

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

Directors Present: Sandstrom, Farley

Also Present: Administrator Rick Kidd, Counselor Don Banner

Guests: Brandi Montoya and Raechel Cook, Praise Assembly of God

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

Minutes -- The Minutes of the June 18, 2008 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 and June were reviewed. Farley expressed concerns about the Fannie Mae investments. She is to call Calvin Mason (Wachovia) to discuss the soundness of these investments. Farley moved to approve the accountant's reports. Motion passed.

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

\$ 250.00	MBD&G, Accountant fees
\$ 116.01	Aquila, Electricity
\$ 400.00	Don Banner, Attorney fees
\$ 4.85	Don Banner, Motion and Order Filing Fees
\$ 500.00	Kidd Engineering, Administrator/Engineer fees
\$ 4,092.60	Kidd Engineering, Appraisal Listing and Parcel No. Coordination
\$ 2,790.00	Kidd Engineering, Levee Surveys requested by ACE
\$ 55.41	Sandstrom, Director's Fee
\$ 55.41	Arteaga, Director's Fee
\$ 55.41	Farley, Director's Fee
\$ 106.00	US Postal Service, Annual Box Rental
\$ 378.00	Chem-Way, Levee Sterilant

There was a question about the bill on the surveying. Kidd explained that the Corps of Engineers requested land survey information along with the review of the status of the concrete facing. Farley moved to pay the bills. Motion passed.

Praise Assembly of God Mural Proposal -- Sandstrom expressed a concern about the Church being named with the logo. Montoya said that the Church name could be removed. When questioned about the size Montoya said that she thought it would be about 10-feet. It will be sized commensurate with the space chosen. Montoya has been in contact with Cynthia Ramu, the mural project coordinator. The Board gave consensus approval of the proposed mural and location with exclusion of the church name. Montoya and Cooke were directed to coordinate with Ramu. They were also told that the access would probably have to be from the 11th Street Bridge, due to new railroad access requirements. Kidd is to be included in the loop along with Ramu. Kidd to find the levee painting waiver and fax it to 544-9637.

Director Owned Lot -- Banner suggested that an easement may suffice, rather than actual ownership. He stated that an easement is still a property right. Banner is to confirm.

Union Pacific Railroad Agreement -- Banner said that the agreement is onerous. He suggested that Sandstrom have an informal meeting with Joe Rodriguez and explain the Conservancy District function and the Court Order we have for access.

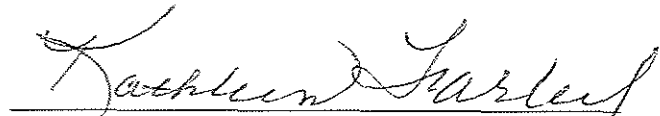
RECORD OF PROCEEDINGS

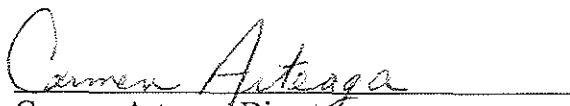
July 16, 2008 Minutes, Page 2 of 2

There being no further business to come before the Board, the business meeting was adjourned at 8:40 a.m. The next meeting date is August 20, 2008.

APPROVED:


Gus Sandstrom, Director


Kathleen Farley, Director


Carmen Arteaga, Director

7900 -
15,000 -

THE PUEBLO CONSERVANCY DISTRICT

NOTICE OF MEETING

DATE: JULY 16, 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 JUNE 18, 2008 MINUTES
3. TREASURER'S REPORT
 - a. ACCOUNTANT REPORT
 - b. PAYMENT OF BILLS
4. LEVEE MURAL PAINTING REQUEST
5. OTHER BUSINESS AS MAY BE BROUGHT BEFORE THE BOARD
6. ADJOURNMENT *UP Extended Agenda*

Future meetings scheduled for:

August 20

September 17

October 15

November 19

December 17

MINUTES OF THE JUNE 18, 2008 REGULAR MEETING OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Sandstrom, Farley, Haynes, Arteaga

Also Present: Administrator Rick Kidd, Counselor Don Banner

Guest: Ken White

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

Minutes -- The Minutes of the May 16, 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 May was not available. Farley moved to pay the bills. Motion passed.

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

\$ 250.00	MBD&G, Accountant fees
\$ 114.23	Aquila, Electricity
\$ 400.00	Don Banner, Attorney fees
\$ 500.00	Kidd Engineering, Administrator/Engineer fees
\$ 3,417.50	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

Haynes Resignation -- Carmen Arteaga was selected, by Judge Maes, to replace Valerie Haynes as a member of the Pueblo Conservancy District Board. Arteaga is a school teacher and expressed a concern about the meetings being held in the mornings. After discussion it was decided that meetings would be scheduled at 4:00 pm starting in September. Kidd is to update and have the postings replaced. Arteaga was welcomed to the Board. Banner will prepare the order for Judge Maes' approval of Haynes' resignation and Arteaga's appointment.

Ken White was invited to attend to make a presentation concerning his services for the PCD investments. White stated that the current PCD portfolio is low risk and that regulations do not allow some investments that are available to other entities. He said that it does not take much effort to manage the PCD investments. He would like to be afforded the opportunity to represent the District in future investments. He realizes that his commissions would be small, probably less than ¼ % of investment, but that he would be happy to serve us as part of his "civic duty". If the Board selects him as one of their investment managers he would like to be given the opportunity to make a quarterly presentation to the Board. He would provide a review of the investments, and his opinion of the status of the economy and the investment outlook. He would also like to provide "investment education" to the Board.

Levee Access -- Banner suggested preparing a motion for Court Order to allow PCD personnel and contractors access across railroad property as needed for repair and maintenance. The motion passed the Board.

Special Districts Insurance -- It was discussed and decided that there was not a need for excess liability coverage, as offered by the Special Districts Association.

June 18, 2008 Minutes, Page 2 of 2

Director Qualifications -- Banner reported that statute requires that all Board members live within the County and that at least two must own real property within the District boundary. Banner discussed how a similar requirement is addressed in the banking industry and proposed that a District parcel be designated for Board member ownership. Each Board member would have an undivided interest, and there would be a clause for a member's interest reverting back to the District when that individual is no longer a member of the Board.

The Board requested Banner to discuss this and the railroad access issue with Judge Maes.

There being no further business to come before the Board, the business meeting was adjourned at 8:50 a.m. The next meeting date is July 16, 2008.

APPROVED:

Gus Sandstrom, Director

Kathleen Farley, Director

Carmen Arteaga, Director



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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 May 31, 2008 and December 31, 2007, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the five months ended May 31, 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

June 17, 2008

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

	<u>5/31/2008</u>	<u>12/31/2007</u>
ASSETS		
VECTRA BANK CHECKING	\$ 7,922	\$ 44,778
VECTRA BANK MONEY MARKET	11,780	11,738
BROKERAGE MONEY MARKET ACCOUNTS	160,522	17,205
COLOTRUST INVESTMENT	25,000	25,000
WACHOVIA SECURITIES INVESTMENT	503,108	587,679
PIPER JAFFRAY INVESTMENT	253,855	352,817
ACCRUED INTEREST	<u>-</u>	<u>6,424</u>
 TOTAL ASSETS	 <u>\$ 962,187</u>	 <u>\$ 1,045,641</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 4,766
PAYROLL TAXES PAYABLE	69	330
DEFERRED INCOME	<u>-</u>	<u>1,042</u>
 TOTAL LIABILITIES	 <u>69</u>	 <u>6,138</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	156,376	264,890
UNDESIGNATED	<u>799,742</u>	<u>768,613</u>
 TOTAL FUND EQUITY	 <u>962,118</u>	 <u>1,039,503</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 962,187</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 FIVE MONTHS ENDED MAY 31, 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	\$ 54	\$ 281	\$ -	\$ -	\$ 1,283
MONEY MARKET ACCOUNTS	314	615	-	-	1,167
WACHOVIA SECURITIES	4,146	12,299	-	-	31,970
PIPER JAFFRAY	760	3,174	-	-	13,237
UNREALIZED GAINS (LOSSES)	(9,525)	(290)	-	-	6,288
TOTAL INTEREST INCOME	(4,251)	16,079	47,117	31,038	53,945
LEASE PAYMENTS	208	1,042	2,500	1,458	2,500
OTHER INCOME	-	4,500	3,000	(1,500)	17,368
COST OF SALES	-	-	-	-	-
TOTAL REVENUES	\$ (4,043)	\$ 21,621	\$ 52,617	\$ 30,996	\$ 73,813
EXPENDITURES					
80 LEGAL FEES	\$ 400	\$ 1,900	\$ 4,800	\$ 2,900	\$ 3,600
81 DIRECTORS FEES	180	900	3,000	2,100	2,160
82 FICA TAXES	-	-	166	166	165
83 ENGINEER/ADMINISTRATIVE	500	2,000	6,000	4,000	4,800
90 AUDIT & BOOKKEEPING	250	1,000	3,000	2,000	3,000
92 INSURANCE/BONDS	-	2,506	3,000	494	2,908
96 OFFICE EXPENSE	-	217	500	283	2,276
97 OFFICE RENT	-	680	500	(180)	500
100 PROFESSIONAL FEES	-	14,188	18,000	3,812	-
APPRAISAL	-	-	-	-	-
103 TRAVEL	-	-	3,500	3,500	-
105 REPAIRS & MAINTENANCE	7,266	7,616	90,000	82,384	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	62,000	68,000	60,000	(8,000)	20,000
113 SALES TAX	-	-	-	-	-
TOTAL EXPENDITURES	70,596	99,007	317,966	218,959	52,339
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (74,639)	\$ (77,386)	\$ (265,349)	\$ (187,963)	\$ 21,474

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
5/31/2008

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<u>BROKER</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>PAR VALUE</u>	<u>BALANCE 12/31/2007</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	41.26	-	-	11,779.57	41.26
PIPER JAFFRAY	Money Market Account				11,435.55	101,200.61	-	-	112,636.16	505.41
WACHOVIA SEC.	Evergreen Money Mkt Fund				5,769.64	87,115.87	-	45,000.00	47,885.51	68.65
TOTAL CASH ACCOUNTS WITH BROKERS					28,943.50	188,357.74	-	45,000.00	172,301.24	615.32
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00	-	-	-	25,000.00	382.66
TOTAL COLOTRUST					25,000.00	-	-	-	25,000.00	382.66
WACHOVIA SEC.	FNMA 05-27 GA REMIC MULTICLASS CMO	4/25/2034	5.500%	450,000.00	40,713.77	-	482.84	18,052.97	23,143.64	896.67
	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	-	(16.17)	9,000.00	21,221.13	708.33
	FHLMC 2646 LL RETAIL LOTTERY	8/15/2033	5.000%	78,000.00	32,122.08	-	(111.24)	-	32,010.84	900.00
	FHLMC 2688 DD RETAIL LOTTERY	11/15/2033	5.500%	36,000.00	33,993.36	-	(1,737.72)	-	32,255.64	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	45,682.21	-	250.88	-	45,933.09	1,225.02
	FHLMC 3133 MB REMIC MULTICLASS CMO	3/15/2036	6.000%	150,000.00	144,406.50	-	(1,375.50)	-	143,031.00	4,500.00
	FNMA 05-16 WD REMIC MULTICLASS CMO	1/25/2035	5.000%	56,000.00	13,774.69	-	(91.40)	1,511.57	12,171.72	312.89
	GNMA 06-27 WE REMIC MULTICLASS CMO	6/20/2036	6.000%	50,000.00	49,928.50	-	150.00	-	50,078.50	1,500.00
	FHLMC 3230 BB REMIC MULTICLASS CMO	4/15/2036	5.750%	50,000.00	47,407.50	-	78.50	-	47,486.00	1,437.48
	FHLMC 3264 UU REMIC MULTICLASS CMO	6/15/2036	5.750%	50,000.00	46,130.40	-	(301.92)	-	45,828.48	1,380.00
	FHLMC 3290 WA REMIC MULTICLASS CMO	4/15/2007	5.000%	58,000.00	46,519.90	-	332.79	13,982.68	32,870.01	1,160.12
	FHLMC 3357 AA REMIC MULTICLASS CMO	12/15/1936	6.000%	32,000.00	31,728.96	-	349.41	15,000.00	17,078.37	850.00
	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	-	(33.25)	25,000.00	-	1,303.56
TOTAL WACHOVIA SEC.					587,678.42	-	(2,022.78)	82,547.22	503,108.42	17,164.07
PIPER JAFFRAY	GNMA POOL #24920	6/15/2008	8.250%		291.78	-	(20.64)	271.14	-	7.03
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	12/15/2009	3.000%	120,000.00	118,602.00	-	1,195.20	-	119,797.20	1,500.00
	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	2,166.65
	FHLMC #170217	3/1/2017	8.000%		4,353.19	-	88.04	424.06	4,017.17	136.04
TOTAL PIPER JAFFRAY					352,816.87	-	1,733.00	100,695.20	253,854.67	4,631.94
TOTAL INVESTMENTS					965,495.29	-	(289.78)	183,242.42	781,963.09	22,178.67
TOTAL ALL ACCOUNTS					994,438.79	188,357.74	(289.78)	228,242.42	954,264.33	22,793.99



McPherson,
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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, 2008 and December 31, 2007, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the six months ended June 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

July 14, 2008

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

	<u>6/30/2008</u>	<u>12/31/2007</u>
ASSETS		
VECTRA BANK CHECKING	\$ 8,870	\$ 44,778
VECTRA BANK MONEY MARKET	11,785	11,738
BROKERAGE MONEY MARKET ACCOUNTS	165,312	17,205
COLOTRUST INVESTMENT	25,000	25,000
WACHOVIA SECURITIES INVESTMENT	502,119	587,679
PIPER JAFFRAY INVESTMENT	253,971	352,817
ACCRUED INTEREST	<u>-</u>	<u>6,424</u>
 TOTAL ASSETS	 <u>\$ 967,057</u>	 <u>\$ 1,045,641</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 4,766
PAYROLL TAXES PAYABLE	82	330
DEFERRED INCOME	<u>2,292</u>	<u>1,042</u>
 TOTAL LIABILITIES	 <u>2,374</u>	 <u>6,138</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	156,376	264,890
UNDESIGNATED	<u>802,307</u>	<u>768,613</u>
 TOTAL FUND EQUITY	 <u>964,683</u>	 <u>1,039,503</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 967,057</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 SIX MONTHS ENDED JUNE 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	\$ 53	\$ 334	\$ -	\$ -	\$ 1,283
MONEY MARKET ACCOUNTS	135	750	-	-	1,167
WACHOVIA SECURITIES	2,284	14,583	-	-	31,970
PIPER JAFFRAY	759	3,934	-	-	13,237
UNREALIZED GAINS (LOSSES)	3,788	3,498	-	-	6,288
TOTAL INTEREST INCOME	7,019	23,099	47,117	24,018	53,945
LEASE PAYMENTS	408	1,450	2,500	1,050	2,500
OTHER INCOME	-	4,500	3,000	(1,500)	17,368
COST OF SALES	-	-	-	-	-
TOTAL REVENUES	\$ 7,427	\$ 29,049	\$ 52,617	\$ 23,568	\$ 73,813
EXPENDITURES					
80 LEGAL FEES	\$ 400	\$ 2,300	\$ 4,800	\$ 2,500	\$ 3,600
81 DIRECTORS FEES	180	1,080	3,000	1,920	2,160
82 FICA TAXES	-	-	166	166	165
83 ENGINEER/ADMINISTRATIVE	500	2,500	6,000	3,500	4,800
90 AUDIT & BOOKKEEPING	250	1,250	3,000	1,750	3,000
92 INSURANCE/BONDS	-	2,506	3,000	494	2,908
96 OFFICE EXPENSE	-	217	500	283	2,276
97 OFFICE RENT	-	680	500	(180)	500
100 PROFESSIONAL FEES	3,418	17,606	18,000	394	-
APPRAISAL	-	-	-	-	-
103 TRAVEL	-	-	3,500	3,500	-
105 REPAIRS & MAINTENANCE	114	7,730	90,000	82,270	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	-	68,000	60,000	(8,000)	20,000
113 SALES TAX	-	-	-	-	-
TOTAL EXPENDITURES	4,862	103,869	317,966	214,097	52,339
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 2,565	\$ (74,820)	\$ (265,349)	\$ (190,529)	\$ 21,474

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
6/30/2008

7/14/2008 3:17 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	46.25	-	-	11,784.56	46.25
PIPER JAFFRAY	Money Market Account				11,435.55	101,350.13	-	-	112,785.68	618.79
WACHOVIA SEC.	Evergreen Money Mkt Fund				5,769.64	91,756.99	-	45,000.00	52,526.63	85.05
TOTAL CASH ACCOUNTS WITH BROKERS					28,943.50	193,153.37	-	45,000.00	177,096.87	750.09
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00	-	-	-	25,000.00	435.69
TOTAL COLOTRUST					25,000.00	-	-	-	25,000.00	435.69
WACHOVIA SEC.	FNMA 05-27 GA REMIC MULTICLASS CMO	4/25/2034	5.500%	450,000.00	40,713.77	-	504.35	18,052.97	23,165.15	1,038.45
	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	-	32.50	10,000.00	20,269.80	817.70
	FHLMC 2646 LL RETAIL LOTTERY	8/15/2033	5.000%	78,000.00	32,122.08	-	284.40	-	32,406.48	1,050.00
	FHLMC 2688 DD RETAIL LOTTERY	11/15/2033	5.500%	36,000.00	33,993.36	-	(1,259.28)	-	32,734.08	1,155.00
	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	-	473.83	-	46,156.04	1,429.19
	FHLMC 3133 MB REMIC MULTICLASS CMO	3/15/2036	6.000%	150,000.00	144,406.50	-	205.50	-	144,612.00	5,250.00
	FNMA 05-16 WD REMIC MULTICLASS CMO	1/25/2035	5.000%	56,000.00	13,774.69	-	29.34	1,844.18	11,959.85	371.43
	GNMA 06-27 WE REMIC MULTICLASS CMO	6/20/2036	6.000%	50,000.00	49,928.50	-	100.50	-	50,029.00	1,500.00
	FHLMC 3230 BB REMIC MULTICLASS CMO	4/15/2036	5.750%	50,000.00	47,407.50	-	547.00	-	47,954.50	1,677.06
	FHLMC 3264 UU REMIC MULTICLASS CMO	6/15/2036	5.750%	50,000.00	46,130.40	-	81.60	-	46,212.00	1,610.00
	FHLMC 3290 WA REMIC MULTICLASS CMO	4/15/2007	5.000%	58,000.00	46,519.90	-	325.76	15,274.79	31,570.87	1,310.14
	FHLMC 3357 AA REMIC MULTICLASS CMO	12/15/1936	6.000%	32,000.00	31,728.96	-	320.69	17,000.00	15,049.65	935.00
	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	-	(33.25)	25,000.00	-	1,303.56
TOTAL WACHOVIA SEC.					587,678.42	-	1,612.94	87,171.94	502,119.42	19,447.53
PIPER JAFFRAY	GNMA POOL #24920	6/15/2008	8.250%		291.78	-	(20.64)	271.14	-	7.16
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	12/15/2009	3.000%	120,000.00	118,602.00	-	1,358.40	-	119,960.40	1,800.00
	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	2,599.98
	FHLMC #170217	3/1/2017	8.000%		4,353.19	-	77.28	460.20	3,970.27	161.89
TOTAL PIPER JAFFRAY					352,816.87	-	1,885.44	100,731.34	253,970.97	5,391.25
TOTAL INVESTMENTS					965,495.29	-	3,498.38	187,903.28	781,090.39	25,274.47
TOTAL ALL ACCOUNTS					994,438.79	193,153.37	3,498.38	232,903.28	958,187.26	26,024.56

PUEBLO CONSERVANCY DISTRICT

JUNE 2008 - JULY 2008

RECEIPTS

VENDOR	ITEM	AMOUNT
First Clearing, LLC	Interest Payment	\$ 2,083.14
First Clearing, LLC	Interest Payment	\$ 250.00
First Clearing, LLC	Interest Payment	\$ 167.25
UBS	Interest	\$ 758.58
Wells Fargo - Colotrust	Dividend	\$ 49.70
COPAA	Land Lease 3-07 to 3-09	\$ 200.00
UBS	Interest	\$ 759.31
		\$ 4,267.98

DEBITS

VENDOR	ITEM	AMOUNT	CHECK	CODE
Aquila	Electrical Billing	\$ 116.01	3535	105
MBDG, PC	Bookkeeping	\$ 250.00	3536	90
Don Banner - B&B, PC	Attorney Fees	\$ 400.00	3537	80
	Motion and Order Filing Fees	\$ 4.85	"	96
Kidd Engineering	Engineer/Admin Fees	\$ 500.00	3539	83
	Appraised Benefits	\$ 4,092.60	"	100
	Surveys, etc. for ACE	\$ 2,790.00	"	105
Director Sandstrom	Fees	\$ 55.41	3540	81
Director Farley	Fees	\$ 55.41	3541	81
	Fees	\$ 55.41	3542	81
US Postal Service	Annual Box Rental	\$ 106.00	3534	96
Chem-Way	Levee Sterilant	\$ 378.00	3543	105
		\$ 8,803.69		

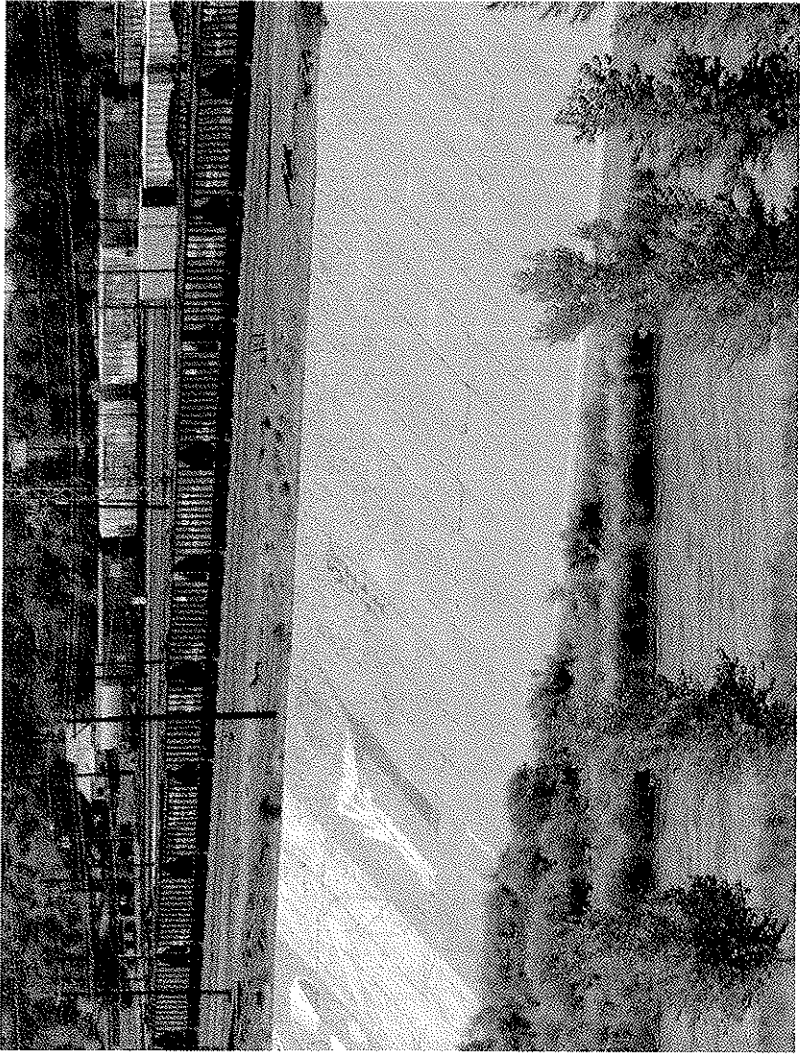
Blood

&

H2O

Youth Ministries

Praise Assembly of God, Pueblo





June 25, 2008
Folder: 02504-81

RICK KIDD
PUEBLO CONSERVANCY DISTRICT
P O BOX 234
PUEBLO CO 81003

Dear Mr. Kidd:

Attached are duplicate originals of a Right of Entry agreement covering your use of the Railroad Company's right of way. The terms of this document are final and non-negotiable. Do not make any alterations or changes to the document.

Please execute *(or arrange for execution)* in ink of the duplicate original counterparts of this document. Please **RETURN BOTH COPIES** of the document for execution on behalf of the Railroad Company. Your copy of the fully executed document will be returned to you, when approved by the Railroad Company. You are not authorized to enter the Railroad's property or begin any work until you have received your fully executed counterpart from the Railroad and have made all required contacts and notifications.

Also attached is a Contractor's Endorsement which must be executed and returned by each of your Contractors, along with a copy of each Contractor's Insurance Certificate, naming Union Pacific Railroad Company as an additional insured, and a \$500.00 payment for each Contractor.

Payment in the amount of **One Thousand Dollars (\$1,000.00)** is due and payable upon your execution of the agreement. Please include your check, with **Folder No. 02504-81 written on the front**, made payable to Union Pacific Railroad Company, with the return of the documents.

In addition, if you elect to obtain your required Railroad Protective Insurance coverage from Union Pacific Railroad, you must also return the completed and signed Railroad Protective Insurance application form *(available on the UPRR internet website at www.uprr.com/reus/group/rrinsure)* to Marsh, USA (Fax: (816) 556-4362, Attention: Cindy Long), a copy of your Insurance Certificate (Gen. Liab., Auto Liab. & Workman's Comp. coverages) naming Union Pacific Railroad Company as additional insured, along with a separate check for payment of the Railroad Protective Insurance premium in the amount shown on the overview and rate schedule.

This agreement will not be accepted by the Railroad Company until you have returned all of the following to the undersigned at Union Pacific Railroad Company:

- (1) Executed, unaltered duplicate original counterparts of Right of Entry Agreement *[including the Contractor's Endorsement(s) and \$500 for each contractor]*;
- (2) Your check in the amount of \$1,000.00 to pay the required balance due of the required Right of Entry fee. (The Folder Number 02504-81 should be written on the check to insure proper credit);
- (3) All Insurance Certificates (*yours and all contractors'*), naming Union Pacific Railroad Company as additional insured;
- (4) Your executed and completed Railroad Protective Insurance applications & payment should be directly forwarded to: Marsh, USA, PO Box 419105, Kansas City, MO 64141-6105 [Fax: (816) 556-4362] (should you choose to purchase through Union Pacific's blanket carrier);

**RETURN ALL OF THESE REQUIRED ITEMS TOGETHER IN ONE ENVELOPE.
DO NOT MAIL ANY ITEM SEPARATELY.**

If you require formal billing, you may consider this letter as a formal bill.

If you have any questions, please contact me at (402) 544-8801.

Sincerely yours,



Ernestine W. Burtley
Manager - Real Estate



Railroad Protective Liability Insurance

Railroad Protective Liability Insurance – For Projects Under \$10,000,000 and do not exceed 12 months

Overview

When working within Union Pacific Railroad's right of way, your company will be required to obtain Railroad Protective Liability Insurance for the project.

For RPLI application requests, you may be asked by your insurance carrier to provide train movement information. Due to the circumstances of September 11, 2001, for security and safety reasons, Union Pacific Railroad employees no longer supply train information to parties outside the Railroad. The major insurance companies are aware of this situation.

Obtaining this insurance for smaller projects can be a time-consuming and costly purchase for the contractor. With the Railroad Protective Liability Program made available by Union Pacific through a national broker, your company may save both time and money. In as little time as it takes to complete a single-page application and send a check, the Railroad Protective Liability coverage is in place. We consider this program a time saver in obtaining Railroad Protective Liability insurance.

***PLEASE READ** – there have been some modifications/enhancements to this site and the Railroad Protective Liability Application.

- If you are utilizing an old application, please begin to use the most updated version to ensure your request is fulfilled accurately and promptly.
- The Railroad Protective Liability Program does NOT cover new bridge construction, structural repair to bridges, widening of bridges and bridge demolition. Coverage for bridge construction must be obtained from your insurance agent/broker.

Current Rate Schedule

Section A

Installation of overhead wire and underground wire or pipe.

TRAVERSE INSTALLATIONS

Overhead	Underground	Open Cut
\$1,600	\$1,800	\$1,480

Section B

LONGITUDINAL (PARALLEL) INSTALLATIONS

Length (in feet)	Overhead	Underground
0 – 250	\$1,600	\$1,800
251 – 500	\$1,700	\$1,900

501 - 1,000	\$1,800	\$2,050
1,001 - 2,000	\$2,000	\$2,250
2,001 - 4,000	\$2,475	\$2,725
4,001 - 6,000	\$2,700	\$3,000
6,001 - 8,000	\$2,900	\$3,150
8,001 - 10,000	\$3,050	\$3,350
Over 10,000 must be submitted for rating and approval.		

Section C

Construction not including wire and pipe installation:

Construction includes: building and demolition, building repair, cutting grass/landscape), grass cutting, landscaping, maintenance work, parking lot construction, private grade crossings (installation and maintenance), rock scaling, seed planting, sidetrack construction, sign board construction, signal repair, spraying, spur construction, station repair, survey work, test borings, weed control. **BRIDGES - DOES COVER** bridge inspection, bridge maintenance, bridge painting and bridge surface repair. **BRIDGES - DOES NOT** cover new bridge construction, structural repair to bridges, widening of bridges and/or bridge demolition

Full contract value shall not exceed \$10,000,000.

CONTRACT VALUE WITHIN 50' OF UP PROPERTY	PREMIUM
0 - \$1,250,000	\$3,400
\$1,250,001 - \$2,500,000	\$5,100
\$2,500,001 - \$3,500,000	\$10,000
\$3,500,001 - \$5,000,000	\$17,400
\$5,000,001 - \$6,000,000	\$20,300
\$6,000,001 - \$7,000,000	\$23,700
\$7,000,001 - \$8,000,000	\$27,040
\$8,000,001 - \$9,000,000	\$30,400
\$9,000,001 - \$10,000,000	\$33,800

If you elect to take advantage of the program, please do not send your application for this insurance coverage to the Union Pacific Railroad. Please make your premium check payable to Marsh, USA and send with your application via US Mail (do not send via Express Mail to P.O. BOX) to:

Marsh, USA
 NW8622
 P.O. Box 1450
 Minneapolis, MN 55485-8622

Contact Marsh, USA with any coverage or premium questions:

Please take our Customer Satisfaction Survey

Phone: (800) 729-7001

Fax: (816) 556-4362

Attn: Bill Smith
Cindy Long

e-mail address: william.j.smith@marsh.com

e-mail address: cindy.long@marsh.com

DO NOT submit unless all mandatory (*) fields are complete.

1. *Name of Union Pacific Representative
- Telephone Number E-Mail Address
2. *UPRR Contract Folder Number #####-##

Note: Separate applications must be completed for each folder assigned

3. Description of Project
(example: horizontal bore / pipeline)
4. Please Complete Either Section A OR Section B OR Section C Below:

Section A. Traverse InstallationIf Project is Traverse Installation **Section B. Longitudinal (Parallel) Installation**

Overhead or Underground, use the drop down arrow to select the linear feet.

Overhead Underground **Section C. Other Construction Project - Total project cost cannot exceed \$10,000,000**Please choose a project description from the
drop down box before printing application. *Please Describe Project* Project Cost Within
50'RR Property Total Project
Value

5. *Job Location (Nearest City, State)
6. Estimated Start and End Date of Work Within RR Right-
of-Way Begin End
7. Name on Certificate of Insurance
(Contractor completing the project)

Mailing Address City, State, ZIP Phone # Fax # E-Mail

8. Name of Involved Governmental Authority or General Contractor
9. Cost of Railroad Protective Liability Coverage for this Project:
ONLY enter amount from A **OR** B **OR** C above. **THIS IS YOUR TOTAL PREMIUM**

***THIS COVERAGE WILL NOT BEGIN UNTIL BOTH ITEMS BELOW ARE RECEIVED BY MARSH USA**

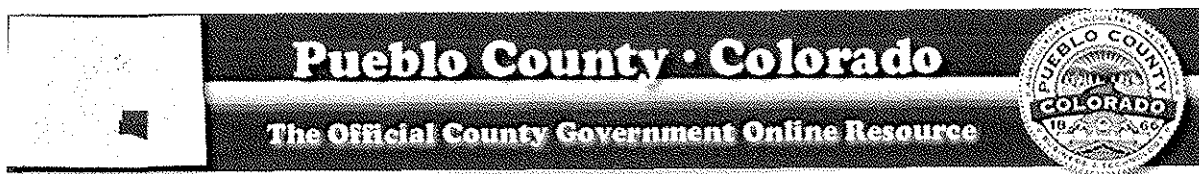
1. A Check Payable in the amount quoted in Item #9 above
Payable to: MARSH, USA
NW 8622, PO Box 1450
Minneapolis, MN 55485-8622

2. This completed and
signed application

Applicant Signature Applicant Phone Date Please Print Applicant's Name

Legal Description

Lot 35, Block 33 Stanton and Snyder Subdivision, according to the recorded plat filed June 6th 1887 in Book 2 at Page 39, thereof at the Pueblo County Clerk and Recorder's Office in Pueblo, Colorado.



Assessor Query | Step 4 of 4 | Assessor Property Information |

View Property in GIS

If you experience problems in using the identify property feature on the GIS map page, you may need to allow popups from the Pueblo County Website on your PC. Please refer to our Browser Settings Help document for additional information.

Find Comparable Land Sales

View Property Card In PDF Format

Schedule: 1406214005
Name(s): CONS DIST
Mailing Address: 111 E 5TH ST PUEBLO CO 81003
Location Information: **Neighborhood:** 85 (SO PUE/GROVE/LAIBACH) **Analysis Area:** 0 **Tax District:** 60B
Legal Description: LOTS 21 TO 40 BLK 33 STANTON + SNYDER

	Area/Frontage	Depth	Unit	Abstract Code	Value	Assessed Value
Land Value Information	500	120	F	POLITICAL-CONSERVANCY DIST	3750	0
Improvement Value Information					N/A	N/A
Totals					3750	0

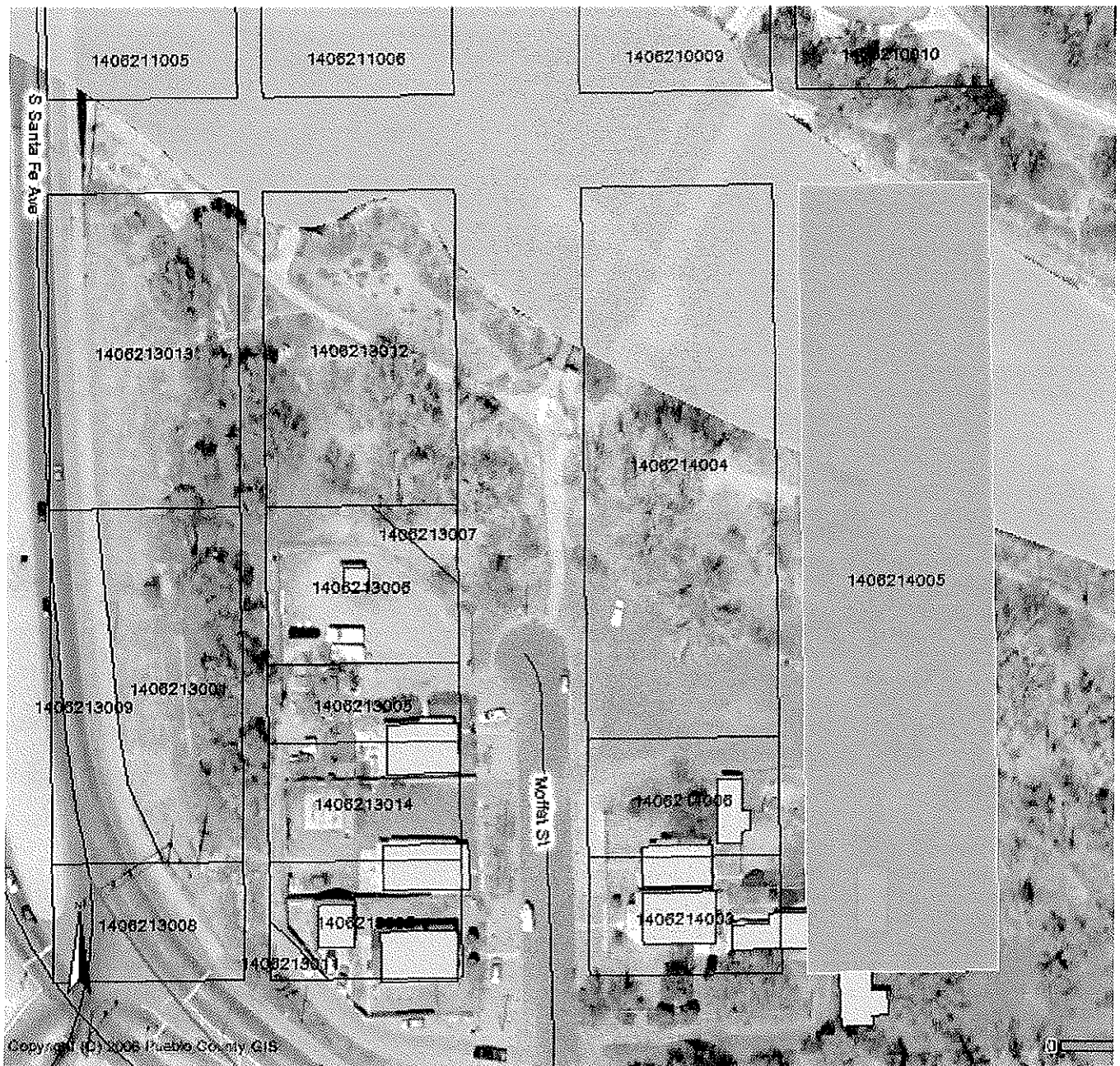
No Improvement Records Available!

Current Tax Information:

No Tax Records Available!

No Transfer Records Available!

Home • Search • Contact Us • Website Policy
215 W.10th Street • Pueblo, CO 81003 • 719-583-6000





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Roads		Parcels		Zoning	
	other/Unmaintained		Lots		R-1
	Interstate		Blocks		R-2
	Major Road		Building Footprints		A-1
	Local Street		Enterprise Zone		A-2
	Access Ramp		City of Pueblo		A-3
	Service Drive		Pueblo West		A-4
	Alley		Colorado City		R-A
	County Road		Town of Avondale		B-1
	Private Road		Town of Boone		B-4
	Railroads		Town of Rye		O-1
	100 Year Floodplain		San Isabel National Forest		I-1
	500 Year Floodplain		County Boundaries		I-2
	Lakes, Streams & Rivers				I-3
					PUD
					RLUP



The Pueblo County GIS Center makes no claims as to the accuracy of the information portrayed in this document.
For further information, please contact the Pueblo County GIS Center.
215 W 10th St, Pueblo CO 81003 719.583.6240 (v) 719.583.6249 (f)



June 25, 2008
Folder: 02504-81

RICK KIDD
PUEBLO CONSERVANCY DISTRICT
P O BOX 234
PUEBLO CO 81003

Dear Mr. Kidd:

Attached are duplicate originals of a Right of Entry agreement covering your use of the Railroad Company's right of way. The terms of this document are final and non-negotiable. Do not make any alterations or changes to the document.

Please execute (*or arrange for execution*) in ink of the duplicate original counterparts of this document. Please **RETURN BOTH COPIES** of the document for execution on behalf of the Railroad Company. Your copy of the fully executed document will be returned to you, when approved by the Railroad Company. You are not authorized to enter the Railroad's property or begin any work until you have received your fully executed counterpart from the Railroad and have made all required contacts and notifications.

Also attached is a Contractor's Endorsement which must be executed and returned by each of your Contractors, along with a copy of each Contractor's Insurance Certificate, naming Union Pacific Railroad Company as an additional insured, and a \$500.00 payment for each Contractor.

Payment in the amount of **One Thousand Dollars (\$1,000.00)** is due and payable upon your execution of the agreement. Please include your check, **with Folder No. 02504-81 written on the front**, made payable to Union Pacific Railroad Company, with the return of the documents.

In addition, if you elect to obtain your required Railroad Protective Insurance coverage from Union Pacific Railroad, you must also return the completed and signed Railroad Protective Insurance application form (*available on the UPRR internet website at www.uprr.com/reus/group/rrinsure*) to Marsh, USA (Fax: (816) 556-4362, Attention: Cindy Long), a copy of your Insurance Certificate (Gen. Liab., Auto Liab. & Workman's Comp. coverages) naming Union Pacific Railroad Company as additional insured, along with a separate check for payment of the Railroad Protective Insurance premium in the amount shown on the overview and rate schedule.

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**RETURN ALL OF THESE REQUIRED ITEMS TOGETHER IN ONE ENVELOPE.
DO NOT MAIL ANY ITEM SEPARATELY.**

If you require formal billing, you may consider this letter as a formal bill.

If you have any questions, please contact me at (402) 544-8801.

Sincerely yours,



Ernestine W. Burtley
Manager - Real Estate

CONTRACTOR'S ENDORSEMENT

Folder No. 02504-81

A. As a condition to entering upon Licensor's right-of-way to perform work pursuant to this Agreement, Licensee's contractor (*Fill in*):

(hereinafter "Contractor") agrees to comply with all the terms and provisions of this Agreement relating to the work to be performed and the insurance requirements set forth in Exhibit C.

B. Before the Contractor commences any work, the Contractor will pay the Licensor a nonrefundable payment of \$500 upon execution and return of this Contractor's Endorsement, and will provide the Licensor with a certificate issued by its insurance carrier providing the insurance coverage required pursuant to Exhibit C in a policy which contains the following type endorsement:

UNION PACIFIC RAILROAD COMPANY is named as an additional insured with respect to all liabilities arising out of Insured's performance of work on behalf of the Licensee.

All insurance correspondence shall be directed to: Ernestine W. Burtley - Folder No. 02504-81, Union Pacific Railroad Company, 1400 Douglas Street STOP 1690, Omaha, Nebraska 68179-1690.

(Please print Contractor's Name above)

X _____
Title: _____

**SUBMITTING REQUESTS FOR
RAILROAD PROTECTIVE LIABILITY INSURANCE**
(\$2,000,000 per occurrence/\$6,000,000 aggregate)

Application forms for inclusion in Union Pacific Railroad's Blanket Railroad Protective Liability Insurance Policy may be obtained by accessing the following website (includes premiums as well):

www.uprr.com/reus/rrinsure/insurovr.shtml

If you have questions regarding railroad protective liability insurance (i.e. premium quotes, application) please contact the Marsh USA Service Team, Bill Smith or Cindy Long at:

Phone: (800) 729-7001

Fax: (816) 556-4362

Email: william.j.smith@marsh.com

Email: cindy.long@marsh.com

***PLEASE NOTE** - The RPLI application and premium check should be sent directly to Marsh, USA at the address shown below - do NOT send your check and application via overnight air, as the P.O. Box will NOT accept overnight deliveries.

If you are in a situation where you require a RUSH, please contact Bill Smith or Cindy Long and they will do their best to accommodate your needs. All checks written to Marsh, USA should reference Union Pacific Railroad in the "Memo" section of the check.

Send Checks and Applications to the following "NEW" address:

Marsh USA
NW 8622
PO Box 1450
Minneapolis, MN 55485-8622



June 25, 2008
Folder: 02504-81

RICK KIDD
PUEBLO CONSERVANCY DISTRICT
P O BOX 234
PUEBLO CO 81003

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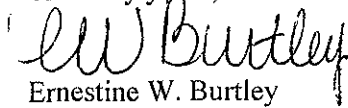
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DO NOT MAIL ANY ITEM SEPARATELY.**

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If you have any questions, please contact me at (402) 544-8801.

Sincerely yours,


Ernestine W. Burtley
Manager - Real Estate

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Folder No. 02504-81

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UNION PACIFIC RAILROAD COMPANY is named as an additional insured with respect to all liabilities arising out of Insured's performance of work on behalf of the Licensee.

All insurance correspondence shall be directed to: Ernestine W. Burtley - Folder No. 02504-81, Union Pacific Railroad Company, 1400 Douglas Street STOP 1690, Omaha, Nebraska 68179-1690.

(Please print Contractor's Name above)

X _____
Title: _____

**SUBMITTING REQUESTS FOR
RAILROAD PROTECTIVE LIABILITY INSURANCE**
((\$2,000,000 per occurrence/\$6,000,000 aggregate)

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Fax: (816) 556-4362

Email: william.j.smith@marsh.com

Email: cindy.long@marsh.com

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Send Checks and Applications to the following "NEW" address:

Marsh USA
NW 8622
PO Box 1450
Minneapolis, MN 55485-8622

RIGHT OF ENTRY AGREEMENT

THIS AGREEMENT is made and entered into as of June 30, 2008, by and between **UNION PACIFIC RAILROAD COMPANY**, a Delaware corporation (hereinafter the "Railroad"), and **PUEBLO CONSERVANCY DISTRICT**, to be addressed at P O Box 234, Pueblo, Colorado 81003 (hereinafter the "Licensee").

IT IS MUTUALLY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

Article 1. DEFINITION OF LICENSEE.

For purposes of this Agreement, all references in this Agreement to the Licensee shall include the Licensee's contractors, subcontractors, officers, agents and employees, and others acting under its or their authority.

Article 2. RIGHT GRANTED; PURPOSE.

The Railroad hereby grants to the Licensee the right, during the term hereinafter stated and upon and subject to each and all of the terms, provisions and conditions herein contained, to enter upon and have ingress to and egress from the portion of Railroad's property in the vicinity of Mile Post 118.5, Tennessee Pass Subdivision, at or near Pueblo, Colorado, for the purpose of access across Railroad right of way to work on levee. The right herein granted to Licensee is limited to those portions of the Railroad's property specifically described herein in the location shown on the print marked Exhibit A, attached hereto and hereby made a part hereof, or designated by the Railroad Representative named in Article IV.

Article 3. TERMS AND CONDITIONS CONTAINED IN EXHIBITS B AND C.

The terms and conditions contained in Exhibits B and C, hereto attached, are hereby made a part of this Agreement.

**Article 4. ALL EXPENSES TO BE BORNE BY LICENSEE;
RAILROAD REPRESENTATIVE.**

The Licensee shall bear any and all costs and expenses associated with any work performed by the Licensee, or any costs or expenses incurred by the Railroad relating to this Agreement. All work performed by Licensee on Railroad's property shall be performed in a manner satisfactory to the representative local Manager of Track Maintenance of the Railroad or his authorized representative (hereinafter the Railroad Representative):

Jose R. Rodriguez, MTM
Union Pacific Railroad Company
400 W. "B" Street
Pueblo, Colorado 81003
Phone: 719-549-6266
Email: jrrodrig@up.com

Article 5. TERM; TERMINATION.

A. The grant of right herein made to Licensee shall commence on the date of this Agreement, and continue **until March 30, 2009** unless sooner terminated as herein provided, or at such time as Licensee has completed its work on Railroad's property, whichever is earlier. Licensee agrees to notify the Railroad Representative in writing when it has completed its work on Railroad property.

B. This Agreement may be terminated by either party on ten (10) days written notice to the other party.

Article 6. CERTIFICATE OF INSURANCE.

A. Before commencing any work, the Licensee will provide the Railroad with a Certificate issued by its insurance carrier providing the insurance coverage required pursuant to Exhibit C of this Agreement in a policy which contains the following type of endorsement:

"Union Pacific Railroad Company is named as additional insured with respect to all liabilities arising out of Insured's, as Licensee, performance of any work on the property of the Railroad."

B. Licensee warrants that this Agreement has been thoroughly reviewed by its insurance agent(s)/broker(s) and that said agent(s)/broker(s) has been instructed to procure insurance coverage and an endorsement as required herein.

C. All insurance correspondence shall be directed to: Union Pacific Railroad Company, Director (Attn.: Ernestine W. Burtley - Folder No.02504-81), 1400 Douglas Street STOP 1690, Omaha, Nebraska 68179-1690.

Article 7. PROTECTION OF FIBER OPTIC CABLE SYSTEMS.

Fiber optic cable systems may be buried on Licensor's property. Protection of the fiber optic cable systems is of extreme importance since any break could disrupt service to users resulting in business interruption and loss of revenue and profits. Prior to beginning any work, the Licensee shall telephone the Railroad at **1-800-336-9193** (a 24-hour number) to determine if fiber optic cable is buried anywhere on the property set forth herein. If it is, the Licensee shall also comply with and be subject to the provisions contained in Section 6 of Exhibit B.

Article 8. ENFORCEABILITY; CHOICE OF LAW; CHOICE OF FORUM.

This Agreement shall be governed, construed, and enforced in accordance with the laws of the state of Nebraska. Litigation arising out of or connected with this Agreement may be instituted and maintained in the courts of the state of Nebraska and Wyoming only, and the parties consent to jurisdiction over their person and over the subject matter of any such litigation, in those courts, and consent to service of process issued by such courts.

Article 9. LICENSE FEE.

Licensee shall pay, and Railroad shall accept, upon the execution and return of this instrument, the nonrefundable sum of **One Thousand Dollars (\$1,000.00)** to cover Railroad's cost to prepare and administer this Agreement.

Flagging charges are not included in the sum recited in the preceding paragraph, and will be billed separately, if incurred.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first herein written.

UNION PACIFIC RAILROAD COMPANY
Federal Taxpayer I.D. #94-6001323

PUEBLO CONSERVANCY DISTRICT

By: _____
Manager - Contracts

By: _____
Title: _____

(Pursuant to ordinance, resolution, or other evidence of proper authority to execute this instrument, a copy of which shall be attached to the Railroad's original counterpart of this document.)

EXHIBIT "A"

UNION PACIFIC RAILROAD COMPANY

**Right of Entry Agreement
Folder No. 02504-81**

PUEBLO CONSERVANCY DISTRICT

nr. M.P. 118.5, TENNESSEE PASS SUBDIVISION

at/near PUEBLO, COLORADO

**Office of Dir. Contracts - Omaha, NE
June 25, 2008**

WARNING:

**In all occasions, U.P. Communications Department must be contacted in advance of any work to
determine the existence and location of FIBER OPTIC CABLE.**

PHONE: 1-800-336-9193



EXHIBIT B

Section 1 - NOTICE OF COMMENCEMENT OF WORK – FLAGGING.

The Licensee agrees to notify the Railroad Representative at least Ten (10) days in advance of Licensee commencing its work and at least 24 hours in advance of proposed performance of any work by the Licensee in which any person or equipment will be within 25 feet of any track, or will be near enough to any track that any equipment extension (such as, but not limited to, a crane boom) will reach to within 25 feet of any track. Upon receipt of such notice, the Railroad Representative will determine and inform the Licensee whether a flagman need be present and whether the Licensee need implement any special protective or safety measures. If any flagmen or other special protective or safety measures are performed by the Railroad, such services will be provided at Licensee's expense with the understanding that if the Railroad provides any flagging or other services, the Licensee shall not be relieved of any of its responsibilities or liabilities set forth herein.

Section 2 - LIMITATION AND SUBORDINATION OF RIGHTS GRANTED.

a. The foregoing grant of right is subject and subordinate to the prior and continuing right and obligation of the Railroad to use and maintain its entire property including the right and power of the Railroad to construct, maintain, repair, renew, use, operate, change, modify or relocate railroad tracks, roadways, signal, communication, fiber optics, or other wirelines, pipelines and other facilities upon, along or across any or all parts of its property, all or any of which may be freely done at any time or times by the Railroad without liability to the Licensee or to any other party for compensation or damages.

b. The foregoing grant is also subject to all outstanding superior rights (including those in favor of licensees and lessees of the Railroad's property, and others) and the right of the Railroad to renew and extend the same, and is made without covenant of title or for quiet enjoyment.

Section 3 - NO INTERFERENCE WITH RAILROAD'S OPERATION.

No work performed by Licensee shall cause any interference with the constant, continuous and uninterrupted use of the tracks, property and facilities of the Railroad, its lessees, licensees or others, unless specifically permitted under this Agreement, or specifically authorized in advance by the Railroad Representative. Nothing shall be done or suffered to be done by the Licensee at any time that would in any manner impair the safety thereof. When not in use, Licensee's machinery and materials shall be kept at least 50 feet from the centerline of Railroad's nearest track, and there shall be no crossings of Railroad's tracks except at existing open public crossings.

Section 4 - PERMITS.

Prior to beginning any work, the Licensee, at its sole expense, shall obtain all necessary permits to perform any work contemplated by this Agreement.

Section 5 - MECHANIC'S LIENS.

The Licensee shall pay in full all persons who perform labor or provide materials for the work to be performed by Licensee. The Licensee shall not create, permit or suffer any mechanic's or materialmen's liens of any kind or nature to be enforced against any property of the Railroad for any such

work performed. The Licensee shall indemnify and hold harmless the Railroad from and against any and all liens, claims, demands, costs or expenses of whatsoever nature in any way connected with or growing out of such work done, labor performed, or materials furnished.

Section 6 - FIBER OPTIC CABLE SYSTEMS.

In addition to other indemnity provisions in this Agreement, the Licensee shall indemnify and hold the Railroad harmless from and against all costs, liability and expense whatsoever (including, without limitation, attorneys' fees, court costs and expenses) arising out of any act or omission of the Licensee, its contractor, agents and/or employees, that causes or contributes to (1) any damage to or destruction of any telecommunications system on Railroad's property, and (2) any injury to or death of any person employed by or on behalf of any telecommunications company, and/or its contractor, agents and/or employees, on Railroad's property. Licensee shall not have or seek recourse against Railroad for any claim or cause of action for alleged loss of profits or revenue or loss of service or other consequential damage to a telecommunication company using Railroad's property or a customer or user of services of the fiber optic cable on Railroad's property.

Section 7 - COMPLIANCE WITH LAWS.

In the prosecution of the work covered by this Agreement, the Licensee shall comply with all applicable federal, state and local laws, regulations and enactments affecting the work. The Licensee shall use only such methods as are consistent with safety, both as concerns the Licensee, the Licensee's agents and employees, the officers, agents, employees and property of the Railroad and the public in general. The Licensee (without limiting the generality of the foregoing) shall comply with all applicable state and federal occupational safety and health acts and regulations. All Federal Railroad Administration regulations shall be followed when work is performed on the Railroad's property. If any failure by the Licensee to comply with any such laws, regulations, and enactments, shall result in any fine, penalty, cost or charge being assessed, imposed or charged against the Railroad, the Licensee shall reimburse and indemnify the Railroad for any such fine, penalty, cost or charge, including without limitation attorneys' fees, court costs and expenses. The Licensee further agrees in the event of any such action, upon notice thereof being provided by the Railroad, to defend such action free of cost, charge, or expense to the Railroad.

Section 8 - SAFETY INSTRUCTIONS.

Safety of personnel, property, rail operations and the public is of paramount importance in the prosecution of the work pursuant to this Agreement. As reinforcement and in furtherance of overall safety measures to be observed by the Licensee (and not by way of limitation), the following special safety rules shall be followed:

a. The Licensee shall keep the job site free from safety and health hazards and ensure that its employees are competent and adequately trained in all safety and health aspects of the job. The Licensee shall have proper first aid supplies available on the job site so that prompt first aid services can be provided to any person that may be injured on the job site. The Licensee shall promptly notify the Railroad of any U.S. Occupational Safety and Health Administration reportable injuries occurring to any person that may arise during the work performed on the job site. The Licensee shall have a non-delegable duty to control its employees, while they are on the job site or any other property of the Railroad to be certain they do not use, be under the influence of, or have in their possession any alcoholic beverage or illegally obtained drug, narcotic or other substance that may inhibit the safe performance of work by an employee.

b. The employees of the Licensee shall be suitably dressed to perform their duties safely and in a manner that will not interfere with their vision, hearing or free use of their hands or feet. Only waist length shirts with sleeves and trousers that cover the entire leg are to be worn. If flare-legged trousers are worn, the trouser bottoms must be tied to prevent catching. The employees should wear sturdy and protective footwear. Employees shall not wear boots (other than work boots), sandals, canvas-type shoes or other shoes that have thin soles or heels that are higher than normal. In addition, the Licensee shall require its employees to wear personal protective equipment as specified by Railroad rules, regulations or Railroad officials overlooking the work at the job site. In particular, the protective equipment to be worn shall be:

(1) Protective head gear that meets American National Standard-Z89.1-latest revision. It is suggested that all hardhats be affixed with Licensee's or subcontractor's company logo or name.

(2) Eye protection that meets American National Standard for occupational and educational eye and face protection, Z87.1-latest revision. Additional eye protection must be provided to meet specific job situations such as welding, grinding, burning, etc.; and

(3) Hearing protection which affords enough attenuation to give protection from noise levels that will be occurring on the job site.

c. All heavy equipment provided or leased by the Licensee shall be equipped with audible back-up warning devices. If in the opinion of the Railroad Representative any of Licensee's or any of its subcontractors' equipment is unsafe for use on the Railroad's right-of-way, the Licensee, at the request of the Railroad Representative, shall remove such equipment from the Railroad's right-of-way.

Section 9 - INDEMNITY.

a. As used in this Section, "Railroad" includes other railroad companies using the Railroad's property at or near the location of the Licensee's installation and their officers, agents, and employees; "Loss" includes loss, damage, claims, demands, actions, causes of action, penalties, costs, and expenses of whatsoever nature, including court costs and attorneys' fees, which may result from: (i) injury to or death of persons whomsoever (including the Railroad's officers, agents, and employees, the Licensee's officers, agents, and employees, as well as any other person); and (ii) damage to or loss or destruction of property whatsoever (including Licensee's property, damage to the roadbed, tracks, equipment, or other property of the Railroad, or property in its care or custody).

b. As a major inducement and in consideration of the license and permission herein granted, the Licensee agrees to indemnify and hold harmless the Railroad from any Loss which is due to or arises from any cause and is associated in whole or in part with the work performed under this Agreement, a breach of the Agreement or the failure to observe the health and safety provisions herein, or any activity or omission arising out of performance or nonperformance of this Agreement; regardless of whether caused solely or contributed to in part by the negligence or fault of the Railroad.

c. Any liability of either party hereunder to one of its employees under any Workers' Compensation Act or the Federal Employers' Liability Act shall not be questioned or in any way challenged by the other party, nor shall any jury or court findings, resulting from any employee's suit against either party pursuant to any such Act(s), be relied upon or used by either party in any attempt to assert common law liability against the other.

Section 10 - RESTORATION OF PROPERTY.

In the event the Railroad authorizes the Licensee to take down any fence of the Railroad or in any manner move or disturb any of the other property of the Railroad in connection with the work to be performed by Licensee, then in that event the Licensee shall, as soon as possible and at Licensee's sole expense, restore such fence and other property to the same condition as the same were in before such fence was taken down or such other property was moved or disturbed, and the Licensee shall indemnify and hold harmless the Railroad, its officers, agents and employees, against and from any and all liability, loss, damages, claims, demands, costs and expenses of whatsoever nature, arising from the taking down of any fence or the moving or disturbance of any other property of the Railroad.

Section 11 - WAIVER OF BREACH.

The waiver by the Railroad of the breach of any condition, covenant or agreement herein contained to be kept, observed and performed by the Licensee shall in no way impair the right of the Railroad to avail itself of any remedy for any subsequent breach thereof.

Section 12 - ASSIGNMENT – SUBCONTRACTING.

The Licensee shall not assign, sublet or subcontract this Agreement, or any interest therein, without the written consent of the Railroad and any attempt to so assign, sublet or subcontract without the written consent of the Railroad shall be void. If the Railroad gives the Licensee permission to subcontract all or any portion of the work herein described, the Licensee is and shall remain responsible for all work of subcontractors and all work of subcontractors shall be governed by the terms of this Agreement.

EXHIBIT C**Union Pacific Railroad
Contract Insurance Requirements****Right of Entry Agreement**

Licensee shall, at its sole cost and expense, procure and maintain during the life of this Agreement (except as otherwise provided in this Agreement) the following insurance coverage:

A. Commercial General Liability insurance. Commercial general liability (CGL) with a limit of not less than \$5,000,000 each occurrence and an aggregate limit of not less than \$10,000,000. CGL insurance must be written on ISO occurrence form CG 00 01 12 04 (or a substitute form providing equivalent coverage).

The policy must also contain the following endorsement, which must be stated on the certificate of insurance:

- Contractual Liability Railroads ISO form CG 24 17 10 01 (or a substitute form providing equivalent coverage) showing "Union Pacific Railroad Company Property" as the Designated Job Site.

B. Business Automobile Coverage insurance. Business auto coverage written on ISO form CA 00 01 (or a substitute form providing equivalent liability coverage) with a combined single limit of not less than \$2,000,000 for each accident.

The policy must contain the following endorsements, which must be stated on the certificate of insurance:

- Coverage For Certain Operations In Connection With Railroads ISO form CA 20 70 10 01 (or a substitute form providing equivalent coverage) showing "Union Pacific Property" as the Designated Job Site.
- Motor Carrier Act Endorsement - Hazardous materials clean up (MCS-90) if required by law.

C. Workers Compensation and Employers Liability insurance. Coverage must include but not be limited to:

- Licensee's statutory liability under the workers' compensation laws of the state(s) affected by this Agreement.
- Employers' Liability (Part B) with limits of at least \$500,000 each accident, \$500,000 disease policy limit \$500,000 each employee.

If Licensee is self-insured, evidence of state approval and excess workers compensation coverage must be provided. Coverage must include liability arising out of the U. S. Longshoremen's and Harbor Workers' Act, the Jones Act, and the Outer Continental Shelf Land Act, if applicable.

D. Railroad Protective Liability insurance. Licensee must maintain Railroad Protective Liability insurance written on ISO occurrence form CG 00 35 12 04 (or a substitute form providing equivalent coverage) on behalf of Railroad as named insured, with a limit of not less than \$2,000,000 per occurrence and an aggregate of \$6,000,000. A binder stating the policy is in place must be submitted to Railroad before the work may be commenced and until the original policy is forwarded to Railroad.

E. Umbrella or Excess insurance. If Licensee utilizes umbrella or excess policies, these policies must "follow form" and afford no less coverage than the primary policy.

F. Pollution Liability insurance. Pollution Liability coverage must be included when the scope of the work as defined in the Agreement includes installation, temporary storage, or disposal of any "hazardous" material that is injurious in or upon land, the atmosphere, or any watercourses; or may cause bodily injury at any time.

Pollution liability coverage must be written on ISO form Pollution Liability Coverage Form Designated Sites CG 00 39 12 04 (or a substitute form providing equivalent liability coverage), with limits of at least \$5,000,000 per occurrence and an aggregate limit of \$10,000,000.

If the scope of work as defined in this Agreement includes the disposal of any hazardous or non-hazardous materials from the job site, Licensee must furnish to Railroad evidence of pollution legal liability insurance maintained by the disposal site operator for losses arising from the insured facility accepting the materials, with coverage in minimum amounts of \$1,000,000 per loss, and an annual aggregate of \$2,000,000.

Other Requirements

G. All policy(ies) required above (except worker's compensation and employers liability) must include Railroad as "Additional Insured" using ISO Additional Insured Endorsements CG 20 26, and CA 20 48 (or substitute forms providing equivalent coverage). The coverage provided to Railroad as additional insured shall, to the extent provided under ISO Additional Insured Endorsement CG 20 26, and CA 20 48 provide coverage for Railroad's negligence whether sole or partial, active or passive, and shall not be limited by Licensee's liability under the indemnity provisions of this Agreement.

H. Punitive damages exclusion, if any, must be deleted (and the deletion indicated on the certificate of insurance), unless (a) insurance coverage may not lawfully be obtained for any punitive damages that may arise under this agreement, or (b) all punitive damages are prohibited by all states in which this agreement will be performed..

I. Licensee waives all rights against Railroad and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the workers compensation and employers liability or commercial umbrella or excess liability insurance obtained by Licensee required by this agreement.

J. Prior to commencing the work, Licensee shall furnish Railroad with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements in this Agreement.

K. All insurance policies must be written by a reputable insurance company acceptable to Railroad or with a current Best's Insurance Guide Rating of A- and Class VII or better, and authorized to do business in the state(s) in which the work is to be performed.

L. The fact that insurance is obtained by Licensee or by Railroad on behalf of Licensee will not be deemed to release or diminish the liability of Licensee, including, without limitation, liability under the indemnity provisions of this Agreement. Damages recoverable by Railroad from Licensee or any third party will not be limited by the amount of the required insurance coverage.