

MINUTES OF THE FEBRUARY 18, 2009 REGULAR MEETING OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Sandstrom, Farley, Barela

Also Present: Administrator Rick Kidd, Counselor Don Banner

Guests: None

With a quorum present, the Pueblo Conservancy District board meeting was called to order at 8:02 am.

Minutes -- The Minutes of the January 21, 2009 Regular Meeting were reviewed. Sandstrom requested a correction on page 2, paragraph 2. Change "get" to "have". Barela moved to approve the Minutes. The Minutes were approved as corrected.

Treasurer's Report:

The accountant's draft report for January was reviewed. Kidd pointed out that this was a draft report because the 2008 end of year must be adjustments to the accrual accounting had not yet been made. 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
\$ 400.00	Black Hills Energy, Electricity projection for 2 nd quarter
\$ 400.00	Don Banner, Attorney fees
\$ 6.00	Don Banner, Filing Fee
\$ 500.00	Kidd Engineering, Administrator/Engineer fees
\$ 55.41	Sandstrom, Director's Fee
\$ 55.41	Farley, Director's Fee
\$ 55.41	Barela, Director's Fee
\$ 312.12	United States Treasury, 2008 Form 944

Reimbursements -- Sandstrom requested approval for reimbursement of \$8.40 for stamps purchased. Approved.

Funding Assessments -- Sandstrom reviewed written complaints about assessments. Louie Carleo agreed to adjust seven of his properties to 20 percent of the combined total of regular taxes. Sandstrom said that David Gould and Barclay Clark agreed to a phase-in approach similar to the Koncilja's. Their assessment will be phased in to the full amount over a period of four years. Sandstrom discussed his approaches with Judge Maes. Sandstrom sent a letter to the County Treasurer with the adjusted assessment amounts. The other letters received were from State agencies or non-profits that believed they were exempt. Sandstrom has sent them letters explaining that this maintenance fund assessment is not a tax and that all entities receiving benefit of the Pueblo Conservancy District must pay their assessment.

Sandstrom said that the process we used to base assessments on the 1926 Appraisal of Benefits was a process allowed by the original Court order and we believed that it would be reasonably affordable by the affected parties. We have learned, however, that improvements on some of the parcels have actually decreased in value. As an example, there were buildings on some lots that are now parking lots. Conversely, however, there are now significant improvements on some lots that had a minimal benefit in 1926.

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To try to make assessments more equitable across the board, Sandstrom proposed that we look at the current Assessor's appraisal of the various properties within the assessment area. Then we could see if we could pro-rate the \$300,000+ approved by Judge Maes to the various properties based upon their assessed valuation. This may provide a more uniform and equitable basis for the maintenance fund assessment. We will have to consider that some properties, e.g. utilities, City and County, do not have an assessor's tax valuation. It also appears that the 1926 appraisal may have had areas of decreasing benefit based upon distance from the River channel. Kidd and Sandstrom will work on this to see if this approach will provide a better means of applying PCD maintenance fund assessments. Banner suggested that the spreadsheet include columns indicating the current assessment, the revised assessment, and the change.

Kidd reported that the County Treasurer has forwarded \$9016.74 from tax payments to date. These receipts were from 58 parcels. The Treasurer takes a fee of 1.5 percent for the collection.

Kidd brought the tax statement for one of the Conservancy District parcels that had an assessment. Since this was not caught before the certification, the Treasurer needs a formal change to adjust the assessment amount to "\$0.00". Barela so moved. Motion passed.

Levee Repair – Kidd has not heard anything more from the Corps of Engineers. March 15 is the end of the Winter Water Storage program so it is unlikely that anything will happen before fall. Gary Rutherford has been our contact with ACE and he has retired.

Levee Certification – Sandstrom said that he had not yet received a response from John Salazar. Kidd said that he had not received any more information from FEMA or their engineers. Sandstrom said that Ralph Williams, HUB Insurance, is pursuing another avenue through the insurance administration. This is based upon Pueblo Dam having a flood pool and that impact on Pueblo being subject to flood insurance.

Sandstrom asked Kidd to check on the gates at Runyon. He said that some appear to be inoperable.

Latka Property – Banner asked the status of this land sale. Joe Bower prepared the Quit Claim Deed and Latka's have paid us.

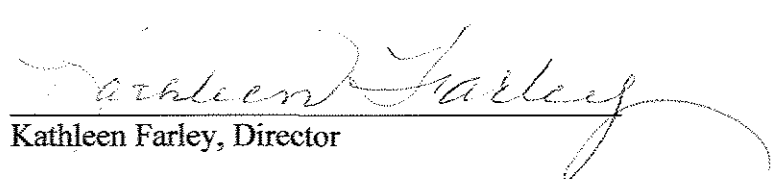
Chem-Way Contract – Kidd presented Chem-Way's proposal for 2009 chemical weed control. The proposal is \$289 for sterilization of the concrete joints and \$214 per herbicide treatment through the summer. There will probably be two to three treatments over the summer. Barela moved to approve the agreement. Motion passed.

Banner said that the ribbon cutting for the new YMCA will be April 18th at 10:00 am. Everyone is invited to attend.

There being no further business to come before the Board, the business meeting was adjourned at 9:08 am. The next regular meeting date is March 18, 2009.

APPROVED:


Gus Sandstrom, Director


Kathleen Farley, Director


Carla Barela, Director

THE PUEBLO CONSERVANCY DISTRICT

NOTICE OF
REGULAR MEETING

DATE: FEBRUARY 18, 2009 (WEDNESDAY) AT 8:00 A.M.

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

AGENDA

1. ROLL CALL
2. APPROVAL OF JANUARY 21, 2009 MINUTES
3. TREASURER'S REPORT
 - a. PAYMENT OF BILLS
4. ASSESSMENT RESPONSES
5. ASSESSMENT PAYMENTS
6. LEVEE REPAIRS
7. LEVEE CERTIFICATION
8. OTHER BUSINESS AS MAY BE BROUGHT BEFORE THE BOARD
9. ADJOURNMENT

Chen. West

MINUTES OF THE JANUARY 21, 2009 REGULAR MEETING OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Sandstrom, Farley, Barela

Also Present: Administrator Rick Kidd, Counsel Representative Joe Bower

Guests: Tom and Jean Latka, Mark Kennedy (UBS), and Calvin Mason
(Wachovia)

With a quorum present, the Pueblo Conservancy District board meeting was called to order at 8:02 am.

Latka – Kidd reported that he has a legal description that he believes is accurate enough to determine the amount of land to be sold and for entering into a sale with a Quit Claim deed. The area to be sold is approximately 17,400 square feet. The Board reviewed prices for other land sales. It was decided that \$0.125 per square foot would be a price commensurate with other properties and their sales prices. The Sandstrom calculated the net sales price to be \$2175.00. Farley moved to make this offer to the Latka's. Motion passed. Latka's accepted this offer and agreed to have a legal, monumented survey completed. Bower is to prepare a Quit Claim Deed.

Kennedy (UBS) -- Kennedy reported that their firm currently has \$133,586 in FNMA and FHLMC investments and \$233,841.56 in a money market account. Sandstrom stated that this account has historically been treated as the PCD reserve security. Kennedy said that he currently recommends investing in some three to four year GNMA bonds. Sandstrom requested a motion to leave the current account with UBS and to reinvest the money market account funds into three to four year GNMA bonds. Farley so moved. Motion passed.

Mason (Wachovia) -- Mason said that at the December 22 meeting we had agreed, based upon his current assessment, to have him sell some of our retiring investments at \$15,000. Mason said that it turned out that this price was too optimistic. He said that the current value is now up to \$13,000. He said that the housing industry is pushing for a 3.9% loan market. If the loan market does get pushed down to this rate then the value could go above \$15,000. The District now has \$85,693.66 in a money market account. Right now, if we do nothing with our investments, we are still getting a 4.6% return. Long term, he believes there may be some inflationary pressures by 2010. Mason was directed to stay in touch on values to see when we hit a point that we should be selling. The Board agreed to leave the money market funds available to cover coming expenses. Barela so moved. Motion passed.

Minutes -- The Minutes of the December 17, 2008 Regular Meeting and December 22, 2008 Special Meeting were reviewed. Barela moved to approve the Minutes. The Minutes were approved as posted.

Treasurer's Report:

The accountant's report for December was reviewed. Kidd pointed out that this was a draft report because the end of year must be adjusted to the accrual accounting. The accountant cannot make this adjustment until after current bills are approved for payment. 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
\$ 345.00	Black Hills Energy, Electricity
\$ 400.00	Don Banner, Attorney fees
\$ 12.00	Don Banner, Filing Fee - Budget
\$ 500.00	Kidd Engineering, Administrator/Engineer fees

RECORD OF PROCEEDINGS

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\$ 72.20	Kidd Engineering, Office supplies
\$ 55.41	Sandstrom, Director's Fee
\$ 55.41	Farley, Director's Fee
\$ 55.41	Barela, Director's Fee
\$ 35.00	Vectra Bank, Safe Deposit Box
\$ 2035.50	Special Districts Association, Insurance

Kidd stated that the Special Districts Association insurance had been adjusted for the demolition of the restroom building at Lake Runyon.

Levee Certification / Salazar Letter – Sandstrom has drafted a letter, but did not ^{have} get it with him today. The letter asks John Salazar to intercede with FEMA, plus get other sponsors from western states to offer a change to the National standard for levee certification. The change would be to accommodate the areas that are not subject to the same conditions as along major river corridors and coast lines.

Assessments – There have been some protests coming in about the maintenance fund assessments. The system we employed did not make allowance for demolition, new construction, and use changes since the 1923-1926 assessment of benefits period. Bower and Banner are to look at the legalities to make adjustments for use changes. Then we will meet with the public to offer them a chance to plead their case for a reduction in the maintenance fund assessment. Sandstrom will ask Judge Maes what latitude he will allow for the District to negotiate adjustments with individuals.

PCD Board Member Parcel – Are the individual Board members responsible for paying the taxes on this parcel or will the District pay the taxes. Farley moved that the individuals be responsible for their proportionate share. Motion passed.

Levee Repair – Kidd has been in touch with ACE. They have not yet solidified their plans for a course of action.

River Cleaning -- The Williams are happy with the work that has been done. If Kidd notices other areas that need to be cleaned he is to ask the DOC crew if they can do the work.

There being no further business to come before the Board, the business meeting was adjourned at 9:48 am. The next regular meeting date is February 18, 2009.

APPROVED:

Gus Sandstrom, Director

Kathleen Farley, Director

Carla Barela, Director

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
JANUARY 31, 2009 & JANUARY 31, 2008

	<u>1/31/2009</u>	<u>1/31/2008</u>
ASSETS		
VECTRA BANK CHECKING	\$ 20,819	\$ 21,940
VECTRA BANK MONEY MARKET	11,819	11,814
BROKERAGE MONEY MARKET ACCOUNTS	319,400	316,951
COLOTRUST INVESTMENT	25,000	25,000
WACHOVIA SECURITIES INVESTMENT	452,036	467,805
PIPER JAFFRAY INVESTMENT	133,680	133,680
ACCRUED INTEREST	<u>2,054</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 964,808</u>	 <u>\$ 977,190</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ -
PAYROLL TAXES PAYABLE	326	156
DEFERRED INCOME	<u>833</u>	<u>1,042</u>
 TOTAL LIABILITIES	 <u>1,159</u>	 <u>1,198</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	156,376	156,376
UNDESIGNATED	<u>801,273</u>	<u>813,616</u>
 TOTAL FUND EQUITY	 <u>963,649</u>	 <u>975,992</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 964,808</u>	 <u>\$ 977,190</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
ACTUAL AND BUDGET - GENERAL FUND
FOR THE ONE MONTH ENDED JANUARY 31, 2009
AND THE ONE MONTH ENDED JANUARY 31, 2008

	ACTUAL				
	CURRENT	YEAR	2009	UNUSED	2008
	MONTH	TO DATE	BUDGET	BUDGET	ACTUAL
REVENUES					
INTEREST INCOME					
COLOTRUST	\$ 25	\$ 25	\$ -	\$ -	\$ 619
MONEY MARKET ACCOUNTS	9	9	-	-	1,571
WACHOVIA SECURITIES	2,178	2,178	-	-	28,953
PIPER JAFFRAY	457	457	-	-	8,471
UNREALIZED GAINS (LOSSES)	(13,323)	(13,323)	-	-	29,740
TOTAL INTEREST INCOME	(10,654)	(10,654)	47,117	57,771	69,354
LEASE PAYMENTS	208	208	2,500	2,292	2,700
OTHER INCOME	-	-	-	-	4,500
COST OF SALES	-	-	-	-	-
TOTAL REVENUES	\$ (10,446)	\$ (10,446)	\$ 49,617	\$ 60,063	\$ 76,554
EXPENDITURES					
80 LEGAL FEES	\$ 400	\$ 400	\$ 4,800	\$ 4,400	\$ 4,700
81 DIRECTORS FEES	180	180	2,160	1,980	2,040
82 FICA TAXES	-	-	166	166	-
83 ENGINEER/ADMINISTRATIVE	-	-	6,000	6,000	5,500
90 AUDIT & BOOKKEEPING	-	-	3,000	3,000	2,750
92 INSURANCE/BONDS	2,036	2,036	2,506	471	2,506
96 OFFICE EXPENSE	12	12	375	363	471
97 OFFICE RENT	-	-	680	680	680
100 PROFESSIONAL FEES	-	-	30,000	30,000	31,401
APPRAISAL	-	-	-	-	-
103 TRAVEL	-	-	-	-	-
105 REPAIRS & MAINTENANCE	345	345	11,500	11,155	12,018
PIPING REPAIRS	-	-	-	-	-
108 CONTINGENCIES	-	-	-	-	-
109 EMERGENCY REPAIR	-	-	-	-	-
110 CAPITAL IMPROVEMENTS	-	-	-	-	-
111 PLANNING & DEVELOPMENT	-	-	-	-	-
112 HARP - O & M / HARP - IGA CNTRB	-	-	78,000	78,000	78,000
113 SALES TAX	-	-	-	-	-
TOTAL EXPENDITURES	2,973	2,973	139,187	136,215	140,066
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (13,419)	\$ (13,419)	\$ (89,570)	\$ (76,151)	\$ (63,512)

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
1/31/2009

2/17/2009 7:10 PM

<u>BROKER</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>PAR VALUE</u>	<u>BALANCE 12/31/2008</u>	<u>ADDITIONS</u>	<u>MKT VALUE CHANGE</u>	<u>REDEMPTION SALES</u>	<u>BALANCE 1/31/2009</u>	<u>INTEREST RECEIVED 1/31/2009</u>
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				11,814.22	4.86	-	-	11,819.08	4.86
PIPER JAFFRAY	Money Market Account				233,702.26	-	-	-	233,702.26	
WACHOVIA SEC.	Evergreen Money Mkt Fund				83,248.06	2,449.99	-	-	85,698.05	4.39
TOTAL CASH ACCOUNTS WITH BROKERS					328,764.54	2,454.85	-	-	331,219.39	9.25
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00	-	-	-	25,000.00	25.38
TOTAL COLOTRUST					25,000.00	-	-	-	25,000.00	25.38
WACHOVIA SEC.	FNMA 05-27 GA REMIC MULTICLASS CMO	4/25/2034	5.500%	450,000.00	24,176.23	-	(237.12)	-	23,939.11	110.78
	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	19,803.70	-	29.83	-	19,833.53	98.96
	FHLMC 2646 LL RETAIL LOTTERY	8/15/2033	5.000%	78,000.00	33,864.48	-	(2,611.08)	-	31,253.40	150.00
	FHLMC 2688 DD RETAIL LOTTERY	11/15/2033	5.500%	36,000.00	35,585.28	-	(3,087.72)	-	32,497.56	165.00
	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	47,414.36	-	(2,265.76)	-	45,148.60	204.17
	FHLMC 3133 MB REMIC MULTICLASS CMO	3/15/2036	6.000%	150,000.00	155,440.50	-	(1,933.50)	-	153,507.00	750.00
	FNMA 05-16 WD REMIC MULTICLASS CMO	1/25/2035	5.000%	56,000.00	12,565.63	-	(473.39)	-	12,092.24	53.95
	GNMA 06-27 WE REMIC MULTICLASS CMO	6/20/2036	6.000%	50,000.00	-	-	-	-	-	-
	FHLMC 3230 BB REMIC MULTICLASS CMO	4/15/2036	5.750%	50,000.00	51,796.50	-	(1,800.00)	-	49,996.50	239.58
	FHLMC 3264 UU REMIC MULTICLASS CMO	6/15/2036	5.750%	50,000.00	49,468.80	-	(1,361.28)	-	48,107.52	230.00
	FHLMC 3290 WA REMIC MULTICLASS CMO	4/15/2007	5.000%	58,000.00	25,356.87	-	347.17	1,445.60	24,258.44	115.21
	FHLMC 3357 AA REMIC MULTICLASS CMO	12/15/1936	6.000%	32,000.00	12,333.00	-	69.38	1,000.00	11,402.38	60.00
	NATIONAL CITY CD	6/15/2007	5.150%	30,000.00	-	-	-	-	-	-
	WORLD SAVINGS BK FSB CD	5/2/2008	5.200%	25,000.00	-	-	-	-	-	-
TOTAL WACHOVIA SEC.					467,805.35	-	(13,323.47)	2,445.60	452,036.28	2,177.65
PIPER JAFFRAY	GNMA POOL #24920	6/15/2008	8.250%		-	-	-	-	-	-
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	12/15/2009	3.000%	120,000.00	-	-	-	-	-	-
	FEDL NATL MTG ASSN INVT NOTES B/E	8/20/2010	4.000%	100,000.00	-	-	-	-	-	-
	FEDL NATL MTG ASSN INVT NOTES B/E	6/24/2011	4.000%	130,000.00	130,081.90	-	-	-	130,081.90	433.33
	FHLMC #170217	3/1/2017	8.000%		3,598.05	-	-	-	3,598.05	23.74
TOTAL PIPER JAFFRAY					133,679.95	-	-	-	133,679.95	457.07
TOTAL INVESTMENTS					626,485.30	-	(13,323.47)	2,445.60	610,716.23	2,660.10
TOTAL ALL ACCOUNTS					955,249.84	2,454.85	(13,323.47)	2,445.60	941,935.62	2,669.35

PUEBLO CONSERVANCY DISTRICT

JANUARY 2009 - FEBRUARY 2009

RECEIPTS

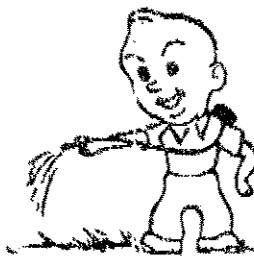
VENDOR	ITEM	AMOUNT
First Clearing, LLC	Interest Payment	\$ 2,012.92
First Clearing, LLC	Interest Payment	\$ 164.73
UBS	Interest	\$ 456.53
Wells Fargo - Colotrust	Dividend	\$ 14.52
Pueblo County Treasurer	Assessment Fund Collections	\$ 9,016.74
		\$ 11,665.44

Tom and Jean Latka Land Sale \$ 2,175.00 Deposited at Wachovia

DEBITS

VENDOR	ITEM	AMOUNT	CHECK	CODE
Aquila	Runyon Lake Elec Thru 2nd Qtr	\$ 400.00	3600	105
MBDG, PC	Bookkeeping	\$ 250.00	3593	90
Don Banner - B&B, PC	Attorney Fees	\$ 400.00	3594	80
	Filing Fees	\$ 6.00	"	96
Kidd Engineering	Engineer/Admin Fees	\$ 500.00	3595	83
Director Sandstrom	Fees	\$ 55.41	3596	81
Director Farley	Fees	\$ 55.41	3597	81
Director Barela	Fees	\$ 55.41	3598	81
United States Treasury	2008 Form 944	\$ 312.12	3599	82
		\$ 2,034.35		

CHEM-WAY



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

February 16, 2009

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

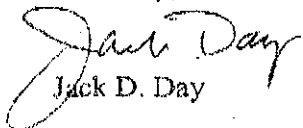
Dear Rick,

Thank you for your continued confidence in Chem-Way. We will do a great job for you! Please consider the following proposals for the 2009 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. \$289.00
2. Apply general weed control on the north face levee located at the Grove, running from the Sante 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 \$214.00 per treatment.

Please call if you have any questions.

Sincerely,


Jack D. Day

Fax #583-1216