

RECORD OF PROCEEDINGS

 O'Brien Prtg. & Stat. 90912

MINUTES OF THE OCTOBER 27, 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 8:01 am.

Minutes – The minutes of the September 15, 2010 Regular Meeting and October 7, 2010 Special Meeting were reviewed. Farley moved to approve the minutes as posted. Motion passed.

Treasurer's Report:

The September 2010 accountant's reports were reviewed. Farley moved to receive and file the accountant's reports and pay the bills. Motion passed.

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

\$ 295.00	Black Hills Energy, Runyon Lake Electricity
\$ 300.00	MBD&G, Accountant fees
\$ 400.00	Don Banner, Attorney fees
\$ 500.00	Kidd Engineering, Administrator/Engineer fees
\$ 92.35	Sandstrom, Director's Fee
\$ 55.41	Farley, Director's Fee
\$ 55.41	Barela, Director's Fee
\$ 274.00	Chem-Way Lawn Care, Weed Spraying

HARP – Sandstrom said that the next big event is going to be the dedication and opening of the Veteran's Bridge. The City of Pueblo is continuing to look at eliminating the Intergovernmental Agreement and taking over HARP. Jim Munch has been appointed to be the Executive Director, replacing Jack Johnston.

Historic East Side – Sandstrom said that he had no report of additional developments.

Levee Repair -- Sandstrom reported that he and Kidd received an email from the Corps of Engineers concerned about damage and repair requirements for murals that are on the Levee. Sandstrom reported that they did not have to worry about this. He had notified Cynthia Ramu that some of the existing murals may be impacted by the Corps and Conservancy District repairs to the Levee. Kidd reported that he had a conference call with Corps personnel and that, after their survey work, they would like to change to a pressure grouting plan rather than the demo-fill-concrete surface replacement plan they were looking at before. They are concerned that since some of the slabs are already migrating down the slope that if they removed the existing concrete to fill and replace there could be additional damage. The Corps also believes that this would allow them to repair a larger area of the Levee face. Kidd told them that he understands their concerns and had thought before that it may be necessary to pin some of the Levee slabs to the earthen embankment. Kidd told them that the pressure grouting could be an acceptable

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alternative but noted that some slab replacement may still be required due to existing damage. Kidd also expressed concern about wanting to still have weep holes with a controlled release of any water that may build up behind the concrete facing. The Corps agreed that this could be a good idea and would be possible but that the filtering will have to be done with a surface mount system. Kidd agreed with this.

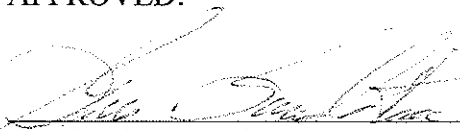
Dissolution – Sandstrom reported that the City still wants to pursue dissolution of the Pueblo Conservancy District and has requested a special meeting with Jerry Pacheco and Tom Florczak next week. It was agreed to meet with them at 9:00 am on Wednesday November 3rd. Sandstrom will try scheduling for the Heritage Center. He will let us know and Kidd will post the notice of the meeting.

Maintenance Fund Assessment – Kidd reported that the data has been submitted to the County Treasurer. He said that by charging the County \$32,000 inclusive of all County owned parcels, reducing the City to \$150,000 inclusive of all City owned parcels, maintaining the railroads and utilities at the same lump sum rates they have been and then applying a factor of 0.217 percent against the County 2010 assessed valuation of the remaining properties yielded a total assessment of \$332,118.78. This is \$273.07 less than the \$332,391.85 allowed in the Court Order. The further reduction in this rate was made possible by bringing in the parcels in the Midtown area that were not receiving a benefit per the 1923 Appraisal. As was previously discussed, these were railroad properties in 1923.

2011 Draft Budget – Kidd had prepared a draft budget for review. The Board suggested adjustments. Kidd is to make the agreed adjustments and advertise the budget as being available for review. The budget hearing will be held at the November 17, 2010 Regular Meeting.

There being no further business to come before the Board, the business meeting was adjourned at 8:50 am. There will be a special meeting held on November 3rd. The next regular meeting date is November 17, 2010.

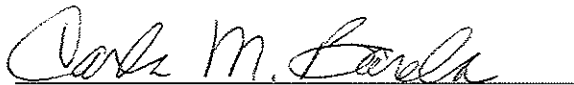
APPROVED:



Gus Sandstrom, Director



Kathleen Farley, Director



Carla Barela, Director

THE PUEBLO CONSERVANCY DISTRICT

NOTICE OF
REGULAR MEETING

DATE: OCTOBER 27, 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 THE SEPTEMBER 15 AND OCTOBER 7, 2010 MINUTES
3. TREASURER'S REPORT
 - a. PAYMENT OF BILLS
4. HARP UPDATE
5. HISTORIC EAST SIDE PROJECT REPORT
6. CORPS OF ENGINEERS PLAN FOR LEVEE REPAIRS
7. CITY OF PUEBLO REQUEST FOR INFORMATION
8. SUBMITTAL STATUS OF MAINTENANCE FUND ASSESSMENTS
9. 2011 BUDGET DISCUSSION
10. OTHER BUSINESS AS MAY BE BROUGHT BEFORE THE BOARD

Future regular meetings are scheduled at 8:00 am on:

November 17
December 15

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MINUTES OF THE SEPTEMBER 15, 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 8:01 am.

Minutes -- The Minutes of the August 18, 2010 Regular Meeting were reviewed. Barela moved to approve the minutes as posted. Motion passed.

Treasurer's Report:

Kidd noted that MBDG had made date corrections on the investment listing. Kidd informed the Board that a tree had fallen from District property onto a neighboring shed. The land owner requested that we reimburse him for the costs to remove the tree and repair the shed roof. The total amount of the bill is \$830. Kidd said that he checked with the HUB insurance representative and he said the insurance would not pay because we had governmental immunity on this unknown condition. Kidd suggested that we pay because the land owner was being very reasonable and that it would be good for public relations. Farley moved to pay Bill Coppola for his costs. Motion passed. 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:

\$ 300.00	MBD&G, Accountant fees
\$ 400.00	Don Banner, Attorney fees
\$ 500.00	Kidd Engineering, Administrator/Engineer fees
\$ 92.35	Sandstrom, Director's Fee
\$ 55.41	Farley, Director's Fee
\$ 55.41	Barela, Director's Fee
\$ 832.50	Spaccamonti Excavating, Weed Control
\$ 274.00	Chem-Way Lawn Care, Weed Control
\$ 830.00	Bill Coppola, Tree Removal and Repairs
\$ 1,000.00	HARP Authority, 10-yr Commemoration Event, 8-18 Board action

Dissolution -- Sandstrom and Jerry Pacheco (City Manager) met and have developed an alternative. The proposal is to reform our current plan of assessments. Under an IGA the City would pay the District the annual \$330,000 assessment under their Storm Water Enterprise. The Enterprise can pay for all but exempt properties. Exempt properties are defined as those that are non-permeable. Judge Maes would have to agree to this proposal. Farley expressed concern about the City honoring the IGA. Sandstrom said that Florezak wanted a stipulation that the City's money be spent for flood control only, but Sandstrom told him that the District cannot do that because then we could not support HARP, recreation, etc. Sandstrom made it clear that the District could not waive the \$300,000+ that they are past due on. Sandstrom requested approval to discuss this concept with Judge Maes. The Board agreed.

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September 15, 2010 Minutes, Page 2 of 2

HARP -- The HARP IGA Executive Committee has been meeting to resolve situations with the City and their desire to take over HARP.

Maintenance Fund Assessment -- Kidd reported that, prior to the City's proposal, that a percentage of 0.22% applied to the 2010 private property assessed valuation would provide the funding allowed by the Court Order. This is based upon the City paying \$150,000, the County paying \$32,000, the utilities and railroads paying their current assessment amounts.

Historic East Side Project -- Sandstrom said that formal presentations of the master plan are to be made in October.

October Meeting Date -- Sandstrom will not be in town on October 20. It was agreed to move the regular meeting to October 27. A special meeting will be held on October 7 to discuss progress with the City's funding proposal. The special meeting will be held at Don Banner's office at 8:00 am.

Army Corps of Engineers -- Kidd discussed the Corps' preliminary Levee repair plan concept and the District's need to have work done further downstream. Kidd said that there is also a failure in a slab section down by the Main Street Bridge. The Corps is to be sending up some surveyors in the next few weeks.

4th Street Bridge -- Kidd has met with the CDOT Project Manager about repairs where the bridge contractor cut an access ramp out of the Levee. The repair work should start in a few weeks. Due to a required water quality chute and basin the bike path width is too restrictive to allow for any motorized vehicles. CDOT does not expect this area to be opened up and repaired until April 2011. Therefore, the planned visual inspections by the Board will have to be done in segments or next spring. Kidd said that CDOT is still looking in to what can be done to re-establish emergency personnel access from the Bridge down on to the Levee.

Mapping -- Kidd told about the mapping that the City did for HARP at upper Lake Elizabeth and asked if we could have the City GIS department overlay our ownership maps over the aerial photo background. The Board agreed for Kidd to get pricing for this work.

HARP 10-yr Commemoration -- Sandstrom said that the commemoration will be held on October 6th at probably 5:00. It will be at the Carriage House on Victoria.

There being no further business to come before the Board, the business meeting was adjourned at 9:05 am. The next regular meeting date is October 27, 2010. There will be a special meeting on October 7, 2010.

APPROVED:

Gus Sandstrom, Director

Kathleen Farley, Director

Carla Barela, Director

RECORD OF PROCEEDINGS

 O'Brien Prtg. & Stat. 90912

MINUTES OF THE OCTOBER 7, 2010 SPECIAL 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 8:05 am.

Maintenance Fund - Kidd gave examples of the assessment fee charges to various properties. Changing to the concept of basing the maintenance fee on the current assessed valuations of the properties caused big increases for the Urban Renewal Authority and the PBR properties. The fee for many other properties went down due to bringing in the value of development that has occurred since the 1923 Appraisal of Benefits. Properties that are now parking or vacant lots had their fees significantly drop.

Sandstrom reported that the City Council has not been able to come to an agreement on the proposal that he and Pacheco had worked out. Therefore, we should continue with our plan to assess the City \$150,000, the County \$32,000, the utilities and railroads as currently assessed, and the other properties per a percentage applied to their assessed valuation. Farley moved to certify the assessment based upon the work that Kidd had done. Motion passed. Kidd said that he had identified some parcels that were not being assessed while surrounding ones are. After considering the area, it was decided that this was a strip though Town that had been all railroad. Properties in this strip include the Pueblo Chieftain and McDonalds Restaurant. The Board directed Kidd to include these properties in the Maintenance Fund Assessment program and re-compute the fees to be charged to the various properties.

Runyon Road -- Sandstrom reported that the City and County had cooperated to have the road repaired into Lake Runyon. The District was asked to pay \$24,287.55 to Tony J. Beltramo and Sons, and \$256.00 to Boughton's Precast for materials that went in to the repair work. Barela moved to pay these costs. Motion passed.

METH Mural -- The Meth Project held a contest at the Chile and Frijole Festival. They would like to paint the selected drawing on the Levee between Main and Union. The exact location still needs to be determined. It will not be painted until next spring. Farley moved to allow the painting. Motion passed.

Levee Repair -- Kidd discussed that for the District's work to be included as a part of the Corps contract the scope would have to be well defined and labor would be subject to Davis-Bacon wage rates. The scope of the District's work cannot be well defined because we are not sure where the Corps will have to stop and the extent of the damaged areas that we will still be needing to repair. Based upon Kidd's suggestion, it was agreed for the District to negotiate a time and materials agreement with the Corps' contractor. Kidd will inform the Corps of our intentions.

RECORD OF PROCEEDINGS

October 7, 2010 Minutes, Page 2 of 2

There being no further business to come before the Board, the business meeting was adjourned at 9:02 am. The next regular meeting date is October 27, 2010.

APPROVED:

Gus Sandstrom, Director

Kathleen Farley, Director

Carla Barela, Director

NO. 1671



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Pueblo, CO 81003
Phone (719) 543-0516
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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 September 30, 2010 and December 31, 2009, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the nine months ended September 30, 2010, and the twelve months ended December 31, 2009, 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

October 13, 2010

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
SEPTEMBER 30, 2010 AND DECEMBER 31, 2009

	<u>9/30/2010</u>	<u>12/31/2009</u>
ASSETS		
VECTRA BANK CHECKING	\$ 90,784	\$ 107,526
VECTRA BANK MONEY MARKET	11,887	11,870
BROKERAGE MONEY MARKET ACCOUNTS	24,692	29,775
COLOTRUST INVESTMENT	25,000	25,000
WELLS FARGO INVESTMENT	663,238	521,407
STIFEL NICOLAUS INVESTMENT	343,121	351,076
ACCRUED INTEREST	<u>-</u>	<u>5,890</u>
 TOTAL ASSETS	 <u>\$ 1,158,722</u>	 <u>\$ 1,052,544</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 800
PAYROLL TAXES PAYABLE	147	330
DEFERRED INCOME	<u>1,667</u>	<u>1,042</u>
 TOTAL LIABILITIES	 <u>1,814</u>	 <u>2,172</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	-	156,376
UNDESIGNATED	<u>1,150,908</u>	<u>887,996</u>
	-	
 TOTAL FUND EQUITY	 <u>1,156,908</u>	 <u>1,050,372</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,158,722</u>	 <u>\$ 1,052,544</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
ACTUAL AND BUDGET - GENERAL FUND
FOR THE ONE MONTH ENDED SEPTEMBER 30, 2010
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2009

	ACTUAL				
	CURRENT MONTH	YEAR TO DATE	2010 BUDGET	UNUSED BUDGET	2009 ACTUAL
REVENUES					
INTEREST INCOME					
COLOTRUST	\$ 5	\$ 32	\$ -	\$ -	\$ 106
MONEY MARKET ACCOUNTS	5	37	-	-	141
WELLS FARGO	2,415	17,216	-	-	26,570
STIFEL NICOLAUS	1,378	11,609	-	-	5,660
UNREALIZED GAINS (LOSSES)	(3,655)	20,549	-	-	(17,630)
TOTAL INTEREST INCOME	148	49,443	49,800	357	14,847
MAINTENANCE FUND ASSESSMENT	23,453	161,177	330,000	168,823	179,620
LEASE PAYMENTS	208	1,875	2,500	625	2,600
OTHER INCOME	-	-	-	-	2,175
TOTAL REVENUES	\$ 23,809	\$ 212,495	\$ 382,300	\$ 169,805	\$ 199,242
EXPENDITURES					
80 LEGAL FEES	\$ 400	\$ 3,600	\$ 4,800	\$ 1,200	\$ 4,800
81 DIRECTORS FEES	220	1,920	3,000	1,080	2,160
82 FICA TAXES	-	-	166	166	165
83 ENGINEER/ADMINISTRATIVE	500	4,000	6,000	2,000	6,000
90 AUDIT & BOOKKEEPING	300	2,400	3,600	1,200	3,600
92 INSURANCE/BONDS	-	817	3,000	2,183	4,541
96 OFFICE EXPENSE	-	126	500	374	330
97 OFFICE RENT	-	940	750	(190)	720
100 PROFESSIONAL FEES	-	6,241	30,000	23,759	18,270
APPRAISAL	-	-	-	-	-
103 TRAVEL	-	-	3,500	3,500	-
105 REPAIRS & MAINTENANCE	1,936	4,914	140,000	135,086	31,525
PIPING REPAIRS	-	-	-	-	-
108 CONTINGENCIES	-	-	500	500	-
109 EMERGENCY REPAIR	-	-	20,000	20,000	-
110 CAPITAL IMPROVEMENTS	-	20,000	25,000	5,000	-
111 PLANNING & DEVELOPMENT	-	-	5,000	5,000	-
112 HARP - O & M / HARP - IGA CNTRB	1,000	61,000	60,000	(1,000)	65,000
113 SALES TAX	-	-	-	-	-
TOTAL EXPENDITURES	4,356	105,958	305,816	199,858	137,111
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 19,453	\$ 106,537	\$ 76,484	\$ (30,053)	\$ 62,131

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
9/30/2010

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<u>BROKER</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>PAR VALUE</u>	<u>BALANCE 12/31/2009</u>	<u>ADDITIONS</u>	<u>MKT VALUE CHANGE</u>	<u>REDEMPTION SALES</u>	<u>BALANCE 12/31/2010</u>	<u>INTEREST RECEIVED 12/31/2010</u>
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				11,870.02	17.16	-	-	11,887.18	16.18
STIFEL NICOLAUS	Money Market Account				13,014.16	76,394.17	-	70,143.06	19,265.27	9.24
WELLS FARGO	Cash Sweep Account				16,760.81	482,684.05	-	494,018.10	5,426.76	1.71
TOTAL CASH ACCOUNTS WITH BROKERS					41,644.99	559,095.38	-	564,161.16	36,579.21	27.13
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00	-	-	-	25,000.00	43.09
TOTAL COLOTRUST					25,000.00	-	-	-	25,000.00	43.09
WELLS FARGO	FNMA 05-27 GA REMIC MULTICLASS CMO	4/25/2034	5.500%	450,000.00	24,161.73	-	9.43	24,171.16	-	775.46
	GNMA 09-73 CD REMIC MULTICLASS CMO	9/16/2038	5.000%	45,000.00	41,807.68	-	(241.07)	34,699.63	6,866.98	1,442.12
	FHLMC 2646 LL RETAIL LOTTERY	8/15/2033	5.000%	78,000.00	35,321.76	-	989.94	6,000.00	30,311.70	1,487.50
	FHLMC 2640 LL RETAIL LOTTERY	7/15/2033	5.000%	70,000.00	-	70,530.00	1,895.50	-	72,425.50	1,837.52
	FHLMC 2688 DD RETAIL LOTTERY	11/15/2033	5.500%	36,000.00	35,943.12	-	56.88	36,000.00	-	779.17
	FHLMC 3004 GG RETAIL LOTTERY	7/15/2034	5.000%	80,000.00	28,003.92	-	(3.92)	28,000.00	-	554.16
	FHLMC 3133 MB REMIC MULTICLASS CMO	3/15/2036	6.000%	150,000.00	150,355.50	-	(355.49)	150,000.01	-	2,374.97
	FNMA 05-16 WD REMIC MULTICLASS CMO	1/25/2035	5.000%	56,000.00	7,419.01	-	(6.66)	6,799.45	612.90	221.08
	FNMA 06-107 PD REMIC MULTICLASS CMO	6/25/2035	5.000%	78,000.00	78,207.48	-	7,592.52	-	85,800.00	2,925.00
	FHLMC 3264 UU REMIC MULTICLASS CMO	6/15/2036	5.750%	50,000.00	27,178.74	-	(179.96)	26,000.00	998.78	733.11
	GNMA 08-7 PN REMIC MULTICLASS CMO	1/20/2037	4.250%	60,000.00	-	45,782.56	999.72	7,730.70	39,051.58	654.99
	FHLMC 3393 BY REMIC MULTICLASS CPN	11/15/2037	5.500%	94,000.00	93,008.30	-	11,033.72	-	104,042.02	4,308.30
	FNMA 2008-74B REMIC MULTICLASS CMO	9/15/1939	5.000%	50,000.00	-	56,847.50	2,568.68	-	59,416.18	(170.04)
	FHLMC 3626 UA REMIC MULTICLASS CMO	9/15/2039	5.000%	50,000.00	-	49,870.01	(246.68)	5,880.20	43,743.13	1,060.68
	FHLMC 3622 CC RETAIL LOTTERY	12/15/2039	5.000%	70,000.00	-	70,267.50	(83.68)	44,000.00	26,183.82	1,237.51
	GNMA 10-62 LA REMIC MULTICLASS CMO	1/20/2040	4.500%	50,000.00	-	50,130.00	195.96	3,300.85	47,025.11	391.37
	GNMA 10-85 HQ REMIC MULTICLASS CMO	3/20/2040	5.000%	144,000.00	-	149,045.00	(2,184.27)	100.14	146,760.59	20.00
TOTAL WELLS FARGO					521,407.24	492,472.57	22,040.62	372,682.14	663,238.29	20,632.90
STIFEL NICOLAUS	FEDL HOME LN MTG CORP #170217	3/1/2017	8.000%	1,120,000.00	2,953.04	-	(123.91)	396.23	2,432.90	153.51
	GNMA POOL #676875	3/15/2023	6.500%	235,000.00	195,138.73	-	(1,134.58)	33,345.56	160,658.59	8,583.61
	GNMA POOL #003851	5/20/2036	5.500%	165,000.00	97,429.91	-	939.12	19,482.13	78,886.90	3,495.54
	GNMA REMIC SER 2009-79	2/20/2039	5.500%	56,000.00	55,554.34	-	(766.16)	23,107.05	31,681.13	2,069.47
	GNMA REMIC SER 2010-98		4.000%	70,000.00	-	69,917.50	(405.82)	50.54	69,461.14	(225.56)
TOTAL STIFEL NICOLAUS INVESTMENT					351,076.02	69,917.50	(1,491.35)	76,381.51	343,120.66	14,076.57
TOTAL INVESTMENTS					897,483.26	562,390.07	20,549.27	449,063.65	1,031,358.95	34,752.56
TOTAL ALL ACCOUNTS					939,128.25	1,121,485.45	20,549.27	1,013,224.81	1,067,938.16	34,779.69

PUEBLO CONSERVANCY DISTRICT

SEPTEMBER 2010 - OCTOBER 2010

RECEIPTS

VENDOR	ITEM	AMOUNT
First Clearing, LLC	Interest Payment	\$ 1,323.52
First Clearing, LLC	Interest Payment	\$ 918.05
First Clearing, LLC	Interest Payment	\$ 331.02
Wells Fargo	ColoTrust Dividend	\$ 4.52
Stifel Nicolaus	Interest Payment	\$ 1,579.49
Pueblo County	Maint Fund Assessment	\$ 23,453.16
Pueblo County	Maint Fund Assessment	\$ 150.30
		\$ 27,760.06

DEBITS

VENDOR	ITEM	AMOUNT	CHECK	CODE
Tony J. Beltramo & Sons, Inc	Runyon Road Repair	\$ 24,287.55	3755	105
Boughton Precast, Inc	Runyon Road Repair	\$ 256.00	3756	105
Black Hills Energy	Electrical Billing	\$ 295.00	3757	105
MBDG, PC	Bookkeeping	\$ 300.00	3758	90
Don Banner - B&B, PC	Attorney Fees	\$ 400.00	3759	80
Kidd Engineering	Engineer/Admin Fees	\$ 500.00	3760	83
Director Sandstrom	Fees	\$ 92.35	3761	81
Director Farley	Fees	\$ 55.41	3762	81
Director Barela	Fees	\$ 55.41	3763	81
Chem-Way Lawn Care	Weed Control	\$ 274.00	3764	105
		\$ 26,515.72		

Pd 10-7

Pd 10-7

**PUEBLO CONSERVANCY DISTRICT
2011 BUDGET**

	2010 BUDGET	2010 Actual to 9/30/10	2010 Projected	2011 BUDGET
REVENUES				
Interest	\$ 49,800	\$ 28,894	\$ 39,500	\$ 40,000
Unrealized Gains	\$ -	\$ 20,549	\$ 20,000	\$ -
Maintenance Fund Assessment	\$ 330,000	\$ 161,177	\$ 180,000	\$ ~~180,000~~
Leases, Books, Other	\$ 2,500	\$ 1,875	\$ 2,500	\$ 2,500
Other Income	\$ -	\$ -	\$ -	\$ -
Cost of Sales	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 382,300	\$ 212,495	\$ 242,000	\$ 222,500
EXPENDITURES				
Legal Fees	\$ 4,800	\$ 3,600	\$ 4,800	\$ 4,800
Directors Fees	\$ 3,000	\$ 1,920	\$ 2,580	\$ 3,000
FICA Taxes	\$ 166	\$ -	\$ 198	\$ 230
Engineer/Administrative	\$ 6,000	\$ 4,000	\$ 6,000	\$ 6,000
Audit & Bookkeeping	\$ 3,600	\$ 2,400	\$ 3,600	\$ 3,900
Insurance/Bonds	\$ 3,000	\$ 817	\$ 2,817	\$ 3,000
Office Expense	\$ 500	\$ 126	\$ 250	\$ 500
Office Rent/Storage	\$ 750	\$ 940	\$ 940	\$ 1,000
Professional Fees	\$ 10,000	\$ 6,241	\$ 7,500	\$ 10,000
Appraisal	\$ 20,000	\$ -	\$ -	\$ ~~20,000~~
Travel	\$ 3,500	\$ -	\$ -	\$ 3,500
Repairs & Maintenance	\$ 90,000	\$ 4,915	\$ 5,000	\$ ~~90,000~~
<i>Low</i> Piping/Repairs <i>Arkansas River Basin Rep</i>	\$ 30,000	\$ -	\$ ~~220,000~~	\$ ~~30,000~~
Levee Certification -- Preliminary Work	\$ 20,000	\$ -	\$ -	\$ ~~20,000~~
Contingencies	\$ 500	\$ -	\$ -	\$ 500
Emergency Repairs	\$ 20,000	\$ ~~20,000~~	\$ -	\$ 20,000
Capital Improvements	\$ 25,000	\$ ~~20,000~~	\$ 20,000	\$ 25,000
Planning & Development	\$ 5,000	\$ -	\$ -	\$ 5,000
HARP -- IGA Contribution	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
HARP -- O&M	\$ 10,000	\$ 11,000	\$ 11,000	\$ 10,000
Total Expenditures	\$ 305,816	\$ 105,959	\$ 114,685	\$ 306,430
Excess of Revenues Over (Under) Expenditures	\$ 76,484	\$ 106,536	\$ 127,315	\$ (83,930)
Beginning Reserve Fund Balance	\$ 994,846	\$ 1,050,372	\$ 1,050,372	\$ 1,177,687
Ending Reserve Fund Balance	\$ 1,071,330	\$ 1,156,908	\$ 1,177,687	\$ 1,093,757

382,300 / 118.75

*Field to
Grand Jury
Learned*

*3,000
1,200
50,000
220,000
50,000
5,000
15,000*

Jerry M. Pacheco
City Manager



200 South Main
Pueblo, CO 81003
Phone (719) 553-2655
Fax (719) 553-2698

Office of the City Manager

October 15, 2010

Pueblo Conservancy District
Attn: Board of Directors
P.O. Box 234
Pueblo, CO 81002

BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED # 7006 3810 0003 6320 7475

Re: Request for Inspection and Copying of Public Records

Ladies and Gentleman of the Board:

INTRODUCTION

This letter is a request by Pueblo, a Municipal Corporation ("City") for inspection and copying ("Request") of certain public records in your custody or control pursuant to provisions of the Colorado Open Records Act, §24-72-201, *et seq.*, C.R.S. (2010) ("Act"). Please carefully review this letter and respond separately to each portion in writing within three working days of the date of your receipt of this Request.

DEFINITIONS

As used in this Request, the following terms shall have the following meanings:

"*Assessor*" shall mean the Pueblo County Assessor.

"*Board*" shall mean the Board of Directors for the Pueblo Conservancy District.

"*Correspondence*" shall mean letters, notes, e-mail, facsimiles, voice-mail, and other information transmitted from one person or entity to another in any form.

"*District*" shall mean the Pueblo Conservancy District.

"*Record*" shall mean every record of every kind and nature whatsoever, in any form whatsoever, including but not limited to documents, letters, correspondence, notes, writings, pleadings, drawings, maps, plats, calculations, and other records, whether kept as paper, film or in digital form.

"*Treasurer*" shall mean the Pueblo County Treasurer.

INSTRUCTIONS

1. If you are not the records custodian or do not have control of any record or records sought in this Request, City requests that you notify the City of such fact in writing, and state in detail the reason for the absence of the records from your custody or control, the locations of the records, and the identity of the person who has custody or control of the records, all as required by law, specifically, §24-72-203(2)(a), C.R.S.

2. If you are not able to make the records sought in this Request available within three (3) days of the date of delivery of this letter, please notify the City of the specific extenuating circumstances, if any, that prevent inspection within said period, all as required by law, specifically, §24-72-203(3)(a)(b), C.R.S.

3. If you deny access to the public record or records sought by this Request, City requests that you provide to City, within three (3) days, a written statement of the grounds for the denial and specifically cite the law or regulation under which access is denied, all as required by law, specifically, §24-72-204(4), C.R.S.

4. If you deny access to the public record or records sought by this Request based on any claim of privilege, please provide a Vaughn Index or privilege log setting forth an itemization of each specific item or document claimed as privileged, identify each document claimed to be privileged, state the privilege, and explain why the document qualifies for the privilege, in accordance with the procedures articulated in *City of Colorado Springs v. White*, 967 P.2d 1042 at 1053-54. (Colo. 1998).

5. If the District requires payment of a reasonable fee for copies or manipulation of data to generate a record not in a form used or held by the District, City requests that you furnish in writing a statement of the basis for calculating the reasonable fee, including both citation of the statute or policy establishing the amount of the fee and the calculations made and information relied upon in calculating the total fee.

REQUEST FOR RECORDS

Please provide inspection of the following records. After the City has inspected the same, the City will determine which records, if any, should be copied:

1. The Board's resolutions from its first regular meeting each year, in the years 2007, 2008, 2009, and 2010, designating the place where notices of the Board's meetings shall be posted in accordance with C.R.S. §24-6-402(2)(c).

2. The posted notices of every meeting of the Board held during the years 2007, 2008, 2009 and 2010, along with proof of posting.

3. Every agenda for every meeting of the Board held during the years 2007, 2008, 2009, and 2010.

4. Every motion, resolution and finding by the Board declaring that any matter should be heard in executive session.

5. The minutes of every meeting of the Board during 2007, 2008, 2009, and 2010.

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7. All correspondence between the Board or any Director, officer, employee, agent, attorney or representative for the Pueblo Conservancy District and the Treasurer or any of the Treasurer's employees, agents, attorneys or representatives during the years 2007, 2008, 2009, and 2010.

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9. All correspondence between the Board or District or their Directors, officers, employees, agents, attorneys or representatives and the Assessor or any of the Assessor's employees, agents, attorneys or representatives during the years 2007, 2008, 2009, and 2010.

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11. All records containing any mention of, reference to, or discussion on how the assessments against the City of Pueblo, or property owned by the City of Pueblo, would be calculated, determined, assessed, allocated, processed, imposed, and otherwise handled for the years 2007, 2008, 2009, and 2010.

12. All records containing any mention of, reference to, or discussion on how the assessment against the City of Pueblo, Colorado Municipal Building Corporation, a Colorado non-profit corporation, or its property, would be calculated, determined, assessed, allocated, processed, imposed, and otherwise handled for the years 2007, 2008, 2009, and 2010.

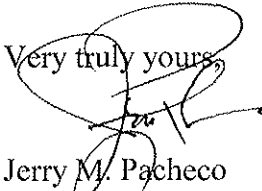
13. All records containing any mention of, reference to, or discussion of Pueblo County Assessor Parcel # 05361-35-005 or the Pueblo Plaza Skating Rink during the years 2007, 2008, 2009, and 2010.

14. All records of any request for and nay action taken on such requests, to decrease or abate the District's assessment against any person, entity, or property during the years, 2007, 2008, 2009, and 2010.

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16. All correspondence between the Board or District, or any of their Directors, officers, employees, or agents, and any person or entity (other than the Board or District's attorneys) containing any mention of, reference to, or discussion on how the District's original appraisal of benefits made and approved by the Court in 1923 would be applied to or reconciled with the property parcels, property values, and property ownership as they existed in the years 2007, 2008, 2009, and 2010 in order to create the assessments made in 2007, 2008, 2009, and 2010.

Thank you for your cooperation in responding to this request. Please direct your response to Thomas J. Florczak, City Attorney, 503 N. Main Street, Suite 203, Pueblo, CO 81003, (719)562-3899.

Very truly yours,

Jerry M. Pacheco
City Manager

pc: Thomas J. Florczak, City Attorney

Jerry M. Pacheco
City Manager



200 South Main
Pueblo, CO 81003
Phone (719) 553-2655
Fax (719) 553-2698

Office of the City Manager

October 15, 2010

Pueblo Conservancy District
Attn: Records Custodian
P.O. Box 234
Pueblo, CO 81002

BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED # 7006 0810 0003 6220 7682

Re: Request for Inspection and Copying of Public Records

Dear Records Custodian:

INTRODUCTION

This letter is a request by Pueblo, a Municipal Corporation ("City") for inspection and copying ("Request") of certain public records in your custody or control pursuant to provisions of the Colorado Open Records Act, §24-72-201, *et seq.*, C.R.S. (2010) ("Act"). Please carefully review this letter and respond separately to each portion in writing within three working days of the date of your receipt of this Request.

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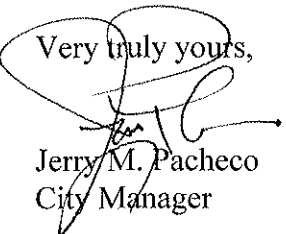
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Very truly yours,



Jerry M. Pacheco
City Manager

pc: Thomas J. Florczak, City Attorney



503 N Main St., Ste. 740
Pueblo, CO 81003
Phone (719) 543-0516
Fax (719) 544-2849

October 25, 2010

Board of Directors
Pueblo Conservancy District
P.O. Box 234
Pueblo, CO 81002

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

We will perform the following services:

- (1) We will compile, from information you provide, the annual and monthly balance sheets – general fund only – and the related comparative statements of revenue and expenditures – actual and budget – general fund, of the Pueblo Conservancy District for the year 2011 and issue an accountant's report thereon in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

The objective of a compilation is to assist you in presenting financial information in the form of financial statements. We will utilize information that is your representation without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with accounting principles generally accepted in the United States of America.

You are responsible for:

- a. the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
- b. designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.
- c. preventing and detecting fraud.
- d. identifying and ensuring that the entity complies with the laws and regulations applicable to its activities.
- e. the selection and application of accounting principles.
- f. making all financial records and related information available to us and for the accuracy and completeness of that information.

We will conduct our compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation differs significantly from a review or an audit of financial statements. A compilation does not contemplate performing inquiry, analytical procedures, or other procedures performed in a review. Additionally, a compilation does not contemplate obtaining an understanding of the entity's internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or the examination of source documents (for example, cancelled checks or bank images); or other procedures ordinarily performed in an audit. Accordingly, we will not express an opinion or provide any assurance regarding the financial statements being compiled.

Our engagement cannot be relied upon to disclose errors, fraud, or illegal acts. However, we will inform the appropriate level of management of any material errors and any evidence or information that comes to our attention during the performance of our compilation procedures that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our compilation procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies or material weaknesses in your internal control as part of this engagement.

If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

2) We will also:

- Post the general ledger monthly from coded check copies and deposit receipts;
- Reconcile business bank accounts monthly;
- Adjust investment portfolio to market value monthly;
- Adjust books to accrual basis at year-end;
- Propose monthly journal entries to post the above transactions for your approval;
- Prepare annual application for exemption from audit.

You will need to provide us with the following each month:

- Board approved listing of checks issued, coded checks, and invoices;
- Bank statements (including savings accounts and investment accounts), with cancelled items;
- Copy of duplicate deposits and receipts, (including detail of deposited items);
- Approval of proposed journal entries.

You are responsible for making all management decisions and performing all management functions, and for designating an individual who possesses suitable skill, knowledge, or experience to oversee any bookkeeping services or other services we provide. In addition, you are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Larry A. Daveline is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees for these services are as follows:

Compiled financial statements and monthly accounting – A monthly fee of \$325, payable each month upon completion of the prior month's work;

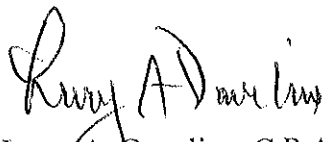
and

Preparation of annual application for exemption from audit – No additional charge.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

McPherson, Breyfogle, Daveline & Goodrich, PC



Larry A. Daveline, C.P.A.
Shareholder

Acknowledged:
Pueblo Conservancy District


Chairperson

11/17/10
Date