

MINUTES OF THE DECEMBER 16, 2009 REGULAR MEETING OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Sandstrom, Farley, Barela

Also Present: Administrator Rick Kidd, Councilor Don Banner

Guests: Dennis Maroney, Jack Johnston

With a quorum present, the Pueblo Conservancy District board meeting was called to order at 8:03 am.

Minutes -- The Minutes of the November 17, 2009 Regular Meeting were reviewed. Farley moved to approve the minutes as posted. Motion passed.

Treasurer's Report:

The November accountant's report was reviewed. Farley moved to receive and file the report and pay the bills. Motion passed.

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

\$ 300.00	MBD&G, Accountant fees
\$ 400.00	Don Banner, Attorney fees
\$ 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
\$ 20.16	Pueblo Chieftain, Budget Notice Publication
\$ 1,895.25	Colorado Special Districts Property and Liability Pool, 2010 Liability Insurance

HARP -- Sandstrom reported that the County cut their contribution to HARP 11%, or about \$30,000. He asked if later in the year we would consider helping them out at some level. Farley is agreeable if we have safeguards so that the District will not be a substitute on the IGA. Barela agreed.

FEMA -- Dennis Maroney stated that FEMA uses a simple hydraulic model. The City uses a model that is more complex and looks at other watershed characteristics. Peak attenuation is one of the big differences between the two models. FEMA has asked the City to add more cross-sections on certain reaches of Wildhorse Creek. The City has agreed. They are planning to have the additional data to FEMA the first week of January 2010. The Wildhorse study is costing the City about \$30,000. FEMA still does not have criteria for "levee like" structures. Different entities are trying to get FEMA to get criteria in writing. Maroney does not expect to get anything for years.

The City is going to remove trees and sediment along Wildhorse Creek from 18th to 11th streets to increase the channel's flow capacity. This excess dirt may be used to reinforce the Wildhorse

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Creek Levee, instead of being hauled off. The District would have to prepare designs that meet current FEMA and ACE levee design criteria. They have not done any testing but he feels that the dirt would be acceptable material for the levee fill. Kidd said that he did not believe that the actual design of the levee cross-section and riprap armor is particularly difficult but that liability insurance coverage could be a problem.

Ft. Carson has 51 erosion control ponds on base. They could be considered for flood water detention if the City had location and capacity data for them. Maroney feels that it will take too long to get this information for the City to be able to use it to help reduce flood flows. Therefore, they are not currently planning to consider those ponds. Sandstrom said he would contact Marvin Stein to see if there may be an avenue to get Ft. Carson to expedite releasing this information.

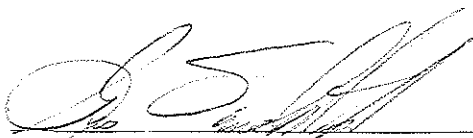
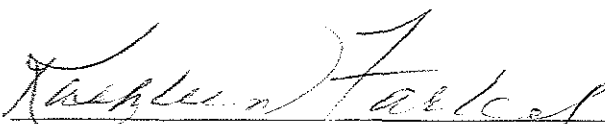
The City is putting out an RFP for engineering services leading to the certification of the Fountain Creek Levee. They are expecting to get it out early 2010. They are looking planning to solicit proposals from at least three firms. Two of them are Nolte and Anderson. Sandstrom said that he had sent letters to both FEMA and Anderson asking why they feel that the Wildhorse Levee is not eligible for the PAL program and about criteria for certification of the Arkansas Levee. Maroney said that they have not been willing to relax the 65.10 criteria. Kidd is to go to 65.10 to see what we need to do to for certification.

HARP, Veteran's Bridge – Jack Johnston said that HARP has raised \$300,000 from 4000 veteran plaque contributions at \$75 per each. They have a commitment of \$200,000 from DOLA and potentially \$600,000 from ARRA trails and highway enhancement funding. The ARRA funding has to be committed by February.

Sandstrom suggested that we hold a special meeting in early January to get an update from Dennis Maroney and to discuss the District's benefit appraisal team recommendations. It was agreed to meet on January 6, 2010 at 8:00 am.

There being no further business to come before the Board, the business meeting was adjourned at 8:55 am. The next regular meeting date is January 20, 2010.

APPROVED:


Gus Sandstrom, Director
Kathleen Farley, Director
Carla Barela, Director

THE PUEBLO CONSERVANCY DISTRICT

NOTICE OF
REGULAR MEETING

DATE: DECEMBER 16, 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 NOVEMBER 17, 2009 MINUTES
3. TREASURER'S REPORT
 - a. PAYMENT OF BILLS
4. FEMA UPDATE – DENNIS MARONEY
5. VETERANS BRIDGE PRESENTATION – JACK JOHNSTON
6. MAINTENANCE FUND APPRAISAL UPDATE
7. OTHER BUSINESS AS MAY BE BROUGHT BEFORE THE BOARD
8. ADJOURNMENT

Future regular meetings scheduled at 8:00 am on:

January 20	July 21
February 17	August 18
March 17	September 15
April 21	October 20
May 19	November 17
June 16	December 15

RECORD OF PROCEEDINGS

MINUTES OF THE NOVEMBER 17, 2009
BUDGET ADOPTION AND
REGULAR MEETING OF THE PUEBLO CONSERVANCY
DISTRICT

Directors Present: Sandstrom, Farley, Barela

Also Present: Administrator Rick Kidd, Councilor Don Banner

Guests: None

With a quorum present, the Pueblo Conservancy District board meeting was called to order at 8:00 am.

FINAL 2010 BUDGET HEARING – Farley moved to approve the 2010 Budget. The City assessments have been paid on multiple parcels. They have not paid the amount attributed to the general benefit of the City. Sandstrom reported that City Attorney Tom Jagger to exception to the \$150,000+ charge. Sandstrom provided a letter of explanation to Jagger on November 10th. City Manager Jerry Pacheco has asked if the District could help the City with about \$15,000 for HARP related maintenance expenses. He also wondered if we could help in the City/County levee weed spraying 10-year agreement. There is funding in the line item for Maintenance that could be used for these activities, with potential reduction in other maintenance work that we intend to do in 2010. The Board decided that the District will consider helping the City when there is a need. Motion to approve the budget was seconded by Barela. Motion passed.

Budget hearing adjourned at 8:15.

Minutes -- The Minutes of the October 13, 2009 Regular Meeting were reviewed. Barela moved to approve the minutes as posted. Motion passed.

Treasurer's Report:

The September and October accountant's reports were available for review. Farley moved to receive and file the reports and pay the bills. Motion passed.

Bills – The following bills were posted for review and approval:

\$ 300.00	MBD&G, Accountant fees
\$ 400.00	Don Banner, Attorney fees
\$ 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
\$ 35.00	Vectra Bank, Safe Deposit Box Rental

Appraisal Committee – Sandstrom has talked to Judge Maes about the need to seat an appraisal committee to equalize District maintenance assessments. Judge Maes has agreed to up to \$5000 per each for compensation. Banner and Sandstrom have discussed the need to prepare instruction to the appraisers and have this Board and the Court approve them before they are given to the panel of appraisers. Sandstrom would like to have the members of the appraisal

RECORD OF PROCEEDINGS

November 17, 2009 Minutes, Page 2 of 2

committee approved by January. Sandstrom has met with last year's contestors. They recommended Sean McCarthy (realtor) and Mark Paolucci (CPA), and someone with government interests. Billy Martin was suggested as a government interest candidate. Sandstrom has not contacted any of the proposed individuals. The Board requested him to contact these individuals to find out if they would be willing to serve as appraisers. Other suggestions by the Board are: Art Gonzales, Nancy Flores (CPA), and Val Henderson (business owner).

FEMA – Sandstrom reported that Dennis Maroney is still working with FEMA to determine the flow rates for the levee certification criteria. Sandstrom will request Maroney to come to the December meeting.

Future Meetings – Dates for scheduling the Board's 2010 meeting were discussed. It was decided to schedule the third wednesday of each month, except with changes as necessary.

There being no further business to come before the Board, the business meeting was adjourned at 9:00 am. The next regular meeting date is December 16, 2009.

APPROVED:

Gus Sandstrom, Director

Kathleen Farley, Director

Carla Barela, Director



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

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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 November 30, 2009 and December 31, 2008, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the eleven months ended November 30, 2009, and the twelve months ended December 31, 2008, 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

December 14, 2009

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
NOVEMBER 30, 2009 AND DECEMBER 31, 2008

	<u>11/30/2009</u>	<u>12/31/2008</u>
ASSETS		
VECTRA BANK CHECKING	\$ 86,993	\$ 21,940
VECTRA BANK MONEY MARKET	11,866	11,814
BROKERAGE MONEY MARKET ACCOUNTS	15,640	316,951
COLOTRUST INVESTMENT	25,000	25,000
WELLS FARGO INVESTMENT	534,871	467,805
STIFEL NICOLAUS INVESTMENT	361,504	133,680
ACCRUED INTEREST	-	1,794
TOTAL ASSETS	<u>\$ 1,035,874</u>	<u>\$ 978,984</u>
LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 822
PAYROLL TAXES PAYABLE	151	312
DEFERRED INCOME	1,250	1,042
TOTAL LIABILITIES	<u>1,401</u>	<u>2,176</u>
RESERVE FOR EMERGENCIES	6,000	6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	156,376	156,376
UNDESIGNATED	872,097	814,432
TOTAL FUND EQUITY	<u>1,034,473</u>	<u>976,808</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,035,874</u>	<u>\$ 978,984</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
ACTUAL AND BUDGET - GENERAL FUND
FOR THE ELEVEN MONTHS ENDED NOVEMBER 30, 2009
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2008

	ACTUAL				
	CURRENT MONTH	YEAR TO DATE	2009 BUDGET	UNUSED BUDGET	2008 ACTUAL
REVENUES					
INTEREST INCOME					
COLOTRUST	\$ 6	\$ 93	\$ -	\$ -	\$ 645
MONEY MARKET ACCOUNTS	5	137	-	-	1,571
WELLS FARGO	471	20,737	-	-	30,167
UBS INVESTMENT	-	11,434	-	-	9,026
STIFEL NICOLAUS	1,718	1,470	-	-	-
UNREALIZED GAINS (LOSSES)	<u>3,170</u>	<u>(7,872)</u>	<u>-</u>	<u>-</u>	<u>29,740</u>
TOTAL INTEREST INCOME	5,370	25,999	47,117	21,118	71,149
MAINTENANCE FUND ASSESSMENT	-	159,950	2,500	(157,450)	2,700
LEASE PAYMENTS	208	2,392	-	(2,392)	4,500
OTHER INCOME	<u>-</u>	<u>2,175</u>	<u>-</u>	<u>(2,175)</u>	<u>-</u>
TOTAL REVENUES	\$ 5,578	\$ 190,516	\$ 49,617	\$ (140,899)	\$ 78,349
EXPENDITURES					
80 LEGAL FEES	\$ 400	\$ 4,400	\$ 4,800	\$ 400	\$ 4,700
81 DIRECTORS FEES	180	1,980	3,000	1,020	2,040
82 FICA TAXES	-	-	166	166	156
83 ENGINEER/ADMINISTRATIVE	500	5,000	6,000	1,000	6,000
90 AUDIT & BOOKKEEPING	300	3,000	3,600	600	3,000
92 INSURANCE/BONDS	-	2,646	3,000	354	2,506
96 OFFICE EXPENSE	35	310	500	190	543
97 OFFICE RENT	-	720	750	30	680
100 PROFESSIONAL FEES	-	18,270	30,000	11,730	31,401
APPRAISAL	-	-	-	-	-
103 TRAVEL	-	-	3,500	3,500	-
105 REPAIRS & MAINTENANCE	-	31,525	90,000	58,475	12,018
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 / HARP - IGA CNTRB	-	65,000	50,000	(15,000)	78,000
113 SALES TAX	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,415</u>	<u>132,851</u>	<u>332,816</u>	<u>199,965</u>	<u>141,044</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 4,163</u>	<u>\$ 57,665</u>	<u>\$ (283,199)</u>	<u>\$ (340,864)</u>	<u>\$ (62,695)</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
11/30/2009

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BROKER	DESCRIPTION	MATURITY DATE	RATE	PAR VALUE	BALANCE 12/31/2008	ADDITIONS	MKT VALUE CHANGE	REDEMPTION SALES	BALANCE 7/31/2009	INTEREST RECEIVED 1/31/2009
CASH ACCOUNTS										
VECTRA BANK	Money Market Account				11,814.22	51.54	-	-	11,865.76	51.54
UBS INVESTMENT	Money Market Account				233,702.26	184,972.98	-	418,675.24	-	63.65
STIFEL NICOLAUS	Money Market Account				-	60,785.25	-	57,513.11	3,272.14	1.26
WELLS FARGO	Cash Sweep Account				83,348.06	154,904.74	-	225,784.03	12,568.77	19.84
TOTAL CASH ACCOUNTS WITH BROKERS					328,764.54	400,714.51	-	701,972.38	27,506.67	136.29
INVESTMENTS										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00	-	-	-	25,000.00	118.79
TOTAL COLOTRUST					25,000.00	-	-	-	25,000.00	118.79
WELLS FARGO	FNMA 05-27 GA REMIC MULTICLASS CMO	4/25/2034	5.500%	450,000.00	24,176.23	-	(28.28)	-	24,147.95	1,218.58
	GNMA 09-73 CD REMIC MULTICLASS CMO	9/16/1938	5.000%	45,000.00	-	45,117.50	104.90	1,477.57	43,744.83	187.50
	FHLMC 3334 WW RETAIL LOTTERY	9/15/2036	6.250%	30,000.00	19,803.70	-	(803.70)	19,000.00	-	515.64
	FHLMC 2646 LL RETAIL LOTTERY	8/15/2033	5.000%	78,000.00	33,864.48	-	2,001.24	-	35,865.72	1,500.00
	FHLMC 2688 DD RETAIL LOTTERY	11/15/2033	5.500%	36,000.00	35,585.28	-	368.28	-	35,953.56	1,650.00
	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	-	1,596.37	20,000.00	29,010.73	1,729.18
	FHLMC 3133 MB REMIC MULTICLASS CMO	3/15/2036	6.000%	150,000.00	155,440.50	-	(5,104.50)	-	150,336.00	7,500.00
	FNMA 05-16 WD REMIC MULTICLASS CMO	1/25/2035	5.000%	56,000.00	12,565.63	-	388.30	5,096.15	7,857.78	517.70
	FNMA 06-107 PD REMIC MULTICLASS CMO	6/25/1935	5.000%	78,000.00	-	80,345.00	1,377.94	-	81,722.94	1,820.00
	FHLMC 3230 BB REMIC MULTICLASS CMO	4/15/2036	5.750%	50,000.00	51,796.50	-	(1,796.50)	50,000.00	-	1,015.82
	FHLMC 3264 UU REMIC MULTICLASS CMO	6/15/2036	5.750%	50,000.00	49,468.80	-	(1,297.16)	20,000.00	28,171.64	1,950.20
	FHLMC 3290 WA REMIC MULTICLASS CMO	4/15/2007	5.000%	58,000.00	25,356.87	-	(220.69)	25,136.18	-	396.26
	FHLMC 3357 AA REMIC MULTICLASS CMO	12/15/1936	6.000%	32,000.00	12,333.00	-	(333.00)	12,000.00	-	155.00
	FHLMC 3393 BY REMIC MULTICLASS CPN	5/20/2009	5.500%	94,000.00	-	99,645.00	(1,585.14)	-	98,059.86	1,795.12
	WORLD SAVINGS BK FSB CD	5/2/2008	5.200%	25,000.00	-	-	-	-	-	-
TOTAL WELLS FARGO					467,805.35	225,107.50	(5,331.94)	152,709.90	534,871.01	21,951.00
UBS INVESTMENT	GNMA POOL #676875X	3/15/2023	6.500%	235,000.00	-	228,761.42	(3,028.32)	225,733.10	-	7,403.46
	GNMA POOL #003851M	5/20/1936	5.500%	165,000.00	-	130,951.72	88.67	131,040.39	-	3,482.14
	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	-	(81.90)	130,000.00	-	866.66
	FHLMC #170217	3/1/2017	8.000%	-	3,598.05	-	114.45	3,712.50	-	236.55
TOTAL UBS INVESTMENT					133,679.95	359,713.14	(2,907.10)	490,485.99	-	11,988.81
STIFEL NICOLAUS	FEDL HOME LN MTG CORP #170217	3/1/2017	8.000%	1,120,000.00	-	3,038.65	(37.93)	-	3,020.72	-
	GNMA POOL #676875	3/15/2023	6.500%	235,000.00	-	197,332.96	318.02	756.32	196,894.66	996.14
	GNMA POOL #003851	5/20/2036	5.500%	165,000.00	-	106,700.62	467.47	2,403.16	104,764.93	465.53
	GNMA REMIC SER 2009-79	2/20/2039	5.500%	56,000.00	-	57,265.00	(380.22)	61.21	56,823.57	8.56
TOTAL STIFEL NICOLAUS INVESTMENT					-	364,357.23	367.34	3,220.69	361,503.88	1,470.23
TOTAL INVESTMENTS					626,485.30	949,177.87	(7,871.70)	646,416.58	921,374.89	35,528.83
TOTAL ALL ACCOUNTS					955,249.84	1,349,892.38	(7,871.70)	1,348,388.96	948,881.56	35,665.12

PUEBLO CONSERVANCY DISTRICT

NOVEMBER 2009 - DECEMBER 2009

RECEIPTS

VENDOR	ITEM	AMOUNT
First Clearing, LLC	Interest Payment	\$ 1,947.29
First Clearing, LLC	Interest Payment	\$ 469.50
Stifel Nicolaus	Interest Payment	\$ 1,721.79
Wells Fargo	ColoTrust Dividend	\$ 6.23
Pueblo County Treasurer	Maintenance Fund Assessment	\$ 678.72
Pueblo County Treasurer	Maintenance Fund Assessment	\$ 18,991.26
		\$ 23,814.79

DEBITS

VENDOR	ITEM	AMOUNT	CHECK	CODE
Black Hills Energy	Electrical Billing	Pre-paid		105
MBDG, PC	Bookkeeping	\$ 300.00	3673	90
Don Banner - B&B, PC	Attorney Fees	\$ 400.00	3674	80
Kidd Engineering	Engineer/Admin Fees	\$ 500.00	3675	83
Director Sandstrom	Fees	\$ 55.41	3676	81
Director Farley	Fees	\$ 55.41	3677	81
Director Barela	Fees	\$ 55.41	3678	81
Pueblo Chieftain	Budget Notice Publication	\$ 20.16	3679	96
Colorado Special Districts Property and Liability Pool	2010 Liability Insurance	\$ 1,895.25	3680	92
		\$ 3,281.64		