

RECORD OF PROCEEDINGS

 O'Brien Prtg. & Stat. 90912

MINUTES OF THE DECEMBER 16, 2010 REGULAR MEETING OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Sandstrom, Farley, Barela

Also Present: Administrator Rick Kidd, Councilor Don Banner

Guests: Tom Florczak, City of Pueblo Attorney

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

Minutes – The minutes of the November 17, 2010 Regular Meeting were reviewed. Farley moved to approve the minutes as posted. Motion passed.

Treasurer's Report:

The November 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:

\$ 300.00	MBD&G, Accountant fees
\$ 400.00	Don Banner, Attorney fees
\$ 500.00	Kidd Engineering, Administrator/Engineer fees
\$ 460.00	Kidd Engineering, Levee repair meetings, plans, etc.
\$ 92.35	Sandstrom, Director's Fee
\$ 55.41	Farley, Director's Fee
\$ 55.41	Barela, Director's Fee
\$ 49.50	Pueblo Chieftain, Budget notice publication
\$ 295.00	Spaccamonti Excavating, Weed mowing at Moffat and Locust

Dissolution – Sandstrom reported that he met with Jerry Pacheco, City Manager, and they agree that a push to make a decision in December 2010 is not realistic. Sandstrom said that Pacheco and the Council are not in a rush but that Tom Florczak is. Sandstrom stated that the District cannot be dissolved without a provision to take care of the areas outside of Pueblo. Florczak said that he feels that if the District moved forward with dissolution that the County could make a petition against the move. He said his view is that the outer area is receiving benefit based on City money. Sandstrom responded that the County properties have paid in the past and that the County is now paying their full assessments. Banner asked if the City would champion an IGA with the County to take care of the District areas outside of the City. Florczak said that they would help and participate with an IGA. He said that the City would work on projects outside of the City that would otherwise cause damage to the City. Florczak said that when the City created their Stormwater Enterprise that the County was asked to do one of their own. The County was not receptive to this idea. Farley recommended getting far more information and research of the early Pueblo Conservancy District documents about responsibilities and agreements. She also said that the City needs to learn more about the District and what we do. Barela supported Farley's comments and that we all learn more about what is involved. Florczak does not feel that the District's mistrust of the City is warranted. Sandstrom said that we have to be able to ensure the Court that obligations will be met. Banner stated that the Pueblo Conservancy District is a long term commitment that needs long term planning, not with fluctuation as elected officials

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come and go. Sandstrom and Kidd are to pull records and look at more history of the District, our work, and our obligations. Florczak said that when the Fountain Greenway District was created it has authority and representation to the County line.

HARP – Sandstrom said that the work on Veteran's Bridge is completed. HARP still needs \$160,000 for construction work. There is space on the skirt of the bridge to install more name plaques. Money from the additional plaques should cover this additional funding. They are waiting on federal funding to help pay for construction of the new boat house. Jim Munch is working with the Urban Renewal Authority on plans for how the Convention Center development may lead to changes and improvements to concepts of the HARP development.

Historic East Side – Sandstrom reported that the City has approved development of a baseball park. The Committee has not had a meeting for a while.

Levee Repair -- Kidd received a proposal from Sun Construction to divert the River and dewater the work site to enable the Army Corps of Engineers' contractor to get in and perform the repairs. Sun Construction is the contractor who originally built the Legacy Project and is very familiar with the work required for the diversion and compliance with the ACE. Their proposal is \$94,821 for the diversion, \$18,600 to set up and for the first week of dewatering, and \$990 per day for dewatering after the first week. The total costs will be approximately \$150,000 for a 45 day construction window. Farley moved to approve the agreement with Kidd negotiating and coordinating the construction activity. Motion passed.

Election of Officers – Farley suggested that we add Louie Carleo's appointment to the HARP Foundation Board. Farley moved that the District's officers stand plus Carleo for two years as the District representative on the HARP Foundation. Motion passed. The officers are: Gus Sandstrom, President; and Kathy Farley, Secretary and Treasurer.

Moffat Area Weeds – The District received a notice of weed violation off of Moffat street, on the south side of the River. Kidd reported that Spaccamonti went down and mowed weeds where they could access. The problem is that there are two old buildings and some fencing around this area that is owned by the District and that the neighbors were using this area. Sandstrom, Kidd, and Banner are to meet to discuss meeting with the adjacent landowners, having a land survey done, demolition, etc. Barela so moved. Motion passed.

Corona Area Tree Removal – Kidd solicited proposals to remove the remaining stump of the tree that fell across to the neighbor's property last summer, a decade cotton wood tree just above it, and three dead/dieing willow trees. Imperial Arborists provided a proposal of \$1500 for the work, not including grinding the stumps. Barela moved to approve Imperial's proposal. Motion passed.

Highline Canal – Kidd reported that he had been contacted by Dan Henrichs, Highline Canal Superintendant, and went on a site visit with him. There is an area downstream, between the Highline and Catlin headgates where the River has eroded to within approximately 100-feet of the Highline. There had been some revetment works in the area but it was overtopped and washed out by the River in 1995. The revetment was approximately 40-feet out from where the River is now. And then in 2002-2003 a tank had washed down the River and is currently lodged on the north side of the River and directed the channel toward the Canal on the south side. Henrichs asked if the District could provide any help in applying for an Army Corps of Engineers 404 Permit and/or re-establishment of bank protection. Sandstrom suggested that we agree to help with the application for the 404 Permit and then research what additional support we may be able to provide. Farley so moved. Motion passed.

Kidd requested approval for moving the flat files, file cabinets, and certain other items and records from the storage at the Heritage Center to his office so that he would have better access

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to old record documents and information needed for certification of the Levee. Farley moved to approve this request and have the moving done by Two Men and a Truck. Motion passed.

Future Meeting Dates – Meetings have been being held on the third wednesday of the month with adjustments as required. After discussion it was decided that the third thursday may better accommodate the Board members' schedules. Therefore, it was decided that the regular meetings in 2011 will be held on the third thursday of the month with adjustments and special meetings as required. The required place of posting the notices will be discussed at the January meeting.

There being no further business to come before the Board, the business meeting was adjourned at 9:17 am. The next regular meeting date will be January 20, 2011.

APPROVED:

Gus Sandstrom, Director

Kathleen Farley, Director

Carla Bareta, Director

THE PUEBLO CONSERVANCY DISTRICT

NOTICE OF
REGULAR MEETING

DATE: DECEMBER 16, 2010 (THURSDAY) AT 8:00 A.M.

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

AGENDA

1. ROLL CALL
2. APPROVAL OF THE NOVEMBER 17, 2010 MINUTES
3. TREASURER'S REPORT
 - a. PAYMENT OF BILLS
4. CITY'S PROPOSAL FOR DISSOLUTION OF THE DISTRICT
5. HARP UPDATE
6. HISTORIC EAST SIDE PROJECT REPORT
7. LEVEE REPAIRS
 - a. Corps of Engineers Scope
 - b. PCD Scope - *Sat Construction*
8. ELECTION OF OFFICERS
9. PLANNING FOR 2011 MEETING DATES
10. OTHER BUSINESS AS MAY BE BROUGHT BEFORE THE BOARD

Spacca mon ti

Imperial Arborists

PCD property w/ weeds

Highline Canal

*Mud & weeds - ~~Highline~~ *Highline* *Highline**

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MINUTES OF THE NOVEMBER 17, 2010 BUDGET HEARING AND REGULAR MEETING OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Sandstrom, Farley, Barela

Also Present: Administrator Rick Kidd, Councilor Don Banner

Guests: Tom Florczak, City of Pueblo Attorney

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

BUDGET HEARING:

The 2011 Budget was posted with the changes recommended at the October 27, 2010 meeting. Kidd reported that no one from the public had contacted him in response to the legal notice published in the *Pueblo Chieftain*. The notice was run three times. Farley moved to approve the budget. Motion passed.

REGULAR MEETING:

Minutes -- The minutes of the October 27, 2010 Regular Meeting and November 3, 2010 Special Meeting were reviewed. Farley moved to approve the minutes as posted. Motion passed.

Treasurer's Report:

The October 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:

\$ 300.00	MBD&G, Accountant fees
\$ 400.00	Don Banner, Attorney fees
\$ 500.00	Kidd Engineering, Administrator/Engineer fees
\$ 3,264.75	Kidd Engineering, Maintenance Fund Receipt Records and 2011 List Restructuring and Enhancements, and Revised Valuations and Assessments
\$ 9.20	Kidd Engineering, Postage
\$ 2.89	Kidd Engineering, Key for ACE
\$ 92.35	Sandstrom, Director's Fee
\$ 55.41	Farley, Director's Fee
\$ 55.41	Barela, Director's Fee
\$ 40.00	Vectra, Safe Deposit Box Rental

Dissolution -- Sandstrom stated that the District boundaries extend beyond the City limits. He asked Florczak how the City would handle this. Florczak said that he had checked this out with the Assessor's office and had not realized that the District extended outside the City. Florczak said that the IGA and Court Order could address this. He said that the City has some extraterrestrial responsibilities now so he believes that the City could address this issue. Sandstrom said that we should not be rushing in to this. There should be a plan and schedule

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developed and a Memorandum Of Agreement agreed to and presented to the Judge. Florczak said that the IGA that he and Banner were drafting was the road map for this transition.

Farley brought up that the IGA does not address current maintenance fund assessment fee certification to the County. Florczak felt that fees collected would probably just go into the revenues of the District. Sandstrom said that there is still the issue of the City not having paid their 2009 and 2010 assessments and that there was no way to forgive the City for late payment plus interest. He said that the County Treasurer can only waive up to \$50. Florczak suggested that the District could require the City to put their funding into a reserve as part of the IGA.

Farley asked how the City would *distinguish and interface expenses between the fees the District* has been collecting and the Stormwater Enterprise funds. Florczak said that after the District's Levee funds were depleted the Levee would then be treated the same as other City stormwater projects.

Sandstrom asked what happens if the Stormwater Enterprise ended like it did in Colorado Springs. Florczak said that this could happen but that the Pueblo voters are different than the Colorado Springs voters.

Barela asked how the City is going to budget to add personnel. She said that the parks and recreation areas around Town are woefully kept. If the City takes over, how will they manage when they do not have enough employees to take care of things now? Florczak responded that the Parks Department shares in the City general funds. Stormwater is its own utility and has its own funding.

Barela stated that she thinks this adds a level of bureaucracy. Florczak responded saying he believes that it eliminates bureaucracy.

Farley asked how Stormwater will take care of the recreational component of the District's mission.

No response. Don Banner entered the room at 8:30.

Sandstrom said that he is trying to develop a pro-con list and asked Florczak for his input. Florczak referred Sandstrom to the check list that he had previously passed out. Florczak thinks that the City can do the work more effectively, that "willy-nilly" assessments will be ended, and that the District's responsibility will become a city-wide issue.

Sandstrom suggested that the District require recreation to be a part of the IGA requirements. Florczak said that the City could use other City funding for this.

Florczak said that City money could be used upstream of the City limits in the guise of protecting improvements, etc. within the City. He was not yet sure how they could address District responsibilities downstream of the City.

Sandstrom said that the District originally had a mil levy for the entire District boundary and then an additional assessment for the current assessment area.

Kidd reported that he had met with Earl Wilkinson, the Pueblo Director of Public Works. The biggest factor that came up was the expanse of the District and the responsibilities for repair and maintenance outside of the City limits.

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Sandstrom gave Kidd the following documents to note in the District records:

- August 17, 1977 letter from Predovich and Ward concerning process for dissolution of the District
- November 24, 1997 lease agreement with Colorado Division of Wildlife
- March 16, 2004 lease agreement with Colorado Outdoor Performing Arts Association
- January 10, 2005 agreement by the City to maintain the Arkansas River Trail from W 11th St to Fountain Creek
- January 22, 2009 letter to Congressman John Salazar concerning FEMA.

Historic East Side -- Sandstrom reported that they had held the first public meeting. He said that there were comments about this just being a "pipe dream" but that he had seen many "pipe dreams" come true in Pueblo.

Levee Repair -- Kidd said that he expects the Corps of Engineers to get started in December.

Future Meeting Dates -- It was agree to wait until the December meeting to discuss 2011 meeting dates.

HARP O&M Plan -- Sandstrom asked Kidd if he could turn over the work that he had done to date without additional compensation. Kidd agreed. Sandstrom requested a motion to take funding left over from what the District had given to HARP for this project and HARP roll it over into their budget. Farley so moved. Motion passed.

Accountant's 2011 Agreement -- Kidd presented the proposal from McPherson, Breyfogel, Daveline and Goodrich. Farley moved to approve. Motion passed.

There being no further business to come before the Board, the business meeting was adjourned at 9:30 am. The next regular meeting date was shifted to December 16, 2010.

APPROVED:

Gus Sandstrom, Director

Kathleen Farley, Director

Carla Barela, Director



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ACCOUNTANTS' COMPILATION REPORT

Board of Directors
The Pueblo Conservancy District
Pueblo, Colorado

We have compiled the accompanying balance sheets – general fund only – of the Pueblo Conservancy District as of November 30, 2010 and December 31, 2009, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the eleven months ended November 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

December 14, 2010

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

	<u>11/30/2010</u>	<u>12/31/2009</u>
ASSETS		
VECTRA BANK CHECKING	\$ 76,708	\$ 107,526
VECTRA BANK MONEY MARKET	11,888	11,870
BROKERAGE MONEY MARKET ACCOUNTS	44,136	29,775
COLOTRUST INVESTMENT	25,000	25,000
WELLS FARGO INVESTMENT	657,592	521,407
STIFEL NICOLAUS INVESTMENT	324,648	351,076
ACCRUED INTEREST	<u>-</u>	<u>5,890</u>
 TOTAL ASSETS	 <u>\$ 1,139,972</u>	 <u>\$ 1,052,544</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 800
PAYROLL TAXES PAYABLE	180	330
DEFERRED INCOME	<u>1,250</u>	<u>1,042</u>
 TOTAL LIABILITIES	 <u>1,430</u>	 <u>2,172</u>
RESERVE FOR EMERGENCIES	6,000	6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	-	156,376
UNDESIGNATED	<u>1,132,542</u>	<u>887,996</u>
	-	
 TOTAL FUND EQUITY	 <u>1,138,542</u>	 <u>1,050,372</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,139,972</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 NOVEMBER 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	\$ -	\$ 42	\$ -	\$ -	\$ 106
MONEY MARKET ACCOUNTS	2	36	-	-	141
WELLS FARGO	4,301	22,766	-	-	26,570
STIFEL NICOLAUS	1,530	14,718	-	-	5,660
UNREALIZED GAINS (LOSSES)	(2,768)	16,161	-	-	(17,630)
TOTAL INTEREST INCOME	3,065	53,723	49,800	(3,923)	14,847
MAINTENANCE FUND ASSESSMENT	8,055	169,383	330,000	160,617	179,620
LEASE PAYMENTS	208	2,292	2,500	208	2,600
OTHER INCOME	-	-	-	-	2,175
TOTAL REVENUES	\$ 11,328	\$ 225,398	\$ 382,300	\$ 156,902	\$ 199,242
EXPENDITURES					
80 LEGAL FEES	\$ 400	\$ 4,400	\$ 4,800	\$ 400	\$ 4,800
81 DIRECTORS FEES	220	2,360	3,000	640	2,160
82 FICA TAXES	-	-	166	166	165
83 ENGINEER/ADMINISTRATIVE	500	5,000	6,000	1,000	6,000
90 AUDIT & BOOKKEEPING	300	3,000	3,600	600	3,600
92 INSURANCE/BONDS	-	817	3,000	2,183	4,541
96 OFFICE EXPENSE	52	178	500	322	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	-	30,027	140,000	109,973	31,525
PIPING REPAIRS	-	-	-	-	-
108 CONTINGENCIES	-	-	500	500	-
109 EMERGENCY REPAIR	-	-	20,000	20,000	-
110 CAPITAL IMPROVEMENTS	3,265	23,265	25,000	1,735	-
111 PLANNING & DEVELOPMENT	-	-	5,000	5,000	-
112 HARP - O & M / HARP - IGA CNTRB	-	61,000	60,000	(1,000)	65,000
113 SALES TAX	-	-	-	-	-
TOTAL EXPENDITURES	4,737	137,228	305,816	168,588	137,111
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 6,591	\$ 88,170	\$ 76,484	\$ (11,686)	\$ 62,131

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
11/30/2010

12/14/2010 3:07 PM

<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	18.45	-	-	11,888.47	18.45
STIFEL NICOLAUS	Money Market Account				13,014.16	98,557.91	-	70,143.06	41,429.01	14.98
WELLS FARGO	Cash Sweep Account				16,760.81	574,504.66	-	588,558.30	2,707.17	2.57
TOTAL CASH ACCOUNTS WITH BROKERS					41,644.99	673,081.02	-	658,701.36	56,024.65	36.00
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00	-	-	-	25,000.00	47.61
TOTAL COLOTRUST					25,000.00	-	-	-	25,000.00	47.61
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	-	(238.59)	41,569.09	-	1,470.74
	FHLMC 2646 LL RETAIL LOTTERY	8/15/2033	5.000%	78,000.00	35,321.76	-	877.12	14,000.00	22,198.88	1,720.83
	FHLMC 2640 LL RETAIL LOTTERY	7/15/2033	5.000%	70,000.00	-	70,530.00	(379.22)	28,000.00	42,150.78	2,420.86
	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 OG 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	-	(5.32)	7,413.69	-	229.66
	FNMA 06-107 PD REMIC MULTICLASS CMO	6/25/2035	5.000%	78,000.00	78,207.48	-	6,418.62	-	84,626.10	3,575.00
	FHLMC 3264 UU REMIC MULTICLASS CMO	6/15/2036	5.750%	50,000.00	27,178.74	-	(178.74)	27,000.00	-	868.31
	GNMA 08-7 PN REMIC MULTICLASS CMO	1/20/2037	4.250%	60,000.00	-	45,782.56	802.14	9,841.02	36,743.68	915.68
	FHLMC 3393 BY REMIC MULTICLASS CPN	11/15/2037	5.500%	94,000.00	93,008.30	-	9,189.44	-	102,197.74	5,169.96
	FNMA 2008-74B REMIC MULTICLASS CMO	9/15/2039	5.000%	50,000.00	-	56,847.50	1,965.54	-	58,813.04	72.88
	FHLMC 3626 UA REMIC MULTICLASS CMO	9/15/2039	5.000%	50,000.00	-	49,870.01	(268.27)	9,515.23	40,086.51	1,417.74
	FHLMC 3622 CC RETAIL LOTTERY	12/15/2039	5.000%	70,000.00	-	70,267.50	(267.50)	70,000.00	-	1,404.17
	GNMA 10-62 LA REMIC MULTICLASS CMO	1/20/2040	4.500%	50,000.00	-	50,130.00	135.55	8,637.18	41,628.37	915.26
	GNMA 10-85 HQ REMIC MULTICLASS CMO	3/20/2040	5.000%	144,000.00	-	149,045.00	(4,125.79)	5,772.01	139,147.20	1,807.92
	FNMA 10-141 AL REMIC MULTICLASS CMO	12/25/2040	4.000%	90,000.00	-	89,667.50	332.50	-	90,000.00	(290.00)
TOTAL WELLS FARGO					521,407.24	582,140.07	13,964.38	459,919.39	657,592.30	26,182.77
STIFEL NICOLAUS	FEDL HOME LN MTG CORP #170217	3/1/2017	8.000%	1,120,000.00	2,953.04	-	(31.10)	549.13	2,372.81	184.64
	GNMA POOL #676875	3/15/2023	6.500%	235,000.00	195,138.73	-	125.63	34,803.44	160,460.92	10,191.30
	GNMA POOL #003851	5/20/2036	5.500%	165,000.00	97,429.91	-	1,599.53	22,931.58	76,097.86	4,174.88
	GNMA REMIC SER 2009-79	2/20/2039	5.500%	56,000.00	55,554.34	-	(930.30)	39,982.27	14,641.77	2,394.46
	GNMA REMIC SER 2010-98	7/20/2039	4.000%	70,000.00	-	69,917.50	1,433.11	276.51	71,074.10	240.93
TOTAL STIFEL NICOLAUS INVESTMENT					351,076.02	69,917.50	2,196.87	98,542.93	324,647.46	17,186.21
TOTAL INVESTMENTS					897,483.26	652,057.57	16,161.25	558,462.32	1,007,239.76	43,416.59
TOTAL ALL ACCOUNTS					939,128.25	1,325,138.59	16,161.25	1,217,163.68	1,063,264.41	43,452.59

PUEBLO CONSERVANCY DISTRICT

NOVEMBER 2010 - DECEMBER 2010

RECEIPTS

VENDOR	ITEM	AMOUNT
First Clearing, LLC	Interest Payment	\$ 1,064.50
First Clearing, LLC	Interest Payment	\$ 879.75
First Clearing, LLC	Interest Payment	\$ 567.92
Stifel Nicolaus	Interest Payment	\$ 1,478.54
Wells Fargo	ColoTrust Dividend	\$ 3.90
Pueblo County Treasurer	Maintenance Fund Assessment	
Pueblo County Treasurer	Maintenance Fund Assessment	
		\$ 3,994.61

DEBITS

VENDOR	ITEM	AMOUNT	CHECK	CODE
Black Hills Energy	Electrical Billing	Prepaid		105
MBDG, PC	Bookkeeping	\$ 300.00	3772	90
Don Banner - B&B, PC	Attorney Fees	\$ 400.00	3773	80
Kidd Engineering	Engineer/Admin Fees	\$ 500.00	3774	83
	Levee Repair Meetings, Plans, ect.	\$ 460.00	"	105
Director Sandstrom	Fees	\$ 92.35	3775	81
Director Farley	Fees	\$ 55.41	3776	81
Director Barela	Fees	\$ 55.41	3777	81
Pueblo Chieftain	Budget Notice Publication	\$ 49.50	3778	96
Spaccamonti Excavating	Weed Mowing - Moffat and Locust	\$ 295.00	3779	105
		\$ 2,207.67		

Fwd: Pueblo Conservacy Distruct

From: "Donald J. Banner" <dbanner@comcast.net>
To: Gus Sandstrom , Carla Barela , Kathy Farley , Rick Kidd
Subject: Fwd: Pueblo Conservacy Distruct
Date: Dec 15, 2010 1:46 PM

Well, here is their response. We'll talk tomorrow. Don Banner

----- Forwarded Message -----

From: "Tom Florczak" <tflorczak@pueblo.us>
To: "Donald J. Banner" <dbanner@comcast.net>
Sent: Wednesday, December 15, 2010 10:31:09 AM
Subject: RE: Pueblo Conservacy Distruct

Don,

I have received direction from City Council regarding the draft IGA. This is a summary of the City's position:

1. The City will not provide services outside the City except to the extent action is needed to prevent flooding within the City. The City feels it is not warranted currently for the District to take maintenance fees from only within the City portion of the District to provide services outside the City. Any routine provision of services outside the City will need to be handled through a separate IGA with third parties, such as the County.

2. The City has substantial funds in the Stormwater Utility Enterprise ("Enterprise"). The City does not believe it should pay the District the past and future assessments, since it will be using Enterprise funds in activities benefiting the levee. Also, there is no point served in paying the District only to have the District return to those funds.

3. The City does not want to establish the "trust fund" described in new section III D. Rather, the City would prefer those funds simply be held in the Enterprise and reserved for use on the levee, including routine repairs and maintenance as well as any crises.

4. With respect to the Court supervision, a short period of continued jurisdiction not exceeding 24 months may be acceptable, but not long term open ended oversight. The Council is elected by the People, and that serves as the oversight, instead of a single appointed judge. Council also finds stating the contempt remedy in the IGA to be unacceptable.

Let me know if we can move forward on this basis.

Thanks for your cooperation and assistance.

Tom

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-----Original Message-----

From: Donald J. Banner [mailto:dbanner@comcast.net]
Sent: Monday, December 13, 2010 12:49 PM
To: Tom Florczak
Subject: Pueblo Conservancy Distruct

Tom, attached is a draft of the IGA which has been revised in accordance with instructions I have received from the District Board. I believe it embraces the spirit of what we are mutually trying to accomplish. The Directors have not had the opportunity to thoroughly review this and they intend to discuss it at the meeting. The Directors wanted me to provide you with a copy prior to our meeting Thursday. If you have any questions give me a call. Don

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**INTERGOVERNMENTAL AGREEMENT
BETWEEN PUEBLO CONSERVANCY DISTRICT AND
PUEBLO, A MUNICIPAL CORPORATION**

This Intergovernmental Agreement ("Agreement") is entered into as of this _____ day of December, 2010, by and between the Pueblo Conservancy District, a Colorado conservancy district established under the Conservancy Law of Colorado ("District") and Pueblo, a Municipal Corporation, a Colorado home rule city organized and existing under and by virtue of Article XX of the Colorado Constitution ("City"). Together these entities may be referred to herein as the "Parties" or each individually as a "Party".

RECITALS

A. This Agreement is entered into pursuant to sections 29-1-201 to 203, C.R.S. (2009) Each of the parties is a political subdivision of the State of Colorado within the meaning of section 29-1-202 (2), C.R.S. (2009), and therefore, each is a government within the meaning of section 29-1-202 (1), C.R.S. (2009).

B. The District was formed after the 1921 Pueblo Flood for the principal purpose of providing flood protection in a portion of the City of Pueblo. The District includes land in a portion of the City of Pueblo as well as outside the City of Pueblo. In furtherance of said purpose, it had constructed and has since maintained the so-called "Pueblo Conservancy District Levee" (the "Levee").

C. By Ordinance No. 6914 of the City of Pueblo, the City Council of City had established a stormwater enterprise of the city, "empowered to coordinate, design, conduct, manage, operate, and maintain stormwater and flood management systems" within the City (the "Stormwater Enterprise"), §16-12-4(b), Pueblo Municipal Code.

D. City also has duly imposed on property located within the City a stormwater utility service charge for the purpose of paying the costs of existing and future projects of the Stormwater Enterprise including capital improvements and maintenance.

E. City has adopted and enforces stormwater and comprehensive flood damage prevention ordinances for the protection of lives and property within the City.

F. In partnership with the U.S. Army Corps of Engineers, the City has constructed the Arkansas River Corridor Legacy Project upon lands owned by City and lands owned by District, including facilities adjacent to and integrated with portions of the Levee.

G. District and City have determined that it is in the best interests of residents of the City and of the residents and taxpayers of the District for the Parties to cooperate in the dissolution of the District and the transfer of all assets and responsibilities of the District to the City for and on behalf of the Stormwater Enterprise. Such action will avoid duplication of effort, reduce governmental administrative costs, and allow for greater coordination with federal

agencies, including but not limited to the U.S. Army Corps of Engineers and the Federal Emergency Management Agency ("FEMA").

H. Dissolution of the District is authorized by law, including section 37-3.5-101, C.R.S. (2009), consistent with the provisions of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual agreements hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

I. Court Approval.

A. District filing. On or before September 30, 2011 the District shall adopt a Plan of Dissolution for dissolution of the District in accordance with §37-3.5-101 C.R.S. (2009) and promptly thereafter file a Petition for Dissolution with the court which originally authorized the organization of the District (the "Court"). The Petition shall substantially conform to the provisions of this Agreement. District shall thereafter diligently prosecute the Petition of Dissolution before the Court.

B. City cooperation. City shall, if requested by the District, provide support for District's Petition of Dissolution. In connection with such Petition, City will execute all documents and other instruments reasonably required by District for filing with the Court which are consistent with the terms of this Agreement. The City shall file with the Court an acknowledgment in a form acceptable to the District that the City has the ability to perform all responsibilities and obligations of the District as provided by law whether inside or outside the City limits of the City of Pueblo.

C. Interim Responsibilities. After both parties have entered into this Agreement, the City agrees that appropriate staff from the Stormwater Enterprise, the Public Works and Parks Department join District Board members and the District Engineer for a walking tour of those parts of the Levee that the District Board deems necessary to review. The District shall complete the repairs scheduled to be made with the Army Corps of Engineers. The District shall carry on its duties incurring expenses in the ordinary course of business and paying its obligations incurred in the ordinary course of business.

D. Condition Precedent. The transfer of the assets and responsibilities of the District to the Stormwater Enterprise, as provided in this Agreement, is conditional upon the following:

1. The Court entering a Final Order approving the District's Plan of Dissolution. As used in this Agreement, the term "Final Order" shall mean the order of the District Court approving the Plan of Dissolution for which the applicable period for taking an appeal therefrom or filing a petition under C.A.R. 21 has expired without any

appeal having been taken; in the absence of unusual or extenuating circumstances, the Court's order shall be presumed to be a Final Order after the expiration of forty-five (45) days from the date of the entry of the order. In the event an appeal is taken or a petition is filed under C.A.R. 21, relating to such order then the term "Final Order" shall mean when a mandate issues affirming the Court order or the petition is denied. The effective date of the Final Order approving the Plan shall be referred to herein as the "Court Approval Date".

2. The City paying upon signing this Agreement all Maintenance Fee Assessments due prior to the date of this Agreement and the Maintenance Fee Assessment for the year 2010 due in 2011 on or before June 1, 2011.

E. **Termination.** Prior to filing the Petition for Dissolution, either party may determine that it is not in the best interest of the community to complete the Dissolution of the District terminating this Agreement.

II. Transfer of Assets, Obligations, and Documents.

A. Transfer of Assets. District shall undertake the following actions:

1. On or before June 1, 2011, provide to City a schedule of all real and personal property owned by the District including: identification of all real property; identification of all liquid assets by depository, routing number and account number; identification of all personal property by type, description, and other relevant information; identification of all work in progress; description of records of the District; and a copy of its most recent year end financial statements.

2. At Closing, as defined in Section III of this Agreement, convey by quit claim deed to City all real property and improvements thereon held by District. Except as provided in Article III, Section A, such property will be accepted by City as is, without warranty and subject to those existing leases described in Section B of this Agreement. The Ordinance passed and approved by City Council authorizing City to enter into this Agreement shall be and constitute City's acceptance of said real property and improvements. The quit claim deed shall also include conveyance of all rights, privileges, and easements appurtenant thereto, to the extent owned by the District, including, without limitation, all minerals, oil, gas, and other hydrocarbon substances on or under such real property, as well as all air rights, water rights, water, and water stock relating thereto, as well as all fixtures and improvements, together with all vacated streets, alleys, and other rights of way.

3. At Closing, transfer all personal property of the District, other than its records and historic documents, to the City by bill of sale.

B. Existing Leases. At Closing, and except as provided in Article III, Section A of this Agreement, City will accept conveyance of the District's real property subject to the

following leases or other interests, copies of which shall be provided to the City not less than twenty (20) days prior to Closing Date:

1. Lease dated ____ with the Denver & Rio Grand Western Railroad Co. on land owned by the Pueblo Conservancy District used for oil storage facilities under Contract No. 26675.

2. Lease agreement between the Pueblo Conservancy District and the State of Colorado acting by and through the Department of Natural Resources for the use and benefit of the Division of Wildlife and Wildlife Commission dated June 1, 2004 and ending May 31, 2012 under its Reference No. 04 PBA 00406.

3. Lease with Option between the Pueblo Conservancy District and Colorado Outdoor Performing Arts Association dated March 16, 2004 and ending March 16, 2009.

4. Non-exclusive License from the Pueblo Conservancy District to Madeline J. Stewart dated January 25, 1989.

C. **Records.** Within thirty (30) days after date of Closing, District and City shall develop and undertake a coordinated transfer to City of all records and historical documents in the custody and control of the District, including all plans and work in progress. City agrees that it will thereafter maintain all of the historical records of the District or cause same to be turned over to a state or local historical society for cataloguing, archiving, preservation, and maintenance. For a period of not less than five years after Closing the records shall be accessible to former Directors of the District.

III. Pre-Closing Investigation; Closing.

A. City shall have access to and the right to conduct investigations in, on, under, and upon the real property of District at any time after the date of this Agreement and prior to Closing. City may specifically undertake ASTM Phase I and II environmental assessments and surveys of District owned property in order to determine its acceptability to City. If any parcel is deemed unacceptable to City after said inspections, instead of such property being transferred by District to City, it shall be conveyed to Pueblo Brownfield Development Company, a Colorado nonprofit corporation (the "Corporation") or other property holding company designated by City to hold title to such property. In the event any such property is necessary for the use and maintenance of the Levee, City will lease such property from the Corporation or make other arrangements for use of the property.

B. After City's receipt of the information to be furnished under Article II, Section A. 1 of this Agreement and results of investigations and surveys conducted under Article III, Section A., the Parties shall schedule the Closing at the Parties' mutual convenience, within sixty (60) days of the Court Approval Date, or such later date as the Parties may agree. At Closing, District shall transfer title to all District assets to the City.

C. At Closing, City shall furnish to District its written indemnification of the Directors of District, in a form acceptable to the District, agreeing to indemnify the Directors from all claims of liability that may be incurred by them as a result of the dissolution of the District and transfer of its assets to the Stormwater Enterprise, except for damages arising from any Director's knowing breach of any warranty provided in Article V of this Agreement.

D. At Closing, City shall establish from the monies transferred to it by the District a trust fund on terms and conditions acceptable to the District in the minimum amount of \$500,000.00 to be held by the City for the specific purpose of making repairs to the Levee in the event of a crisis. The determination of whether or not funds can or should be spent out of this trust fund shall be made by the City Council upon the recommendation of the Director of Public Works.

E. City shall pay all reasonable costs of Closing, including payment of premiums upon any title insurance; provided, however, that such costs shall be paid out of the Stormwater Utility Fund and not from other monies of the City.

F. Promptly after Closing and completion of the transfer of all former assets of the District to the City, District shall file with the Court its notice of completion of the dissolution in accordance with the requirements of §37-3.5-101(4) and seek entry of a decree granting dissolution. The City, through an act of City Council, shall join in signing the Plan of Dissolution and once the District is dissolved, the Court shall retain jurisdiction over the City to insure the City's compliance with the Plan of Dissolution. Should the City violate any of the provisions of the Plan of Dissolution the City Manager and/or members of the City Council may be held in contempt of Court. District shall request that upon entry of the decree, the Court either preserve and retain in Pueblo Court all historical records relating to the District, or alternatively, turn over all such records of the Court, other than the records concerning dissolution, to the City for cataloging, archiving, and maintenance.

IV. Post-Closing Obligations of City.

A. After Closing, City shall hold all of the former real property and personal property assets of the District in or for the use and benefit of the Stormwater Enterprise. City shall have the right to buy, sell, trade, lease, and encumber the real and personal property received from the District as it may determine in its sole discretion, provided that all receipts and revenue derived therefrom, if any, shall be expended by the Stormwater Enterprise only in furtherance of its stormwater and flood control purposes.

B. Other than as set forth in III. D. above, the cash and other liquid assets received by the City from District shall be deposited to the Stormwater Utility Fund and expended only in furtherance of the maintenance, repair, and reconstruction of the Levee and any extensions thereof made by the City or its agents and contractors, including any associated engineering, professional, or technical services. Such cash or liquid assets may also be expended for costs associated with the dissolution of the District and transfer of assets, irrespective of whether said costs were incurred by the District or the City. Although said funds may be comingled or co-invested with other funds of the Stormwater Enterprise, City shall maintain a separate accounting

for same. Additionally, the City shall pay any expenses incurred by the District in the ordinary course of business that had not been paid at the Closing.

C. After Closing, and for so long as the Levee is required for flood protection within the boundaries of the District as they exist on the date hereof, the Stormwater Enterprise shall maintain the Levee and repair or reconstruct same when and to the extent necessary in City's reasonable judgment. City shall also perform the services described in numbered paragraphs 2 through 9 of the Court's Order approving the Amended Official Plan for the District dated May 29, 2007.

V. Warranties.

A. Each Party represents and warrants that it has all requisite authority to enter into this Agreement and consummate the transactions contemplated herein. All deeds and other documents executed by District which are to be delivered to City at Closing are or at the Closing will be duly authorized, executed and delivered by District, and are or at the Closing will be legal, valid and binding obligations of the District, and to the best of the District's knowledge, do not and at the time of Closing will not violate any provisions of any agreement to which the District is a party or to which it is subject. District represents that no party other than District must execute the deeds and other documents necessary for the Closing.

B. There are no known claims, suits or proceedings pending against District which relate to the District real property or improvements or the use or operation thereof and, to the knowledge of District, no such claims, suits or proceedings are known to be threatened against District.

C. All documents required to be delivered by either party to the other pursuant to this Agreement or in connection with the execution hereof are and at the time of Closing will be true, complete and correct copies.

D. At the time of Closing, other than as may be indicated in writing at the closing, there will be no outstanding contracts made by District for any improvements to the District real property which have not been fully paid for and District shall cause to be discharged all mechanics' or materialmen's liens arising from any labor or materials furnished to the District Lands prior to the time of Closing.

E. There are no leases or occupancy agreements of any kind relating to the District property or any portion thereof, other than those disclosed in Article II, Section B of this Agreement.

F. To the actual knowledge of District, with respect to the activities of District at or upon the District real property (i) such activities are fully licensed, permitted and authorized under all applicable Laws, and (ii) such activities have been conducted in compliance in all material respects with the requirements, criteria, standards and conditions set forth in all applicable Laws, including, without limitation, approvals, permits, zoning or land use requirements and restriction, variances, licenses, rules and regulations; and District is not aware

A) the non performing Party gives the other Party prompt written notice describing the particulars of the occurrence of the Force Majeure; B) the suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure event or condition; and C) the non-performing Party proceeds with reasonable diligence to remedy its inability to perform and provides weekly progress reports to the other Party describing the actions taken to remedy the consequences of the Force Majeure event or condition. In the event of a change in municipal (or other local governmental entity), state or federal law or practice that prohibits or delays performance, the obligation to seek a remedy shall extend to making reasonable efforts to reform the Agreement in a manner consistent with the change that provides the Parties substantially the same benefits as this Agreement, provided, however, that no such reformation shall increase the obligations of either Party. In the event any delay or failure of performance on the part of the Party claiming Force Majeure continues for an uninterrupted period of more than three hundred sixty-five (365) days from its occurrence or inception as noticed pursuant to this Agreement, the Party not claiming Force Majeure may, at any time following the end of such one- year period, terminate this Agreement upon written notice to the Party claiming Force Majeure.

O. Non-Business Days. If any date for any action under this Agreement falls on a Saturday, Sunday or a day that is a "holiday" as such term is defined in Rule 6 of the Colorado Rules of Civil Procedure, then the relevant date shall be extended automatically until the next business day.

P. Joint Draft. The Parties, with each having the opportunity to seek the advice of legal counsel and each having an equal opportunity to contribute to its content, drafted this Agreement jointly.

Q. Non-Severability. Each paragraph of this Agreement is intertwined with the others and is not severable unless by mutual consent of the Parties.

R. Effect of Invalidity. If any portion of this Agreement is held invalid or unenforceable for any reason by a court of competent jurisdiction as to any Party or as to all Parties, the Parties will immediately negotiate valid alternative portion(s) that as nearly as possible give effect to any stricken portion(s).

S. Sole Obligation of Stormwater Enterprise. The Parties agree that any and all obligations of City under this Agreement are the sole obligations of the City acting by and through its Stormwater Enterprise and, as such, shall not constitute a general obligation or other indebtedness of the City or a multiple fiscal year direct or indirect debt or other financing obligation whatsoever of the City within the meaning of any constitutional, statutory or charter limitation. The District also agrees that it shall not have any recourse against any of the properties or revenues of the City, except that in order to satisfy any non-appealable judgment against the City, the District shall have recourse against the net revenues of the Stormwater Enterprise that are available therefor in the Stormwater Enterprise's Stormwater Utility Fund, or any successor fund, after payment of all expenses related to the operation and maintenance and periodic payments on bonds, loans and other obligations of the Stormwater Enterprise. Notwithstanding the foregoing, should the City violate any of the provisions of the Plan of

Dissolution as agreed upon by the City the City Manager and City Council members may be subject to contempt of court proceedings.

Executed at Pueblo, Colorado, as of the date first above written.

Pueblo, a Municipal Corporation

Attest:

City Clerk

By _____

President of the City Council

Approved as to form:

City Attorney

Pueblo Conservancy District

Attest:

Secretary

By _____

Chairman of the Board of Directors

Sun Construction
Inc.



Pipeline • Excavation • Structures

PROPOSAL

DATE: December 15, 2010

Project: Divert Arkansas River

Owner: Rick KIDD

DIVERT ARKANSAS RIVER:

\$86,421.00

+ 8,400.00

+ 5,180.00

INCLUDES: WORK AREA TO GROUT NORTH END, IN POND 4 AND

15 FT. WIDE ROAD TO ACCESS NORTH SIDE OF RIVER

CULVERTS TO KEEP WATER RUNNING AS REQUIRED.

**THE ACCESS WILL ALSO FOLLOW THE NORTH WALL FOR THE DISTANCE INSIDE
THE TWO PONDS. THIS INCLUDES ROADWAY TO BRING IN A CONCRETE TRUCKS
INCLUDES WORK FOR BOTH PONDS SO GROUT WORK TO BE ACCOMPLISHED AT
THE SAME TIME.**

**EARTH WORK WILL BE A CLASS 6 ROAD BASE (CAN BE PURCHASED BY OWNER
AFTER PROJECT IS COMPLETE)**

REMOVAL OF ALL DIVERSION AND TO INCLUDE EARTHWORK AND CULVERTS

**ADD: PUMPING FOR A ONE WEEK PERIOD IS \$18,600.00 FOR ONE WEEK AND
\$990.00 PER DAY FOR EACH POND AFTER THE FIRST 7 DAYS.**

ADD: \$8,400.00 TO COMPLETE A WORK AREA FOR THE SOUTH OF UNION.

**(THIS DOES NOT INCLUDE ANY ACCESS, ONLY A DIVERSION NEXT TO THE CONCRETE
WALL)**

Fred A. [Signature], Pres. DATE: 12/15/2010

Spaccamonti Excavating Inc.

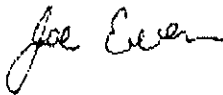
" A woman owned,
disadvantaged business enterprise"
1805 Aspen Circle, Pueblo, CO 81006
Phone (719)544-8943 FAX (719)544-6688

Hi Rick:

I was finally able to get the pricing together for the mowing of the weeds along the Levy. We can complete approximately 80% of the work by using a 4 wheeler (four wheel drive motorcycle) and a small brush hog. I believe we can get up and down the slopes without any rutting or damage. The weeds would then be mulched instead of cut down. There will be a couple of areas that the machine will not be able to complete, therefore we will have to do these areas by hand. By using the machine in place of all the labor, the price can be reduced by \$1,110.00 making the total price \$ 8,870.00. Please contact me if you think this method and pricing will work, as I have not had any luck finding a side mowing ditch tractor like we had discussed earlier last week.

\$8870 vs \$9980

Respectfully



Joe Even
Project Manager

IMPERIAL ARBORISTS L.L.C.

Member: Better Business Bureau

Licensed & Insured



Eugene & Larry Baca
250-3892 Pueblo
390-0982 Colo. Springs

Trees, Evergreens, Stumps
50' High Ranger

Quality Wood Chips Available

(2) Cotton wood removal

NO STUMPS

$$\begin{array}{r} 750^{00} \\ + 800 \\ \hline 1550 \rightarrow 1,500 \end{array}$$