

MINUTES OF THE JANUARY 20, 2010 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 8:03 am.

Minutes -- The Minutes of the December 16, 2009 Regular Meeting and January 6, 2010 Special Meeting were reviewed. Farley moved to approve the minutes as posted. Motion passed.

Treasurer's Report:

The draft December accountant's report was reviewed. The final report was not available because data for the final year-end adjustments had not been received. Farley moved to receive and file the report and pay the bills. Motion passed.

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

\$ 370.00	Black Hills Energy, Runyon electrical billing
\$ 300.00	MBD&G, Accountant fees
\$ 400.00	Don Banner, Attorney fees
\$ 500.00	Kidd Engineering, Administrator/Engineer fees
\$ 3,622.50	Kidd Engineering, Maintenance fund work
\$ 110.82	Sandstrom, Director's Fee
\$ 110.82	Farley, Director's Fee
\$ 110.82	Barela, Director's Fee
\$ 517.00	Special District Association, 2010 Membership fee
\$ 940.00	Southeastern Colorado Heritage Center, 2010 Membership, storage, and meeting space
\$ 330.48	US Treasury, 2009 Form 944 - FICA withholdings

FEMA -- The Ft. Carson pond information has been received and the City is starting to put the information into their Wildhorse Creek model.

Funding -- Banner suggested the District approach a lender about getting funding in place for major capital construction. Work on the Wildhorse Levee could cause a need for this. Sandstrom said that he would follow up on this.

Maintenance Fund Appraisal -- Sandstrom and Banner agree that the Pueblo Conservancy District Board can do a recertification. We do not have to have an appraisal board. The District will offer a method to the judge for equity across the land parcels. Offering a 10-year fixed cost to the City and County to help gain their support was discussed. In this 10-year offer the District would agree to not assess the new City and County buildings with the same level of assessments as the private property owners. This agreement would be contingent upon the District having

January 20, 2010 Minutes, Page 2 of 2

funding available in budget to do necessary levee repairs, construction, and certification. It was agreed for Sandstrom to approach the City and County about this plan. After agreements and processes are accepted by the judge, then the District can certify the assessments and consider constituent protests.

Arkansas River Levee – Sandstrom and Kidd will be meeting with the Army Corps of Engineers and the City at 2:00 this afternoon.

Don Banner noted that he will not be available to attend the February 17 meeting. He will ask Joe Bower to attend, if available.

There being no further business to come before the Board, the business meeting was adjourned at 8:32 am. The next regular meeting date is February 17, 2010.

APPROVED:



Gus Sandstrom, Director



Kathleen Farley, Director



Carla Barela, Director

THE PUEBLO CONSERVANCY DISTRICT

NOTICE OF
REGULAR MEETING

DATE: JANUARY 20, 2010 (WEDNESDAY) AT 8:00 A.M.

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

AGENDA

1. ROLL CALL
2. APPROVAL OF DECEMBER 16, 2009 AND JANUARY 6, 2010 MINUTES
3. TREASURER'S REPORT
 - a. PAYMENT OF BILLS
4. FEMA UPDATE
5. MAINTENANCE FUND APPRAISAL
6. OTHER BUSINESS AS MAY BE BROUGHT BEFORE THE BOARD
7. ADJOURNMENT

Future regular meetings scheduled at 8:00 am on:

February 17
March 17
April 21
May 19
June 16

July 21
August 18
September 15
October 20
November 17
December 15

**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

December 16, 2009 Minutes, Page 2 of 2

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.

FL 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 FL 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 \$500,000 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

Carl Barth, Director

MINUTES OF THE JANUARY 6, 2010
SPECIAL MEETING OF THE PUEBLO CONSERVANCY
DISTRICT

Directors Present: Sandstrom, Farley, Barela
Also Present: Administrator Rick Kidd, Councilor Don Banner
Guests: Dennis Maroney

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

Sandstrom reported that he had contacted Marvin Stein and he had made contact with the commanding General at Ft. Carson. He requested that the District prepare a letter stating the information that was necessary. Sandstrom prepared a letter about what information was needed to help the City ascertain the detention benefits of the Ft. Carson ponds. His letter was mailed out on January 5th.

Maroney stated that Michael Baker will not accept the City's model without additional cross-sections. The City has inserted that cross-section data into their model and they expect to have the model completed today. They are going to submit the model to SHE for a third engineering party review and then transmit it to Michael Baker. He anticipates that Baker will have it by January 8th.

The City is planning to complete work to increase capacity of Wildhorse Creek from 18th to 15th. They will have to acquire some properties in addition to the work of clearing trees and removing sediment to 11th Street. The District will have to construct a certified levee from 15th to the 11th Street Bridge. The City is planning to redo the 15th Street Bridge, but the railroad bridge will continue to impede flood flows.

Farley moved to have Kidd Engineering start design work on the Wildhorse Creek Levee. Motion passed. Kidd was also instructed to complete the landside surveys along the Arkansas River Levee.

Dennis Maroney announced that his retirement party is being held on January 15th. It will be from 3:00 to 6:00 at the Old Towne Carriage House. Presentations are to be at 4:45.

Kidd is to draft an RTP for Arkansas River Levee certification services.

Benefits Appraisal -- It was agreed that the District needs to clearly define a process and parameters for the appraisal team to use for background guidelines. This information will then be submitted to the Judge for his consideration and instructions to the team.

RECORD OF PROCEEDINGS

January 6, 2010 Minutes, Page 2 of 2

Heritage Center -- Sandstrom reported that he had the new contract proposal for 2010. He suggested approval of \$940 for the 2010 contract. This will allow us to have a couple of extra meetings. Farley moved approval of the 2010 contract and \$10 membership fee. Motion passed.

There being no further business to come before the Board, the business meeting was adjourned at 8:45 am. The next regular meeting date is January 20, 2010.

APPROVED:

Gus Sandstrom, Director

Kathleen Farley, Director

Carla Barela, Director

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

	<u>12/31/2009</u>	<u>12/31/2008</u>
ASSETS		
VECTRA BANK CHECKING	\$ 107,526	\$ 21,940
VECTRA BANK MONEY MARKET	11,870	11,814
BROKERAGE MONEY MARKET ACCOUNTS	29,775	316,951
COLOTRUST INVESTMENT	25,000	25,000
WELLS FARGO INVESTMENT	521,407	467,805
STIFEL NICOLAUS INVESTMENT	351,076	133,680
ACCRUED INTEREST	<u>-</u>	<u>1,794</u>
 TOTAL ASSETS	 <u>\$ 1,046,654</u>	 <u>\$ 978,984</u>
LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 822
PAYROLL TAXES PAYABLE	165	312
DEFERRED INCOME	<u>1,042</u>	<u>1,042</u>
 TOTAL LIABILITIES	 <u>1,207</u>	 <u>2,176</u>
RESERVE FOR EMERGENCIES	6,000	6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	156,376	156,376
UNDESIGNATED	<u>883,071</u>	<u>814,432</u>
 TOTAL FUND EQUITY	 <u>1,045,447</u>	 <u>976,808</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,046,654</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 TWELVE MONTHS ENDED DECEMBER 31, 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	\$ 5	\$ 100	\$ -	\$ -	\$ 645
MONEY MARKET ACCOUNTS	6	141	-	-	1,571
WELLS FARGO	2,417	23,154	-	-	30,167
UBS INVESTMENT	-	11,434	-	-	9,026
STIFEL NICOLAUS	1,721	3,192	-	-	-
UNREALIZED GAINS (LOSSES)	(9,758)	(17,630)	-	-	29,740
TOTAL INTEREST INCOME	(5,609)	20,391	47,117	26,726	71,149
MAINTENANCE FUND ASSESSMENT	19,670	179,620	2,500	(177,120)	2,700
LEASE PAYMENTS	208	2,600	-	(2,600)	4,500
OTHER INCOME	-	2,175	-	(2,175)	-
TOTAL REVENUES	\$ 14,269	\$ 204,786	\$ 49,617	\$ (155,169)	\$ 78,349
EXPENDITURES					
80 LEGAL FEES	\$ 400	\$ 4,800	\$ 4,800	\$ -	\$ 4,700
81 DIRECTORS FEES	180	2,160	3,000	840	2,040
82 FICA TAXES	-	-	166	166	156
83 ENGINEER/ADMINISTRATIVE	500	5,500	6,000	500	6,000
90 AUDIT & BOOKKEEPING	300	3,300	3,600	300	3,000
92 INSURANCE/BONDS	1,895	4,541	3,000	(1,541)	2,506
96 OFFICE EXPENSE	20	330	500	170	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	-	-	12,000	12,000	-
TOTAL EXPENDITURES	3,295	136,146	332,816	196,670	141,044
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 10,974	\$ 68,640	\$ (283,199)	\$ (351,839)	\$ (62,695)

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
12/31/2009

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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	55.80			11,870.02	55.80
UBS INVESTMENT	Money Market Account				233,702.26	184,972.98		418,675.24		63.65
STIFEL NICOLAUS	Money Market Account				-	70,527.27	-	57,513.11	13,014.16	1.86
WELLS FARGO	Cash Sweep Account				83,248.06	159,296.78	-	225,784.03	16,760.81	20.08
TOTAL CASH ACCOUNTS WITH BROKERS					328,764.54	414,852.83	-	701,972.38	41,644.99	141.39
INVESTMENTS										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00	-	-	-	25,000.00	125.02
TOTAL COLOTRUST					25,000.00	-	-	-	25,000.00	125.02
WELLS FARGO	FNMA 05-27 GA REMIC MULTICLASS CMO	4/25/2034	5.500%	450,000.00	24,176.23	-	(14.30)	-	24,161.73	1,329.36
	GNMA 09-73 CD REMIC MULTICLASS CMO	9/16/1938	5.000%	45,000.00	-	45,117.50	121.10	3,430.92	41,807.68	375.00
	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	-	1,457.28	-	35,321.76	1,650.00
	FHLMC 2688 DD RETAIL LOTTERY	11/15/2033	5.500%	36,000.00	35,385.28	-	357.84	-	35,943.12	1,815.00
	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	-	1,589.56	21,000.00	28,003.92	1,854.18
	FHLMC 3133 MB REMIC MULTICLASS CMO	3/15/2036	6.000%	150,000.00	155,440.50	-	(5,085.00)	-	150,355.50	8,250.00
	FNMA 05-16 WD REMIC MULTICLASS CMO	1/25/2035	5.000%	56,000.00	12,565.63	-	387.98	5,534.60	7,419.01	551.42
	FNMA 06-107 PD REMIC MULTICLASS CMO	6/25/1935	5.000%	78,000.00	-	80,345.00	(2,137.52)	-	78,207.48	2,145.00
	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	-	(1,290.06)	21,000.00	27,178.74	2,089.16
	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	(6,636.70)	-	93,008.30	2,225.95
	WORLD SAVINGS BK FSB CD	5/2/2008	5.200%	25,000.00	-	-	-	-	-	-
TOTAL WELLS FARGO					467,805.35	225,107.50	(14,403.91)	157,101.70	521,407.24	24,367.79
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 FREDDIE NOTES B/E	12/15/2009	5.000%	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	-	3,058.65	3.56	109.17	2,953.04	18.84
	GNMA POOL #676875	3/15/2023	6.500%	235,000.00	-	197,332.96	315.04	2,509.27	195,138.73	1,988.18
	GNMA POOL #003851	5/20/2036	5.500%	165,000.00	-	106,700.62	(381.78)	8,888.93	97,429.91	920.05
	GNMA REMIC SER 2009-79	2/20/2039	5.500%	56,000.00	-	57,265.00	(255.92)	1,454.74	55,554.34	264.95
TOTAL STIFEL NICOLAUS INVESTMENT					-	364,357.23	(319.10)	12,962.11	351,076.02	3,192.02
TOTAL INVESTMENTS					626,485.30	949,177.87	(17,630.11)	660,549.80	897,483.26	39,673.64
TOTAL ALL ACCOUNTS					955,249.84	1,364,030.70	(17,630.11)	1,362,522.18	939,128.25	39,815.03

PUEBLO CONSERVANCY DISTRICT

DECEMBER 2009 - JANUARY 2010

RECEIPTS

VENDOR	ITEM	AMOUNT
First Clearing, LLC	Interest Payment	\$ 1,932.17
First Clearing, LLC	Interest Payment	\$ 468.50
Stifel Nicolaus	Interest Payment	\$ 1,699.05
Wells Fargo	ColoTrust Dividend	\$ 6.00
Pueblo County Treasurer	Maintenance Fund Assessment	\$ 14.02
		\$ 4,119.74

DEBITS

VENDOR	ITEM	AMOUNT	CHECK	CODE
Black Hills Energy	Electrical Billing	\$ 370.00	3681	105
MBDG, PC	Bookkeeping	\$ 300.00	3682	90
Don Banner - B&B, PC	Attorney Fees	\$ 400.00	3683	80
Kidd Engineering	Engineer/Admin Fees	\$ 500.00	3684	83
	Maintenance Fund Work	\$ 3,622.50	"	100
Director Sandstrom	Fees	\$ 110.82	3685	81
Director Farley	Fees	\$ 110.82	3686	81
Director Barela	Fees	\$ 110.82	3687	81
Special District Association	2010 Membership	\$ 517.00	3688	92
Southeastern Colorado Heritage Center	2010 Membership, Storage, Meeting Space	\$ 940.00	3689	97
<i>US Trans-X</i>	<i>F944 - FICA</i>	<i>230.18</i>		
		\$ 6,981.96		