316.35	11,291.34	29,738.78	735.56
	FHLMC 3040 CA REMIC MULTICLASS CMO	9/15/2019	5.000%	108,000.00	-	-	-	-	-	-
	FHLMC 3334 WW RETAIL LOTTERY	9/15/2036	6.250%	30,000.00	30,237.30	-	320.91	7,000.00	23,558.21	588.54
	FHLMC 2646 LL RETAIL LOTTERY	8/15/2033	5.000%	78,000.00	32,122.08	-	820.80	-	32,942.88	750.00
	FHLMC 2688 DD RETAIL LOTTERY	11/15/2033	5.500%	36,000.00	33,993.36	-	(778.68)	-	33,214.68	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	45,682.21	-	1,256.85	-	46,939.06	1,020.85
	FHLMC 3133 MB REMIC MULTICLASS CMO	3/15/2036	6.000%	150,000.00	144,406.50	-	2,088.00	-	146,494.50	3,750.00
	FNMA 05-16 WD REMIC MULTICLASS CMO	1/25/2035	5.000%	56,000.00	13,774.69	-	193.61	1,014.60	12,953.70	251.73
	GNMA 06-27 WE REMIC MULTICLASS CMO	6/20/2036	6.000%	50,000.00	49,928.50	-	440.50	-	50,369.00	1,000.00
	FHLMC 3230 BB REMIC MULTICLASS CMO	4/15/2036	5.750%	50,000.00	47,407.50	-	1,019.00	-	48,426.50	1,197.90
	FHLMC 3264 UU REMIC MULTICLASS CMO	6/15/2036	5.750%	50,000.00	46,130.40	-	638.40	-	46,768.80	1,150.00
	FHLMC 3290 WA REMIC MULTICLASS CMO	4/15/2007	5.000%	58,000.00	46,519.90	-	537.17	12,602.19	34,454.88	1,003.77
	FHLMC 3357 AA REMIC MULTICLASS CMO	12/15/1936	6.000%	32,000.00	31,728.96	-	438.83	11,000.00	21,167.79	745.00
	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	-	(30.50)	-	25,002.75	-
TOTAL WACHOVIA SEC.					587,678.42	-	7,261.24	42,908.13	552,031.53	13,018.35
PIPER JAFFRAY	GNMA POOL #24920	6/15/2008	8.250%		291.78	-	(20.08)	207.68	64.02	6.59
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	12/15/2009	3.000%	120,000.00	118,602.00	-	1,410.00	-	120,012.00	1,200.00
	FEDL NATL MTG ASSN INVT NOTES B/E	8/20/2010	4.000%	100,000.00	99,813.00	-	187.00	100,000.00	-	822.22
	FEDL NATL MTG ASSN INVT NOTES B/E	6/24/2011	4.000%	130,000.00	129,756.90	-	283.40	-	130,040.30	1,733.32
	FHLMC #170217	3/1/2017	8.000%		4,353.19	-	113.49	300.96	4,165.72	109.97
TOTAL PIPER JAFFRAY					352,816.87	-	1,973.81	100,508.64	254,282.04	3,872.10
TOTAL INVESTMENTS					965,495.29	-	9,235.05	143,416.77	831,313.57	17,218.88
TOTAL ALL ACCOUNTS					994,438.79	148,217.69	9,235.05	143,416.77	1,008,474.76	17,519.80

PUEBLO CONSERVANCY DISTRICT

APRIL 2008 - MAY 2008

RECEIPTS

VENDOR	ITEM	AMOUNT
First Clearing, LLC	Interest Payment	\$ 2,161.21
First Clearing, LLC	Interest Payment	\$ 250.00
First Clearing, LLC	Interest Payment	\$ 222.27
UBS	Interest	\$ 759.84
Wells Fargo - Colotrust	Dividend	\$ 54.23
Wachovia	Redemptions	\$ 45,000.00
		\$ 48,447.55

DEBITS

VENDOR	ITEM	AMOUNT	CHECK	CODE
Aquila	Electrical Billing	\$ 119.02	3518	105
MBDG, PC	Bookkeeping	\$ 250.00	3519	90
Don Banner - B&B, PC	Attorney Fees	\$ 400.00	3520	80
Kidd Engineering	Engineer/Admin Fees	\$ 500.00	3521	83
	Ownership Map	\$ 3,792.00	"	100
	Appraised Benefits	\$ 3,135.00	"	100
Director Sandstrom	Fees	\$ 55.41	3522	81
Director Farley	Fees	\$ 55.41	3523	81
Director Haynes	Fees	\$ 55.41	3524	81
HARP Authority	2008 Budget Allocation	\$ 50,000.00	3525	112
HARP Authority	Added Maintenance Fund	\$ 12,000.00	"	112
	per 1-16-08 Board Action			
Spaccamonti Excavating	Runyon Trash Rack	\$ 220.00	3526	105
		\$ 70,582.25		

KIDD ENGINEERING AND CONSTRUCTION
MANAGEMENT SERVICES, INC.
44811 EAST US HWY 50
AVONDALE, CO 81022
719-544-5239

Invoice

Date	Invoice #
5/15/2008	2428

Bill To
Pueblo Conservancy District P.O. Box 234 Pueblo, CO 81003

P.O. No.	Terms	Project
	Due on receipt	

Description	Qty	Rate	Amount
April Engineer / Administrator Fees	1	500.00	500.00
Subtotal			500.00
OWNERSHIP MAP-Work in Progress		0.00	0.00
Engineering Technician	61	57.00	3,477.00
Engineering Oversight	3	105.00	315.00
Subtotal			3,792.00
APPRaised BENEFITS-Work in Progress			
Parcel No. Listing	55	57.00	3,135.00
Subtotal			3,135.00
		<i>#3792.00 To Date</i>	
		<i>\$17,073.00 To Date</i>	
		<i>#3521 5-16-08</i>	
Total			\$7,427.00

Payments/Credits \$0.00

Balance Due \$7,427.00

Invoice		
	Date	Invoice #
	4/22/2008	2426

Pueblo Conservancy District
P.O. Box 234
Pueblo, CO 81003

P.O. No.	Terms	Project
	Due on receipt	

Description	Qty	Rate	Amount
March Engineer / Administrator Fees	1	500.00	500.00
APPRAISED BENEFITS - Work in Progress			
Parcel No. Listing	68	57.00	3,876.00
Engineer	2	105.00	210.00
		Total	\$4,586.00
		Payments/Credits	\$-4,586.00
		Balance Due	\$0.00

KIDD ENGINEERING AND CONSTRUCTION
MANAGEMENT SERVICES, INC.
44811 EAST US HWY 50
AVONDALE, CO 81022
719-544-5239

Invoice

Date	Invoice #
3/18/2008	2423

Bill To

Pueblo Conservancy District
P.O. Box 234
Pueblo, CO 81003



P.O. No.	Terms	Project
	Due on receipt	

Description	Qty	Rate	Amount
February Engineer/Administrator Fees	1	500.00	500.00
Finders Fee for Appraised Benefit Books	1	250.00	250.00
APPRAISED BENEFITS - Work Completed			
Excel Spreadsheet Listing - Data Input	149	30.00	4,470.00
Proof Reading - Engr/Survey Tech	16	57.00	912.00
Engineer	4	105.00	420.00
APPRAISED BENEFITS - Work in Progress			
Parcel No. Listing	135	30.00	4,050.00
		Total	\$10,602.00
		Payments/Credits	\$-10,602.00
		Balance Due	\$0.00