

**MINUTES OF THE JULY 21, 2011
REGULAR MEETING
OF THE PUEBLO CONSERVANCY DISTRICT**

Directors Present: Sandstrom, Barela, Farley

Also Present: Administrator Rick Kidd, Councilor Don Banner

Guests: Jeremiah Johnson, Colorado Division of Wildlife

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

Minutes – The minutes of the June 16, 2011 Regular Meeting were reviewed. Barela moved to approve the minutes as posted. Motion passed.

Kidd reported that he made the postings at the Interim City Hall on the 18th and the Heritage Center on the 19th. Banner reported that meeting notices had been posted at the Thatcher Building on the 18th. Kidd emailed the notice with agenda to be posted at the County Courthouse on Friday.

Treasurer's Report:

Sandstrom said the Larry Daveline is to provide the District with a paper about the new requirements for governmental accounting next month.

The accountant's report June was reviewed and the current bills discussed. 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:

\$ 400.00	Black Hills Energy, Lake Runyon Electrical
\$ 300.00	MBD&G, Accountant fees
\$ 400.00	Don Banner, Attorney fees
\$ 500.00	Kidd Engineering, Administrator/Engineer fees
\$ 94.35	Sandstrom, Director's Fee
\$ 56.61	Farley, Director's Fee
\$ 56.61	Barela, Director's Fee
\$ 4,000.00	Colorado Vegetation Management, Arkansas Levee Weed Control Agreement with Pueblo County

President's Report:

Sandstrom was contacted by Glen Ballantine about a corporation he represents who is interested in tree planting and cleanup projects. He is to get more information to Sandstrom.

Runyon - Sandstrom met with the Sheriff and City Police about their patrols of Lake Runyon. The City Police said that they have been in four times to clean out transients. They are trying to do a patrol loop twice per night and the Sheriff once per night. The Chief has asked if the District could dedicate some funding to support a three time per night patrol with spotlighting of certain areas. The Chief is to get back with more details on this request. Johnson said that it is costing the Division of Wildlife \$5 - \$7,000 per year to maintain the toilet. This expense is for pumping and painting over graffiti. Spring and fall are the worst times. He said that the problem is that

July 21, 2011 Minutes, Page 2 of 3

this is basically a city park area with DOW fish in it and that the DOW has a problem funding the maintenance required. They would like to go to only a fish stocking agreement.

Banner suggested a posting that the area will be closed in 12 months unless users start cleaning and self policing the area. Sandstrom suggested that the District look to see if they can help the DOW support the maintenance. Another suggestion presented is to have a public meeting to discuss the potential for closure. Banner is to draft a concept for changes in the contract with the DOW. These changes may include reducing the term from 10 to 3 years and that instead of the DOW paying the District an annual lease that they put that money into a budget for maintenance of the area. Banner will send a letter to DOW Real Estate concerning the lease extension.

City of Pueblo - Sandstrom said that he had not heard anything from the City of Pueblo about payment of their Maintenance Fund Assessment. Kidd said that he had not received any letters and that the City's payment was not included in the last check from the County Treasurer.

FEMA - Sandstrom was contacted by Dawn Jones and FEMA would like approximately 45 minutes at the August 18 meeting to discuss the FEMA findings and draft report.

Administrator's Report:

Kidd reported that he had been contracted by Sun Construction asking if the District would be interested in selling some of the rock that is stockpiled at the Pearl Street Parking Lot. Kidd stated that since the City proceeded with their project along the kayak course it will now be more expensive for the District to get in and do additional revetment and improvements along the toe of the Levee. This work will probably not be possible this fall. After discussion it was agreed that Kidd should talk to Sun Construction and solicit a proposal for sale of some of this material, but that the price needed to be at least what the District paid for the material.

Organization and Planning -
No discussions at this time.

Old Business -

Tree Removal - Sandstrom reported that he had met, on site below Aberdeen Bluffs and Sharmar Village, with the Department of Corrections concerning a contract for tree removal. Their proposal is approximately \$6,150 for removal of trees and debris in this area. It was agreed to have the DOC proceed with the tree removal and clearing.

New Business -

City of Pueblo Non-Payment of Assessment:

Sandstrom asked Banner if he had researched the options and had a recommendation. Sandstrom specifically asked about a "mandamus" order. Banner informed the Board that under statute the District must adopt a resolution for mandamus to enforce payment. The proposed order is stated as follows:

The Board of Directors of the Pueblo Conservancy District, at its meeting on July 21, 2011, does hereby order that the City of Pueblo comply with the Requirements of C.R.S. §37-1-101, et. seq. and pay assessments assessed for the City of Pueblo properties for the years 2008, 2009, and 2010, each in the amount of \$150,000 or more, together with penalties and interest.

Farley moved that the District adopt a resolution for the order as stated above and direct the Attorney to prepare a transmittal of said order to the City Manager, City Clerk, President of the City Council, and the City Attorney. Motion passed.

July 21, 2011 Minutes, Page 3 of 3

Maintenance Walk from Santa Fe to Dutch Clark Stadium – It was agreed that we will meet at the ~~Moffitt Street Parking Lot~~ and 7:00 am before the August 18 Board meeting. Don Banner will use his car to shuffle attendees back to Moffitt Street. The Regular Meeting of the Board will convene at 9:00 am at the Southeastern Colorado Heritage Center.

There being no further business to come before the Board, the business meeting was adjourned at 9:15 am. The next regular meeting date will be August 18, 2011.

APPROVED:



Gus Sandstrom, Director



Kathleen Farley, Director



Carla Barela, Director

THE PUEBLO CONSERVANCY DISTRICT

NOTICE OF
REGULAR MEETING

DATE: JULY 21, 2011 (THURSDAY) AT 8:00 A.M.
PLACE: CITY COUNCIL CHAMBERS (INTERIM),
301 WEST B STREET, PUEBLO, COLORADO

AGENDA

1. ROLL CALL
2. APPROVAL OF THE JUNE 16, 2011 MINUTES
3. TREASURER'S REPORT
 - a. ACCOUNTANT'S COMPILATION REPORT
 - b. PAYMENT OF BILLS
4. DIVISION OF WILDLIFE - LAKE RUNYON LEASE DISCUSSION
5. FEMA - LEVEE CERTIFICATION PRESENTATION
6. PRESIDENT'S REPORT
7. ADMINISTRATOR'S REPORT
8. PROJECT PLANNING
9. OLD BUSINESS
10. NEW BUSINESS
 - a. Action on City of Pueblo non-payment of Maintenance Fund Assessment
 - b. Schedule walk from Santa Fe to Dutch Clark
11. OTHER BUSINESS AS MAY BE BROUGHT BEFORE THE BOARD
12. ADJOURNMENT

2011 MEETING DATES:

Regular meetings will generally be held on the third Thursdays of the month. Adjustments will be made as required. Special meetings may be scheduled as needed. Please contact the District's Administrator at 719-544-5239 to confirm dates and locations of all meetings.

August 18
October 20

September 1*
November 17

December 15

RECORD OF PROCEEDINGS

O'Brien Prtg. & Slot. 90912

MINUTES OF THE JUNE 16, 2011 REGULAR MEETING OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Sandstrom, 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 8:10 am.

Minutes -- The minutes of the May 19, 2011 Regular Meeting were reviewed. Barela moved to approve the minutes as posted. Motion passed.

Sandstrom and Banner reported that meeting notices had been posted at the Interim City Hall, Heritage Center, and Thatcher Building. Kidd emailed the notice with agenda to be posted at the County Courthouse on Friday.

Treasurer's Report:

Kidd reported that final payment in the amount of \$10,262.38 had been made to Sun Construction on May 26th. The range at the beginning of negotiation was a range from \$6,859.44 to \$16,880.07.

The accountant's report May was reviewed and the current bills discussed. Barela 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
\$ 94.35	Sandstrom, Director's Fee
\$ 56.61	Farley, Director's Fee
\$ 56.61	Barela, Director's Fee
\$ 977.75	Chem-Way Lawn Care, Weed Spraying and Levee Sterilant
\$ 41.26	The Pueblo Chieftain, Sun Construction Final Payment Advertisement
\$ 55.00	Postmaster, 6 month PO Box Rental

President's Report:

Sandstrom met with the Department of Corrections and discussed tree removal along the River above Dutch Clark Stadium. He reported that there are approximately 24 trees below Sharmar Village and Aberdeen Bluffs communities that are dead or need to be removed. The DOC is to provide a contract price for the tree removal.

The Colorado Meth Project contacted Sandstrom about painting a mural on the Levee. He directed them to Cindy Ramu for her review prior to approval from the District.

Sandstrom and Kidd reported that they had not heard or received any letters from the City concerning dissolution or payment of their maintenance fund assessment. Banner was requested

RECORD OF PROCEEDINGS

O'Brien Print. & Stat. 90912

June 16, 2011 Minutes, Page 2 of 2

to research to determine the best way to get an order for the City to pay. Banner said that he had met Florczak and that he had not been told by the Council to take any action.

Sandstrom had been down to the fish ladder/kayak course portion of the River to observe the high flows. He reported that when the water comes off of the fish ladders it swirls back against the Levee. This means that we need to plan reinforcement and protection in at least these areas of the Levee.

Administrator's Report:

Kidd reported that he had talked to Spaccamonti Excavating about cleaning the trash rack and removing more tree clusters along the Runyon Levee. Kidd researched and the lines of the City Limits do include the Runyon Lake area in its entirety.

Organization and Planning --

No discussions at this time.

Old Business --

DOW Runyon Lease -- Sandstrom reported that he had met with the City Police and County Sheriff about DOW's request for more patrolling in the area. Sandstrom will invite the DOW to the July meeting.

New Business --

Runyon Walk -- There was not much trash and the restrooms were fairly clean. The cordoned off fishing dock needs to be discussed with the Division of Wildlife.

There being no further business to come before the Board, the business meeting was adjourned at 8:28 am. The next regular meeting date will be July 21, 2011.

APPROVED:

Gus Sandstrom, Director

Kathleen Farley, Director

Carla Barela, Director



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

503 N Main, Suite 740

Pueblo, CO 81003

Phone (719) 543-0516

Fax (719) 544-2849

INDEPENDENT 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 June 30, 2011 and December 31, 2010, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the six months ended June 30, 2011 and the year ended December 31, 2010. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, 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

July 19, 2011

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
JUNE 30, 2011 AND DECEMBER 31, 2010

	<u>6/30/2011</u>	<u>12/31/2010</u>
ASSETS		
VECTRA BANK CHECKING	\$ 141,041	\$ 78,575
VECTRA BANK MONEY MARKET	11,892	11,889
BROKERAGE MONEY MARKET ACCOUNTS	33,418	111,913
COLOTRUST INVESTMENT	25,000	25,000
WELLS FARGO INVESTMENT	553,107	591,717
STIFEL NICOLAUS INVESTMENT	285,040	309,261
ACCRUED INTEREST	<u>-</u>	<u>3,669</u>
 TOTAL ASSETS	 <u>\$ 1,049,498</u>	 <u>\$ 1,132,024</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 800
PAYROLL TAXES PAYABLE	74	395
DEFERRED INCOME	<u>2,292</u>	<u>1,042</u>
 TOTAL LIABILITIES	 <u>2,366</u>	 <u>2,237</u>
 RESERVE FOR EMERGENCIES	 7,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	92,330	-
UNDESIGNATED	<u>947,802</u>	<u>1,123,787</u>
	-	
 TOTAL FUND EQUITY	 <u>1,047,132</u>	 <u>1,129,787</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,049,498</u>	 <u>\$ 1,132,024</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
ACTUAL AND BUDGET - GENERAL FUND
FOR THE SIX MONTHS ENDED JUNE 30, 2011
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2010

	ACTUAL				
	CURRENT MONTH	YEAR TO DATE	2011 BUDGET	UNUSED BUDGET	2010 ACTUAL
REVENUES					
INTEREST INCOME					
COLOTRUST	\$ 3	\$ 19	\$ -	\$ -	\$ 50
MONEY MARKET ACCOUNTS	1	15	-	-	38
WELLS FARGO	2,195	11,150	-	-	26,656
STIFEL NICOLAUS	1,280	5,951	-	-	18,258
UNREALIZED GAINS (LOSSES)	(56)	8,663	-	-	2,674
TOTAL INTEREST INCOME	3,423	25,798	40,000	14,202	47,676
MAINTENANCE FUND ASSESSMENT	18,199	159,269	332,000	172,731	169,415
LEASE PAYMENTS	208	1,250	2,500	1,250	2,500
OTHER INCOME	-	15,132	-	(15,132)	-
TOTAL REVENUES	\$ 21,830	\$ 201,449	\$ 374,500	\$ 173,051	\$ 219,591
EXPENDITURES					
80 LEGAL FEES	\$ 400	\$ 6,397	\$ 4,800	\$ (1,597)	\$ 4,800
81 DIRECTORS FEES	220	1,320	3,000	1,680	2,580
82 FICA TAXES	-	-	230	230	197
83 ENGINEER/ADMINISTRATIVE	500	2,687	6,000	3,313	6,000
90 AUDIT & BOOKKEEPING	300	1,500	3,900	2,400	3,600
92 INSURANCE/BONDS	-	3,056	3,200	144	817
96 OFFICE EXPENSE	96	691	500	(191)	228
97 OFFICE RENT	-	840	1,000	160	940
100 PROFESSIONAL FEES	-	3,790	10,000	6,210	6,241
APPRAISAL	-	-	3,000	3,000	-
103 TRAVEL	-	-	1,200	1,200	-
105 REPAIRS & MAINTENANCE	978	12,596	50,000	37,404	30,508
ARKANSAS RIVER LEVEE REPAIRS	-	189,774	220,000	30,226	-
LEVEE CERTIFICATION-PRELIM	-	-	50,000	-	-
108 CONTINGENCIES	-	-	5,000	5,000	-
109 EMERGENCY REPAIR	-	-	15,000	15,000	-
110 CAPITAL IMPROVEMENTS	-	-	25,000	25,000	23,265
111 PLANNING & DEVELOPMENT	-	1,453	5,000	3,547	-
112 HARP - O & M / HARP - IGA CNTRB	-	60,000	60,000	-	61,000
113 SALES TAX	-	-	-	-	-
TOTAL EXPENDITURES	2,494	284,104	466,830	182,726	140,176
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 19,336	\$ (82,655)	\$ (92,330)	\$ (9,675)	\$ 79,415

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
6/30/2011

7/19/2011 10:48 AM

<u>BROKER</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>PAR VALUE</u>	<u>BALANCE 12/31/2010</u>	<u>ADDITIONS</u>	<u>MKT VALUE CHANGE</u>	<u>REDEMPTION SALES</u>	<u>BALANCE 6/30/2011</u>	<u>INTEREST RECEIVED 6/30/2011</u>
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				11,888.97	2.94	-	-	11,891.91	2.94
STIFEL NICOLAUS	Money Market Account				53,074.99	27,088.93	-	70,000.00	10,163.92	10.24
WELLS FARGO	Cash Sweep Account				58,838.29	44,415.25	-	80,000.00	23,253.54	1.87
TOTAL CASH ACCOUNTS WITH BROKERS					123,802.25	71,507.12	-	150,000.00	45,309.37	15.05
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00		-	-	25,000.00	23.26
TOTAL COLOTRUST					25,000.00	-	-	-	25,000.00	23.26
WELLS FARGO	FHLMC 2646 LL RETAIL LOTTERY	8/15/2033	5.000%	78,000.00	17,075.14	-	(61.76)	11,000.00	6,013.38	237.50
	FHLMC 2640 LL RETAIL LOTTERY	7/15/2033	5.000%	70,000.00	999.20	-	0.80	1,000.00	-	4.17
	FNMA 06-107 PD REMIC MULTICLASS CMO	6/25/2035	5.000%	78,000.00	82,453.80	-	2,003.04	-	84,456.84	1,950.00
	GNMA 08-7 PN REMIC MULTICLASS CMO	1/20/2037	4.250%	60,000.00	35,244.10	-	289.16	4,977.38	30,555.88	557.90
	FHLMC 3393 BY REMIC MULTICLASS CPN	11/15/2037	5.500%	94,000.00	100,110.94	-	973.84	-	101,084.78	2,584.98
	FNMA 2008-74B REMIC MULTICLASS CMO	9/25/1938	5.000%	50,000.00	57,018.46	-	1,101.34	-	58,119.80	1,457.52
	FHLMC 3626 UA REMIC MULTICLASS CMO	9/15/2039	5.000%	50,000.00	38,791.54	-	(57.52)	3,741.98	34,992.04	903.80
	GNMA 10-62 LA REMIC MULTICLASS CMO	1/20/2040	4.500%	50,000.00	37,891.31	-	(164.71)	9,787.72	27,938.88	605.95
	GNMA 10-85 HQ REMIC MULTICLASS CMO	3/20/2040	5.000%	144,000.00	135,602.69	-	(286.43)	13,906.30	121,409.96	2,652.08
	FNMA 10-141 AL REMIC MULTICLASS CMO	12/25/2040	4.000%	90,000.00	86,529.60	-	2,006.10	-	88,535.70	1,800.00
TOTAL WELLS FARGO					591,716.78	-	5,803.86	44,413.38	553,107.26	12,753.90
STIFEL NICOLAUS	FEDL HOME LN MTG CORP #170217	3/1/2017	8.000%	1,120,000.00	2,365.99	-	(57.98)	211.93	2,096.08	83.43
	GNMA POOL #676875	3/15/2023	6.500%	235,000.00	159,458.15	-	1,141.11	4,619.95	155,979.31	4,702.56
	GNMA POOL #003851	5/20/2036	5.500%	165,000.00	73,014.96	-	970.58	8,272.62	65,712.92	1,803.36
	GNMA REMIC SER 2009-79	2/20/2039	5.500%	56,000.00	7,221.81	-	(13.93)	7,207.88	-	106.71
	GNMA REMIC SER 2010-98	7/20/2039	4.000%	70,000.00	67,199.79	-	818.88	6,766.37	61,252.30	1,316.65
TOTAL STIFEL NICOLAUS INVESTMENT					309,260.70	-	2,858.66	27,078.75	285,040.61	8,012.71
TOTAL INVESTMENTS					925,977.48	-	8,662.52	71,492.13	863,147.87	20,789.87
TOTAL ALL ACCOUNTS					1,049,779.73	71,507.12	8,662.52	221,492.13	908,457.24	20,804.92

PUEBLO CONSERVANCY DISTRICT

JUNE 2011 - JULY 2011

RECEIPTS

VENDOR	ITEM	AMOUNT
First Clearing, LLC	Interest Payment	\$ 601.01
First Clearing, LLC	Interest Payment	\$ 714.44
First Clearing, LLC	Interest Payment	\$ 867.92
Stifel Nicolaus	Interest	\$ 1,267.76
Wells Fargo - Colotrust	Dividend	\$ 2.22
Pueblo County Treasurer	Maintenance Fund Assessment Collection	\$ 12,419.49
		\$ 15,872.84

DEBITS

VENDOR	ITEM	AMOUNT	CHECK	CODE
Black Hills Energy	Electrical Billing	\$ 400.00	3834	105
MBDG, PC	Bookkeeping	\$ 300.00	3835	90
Don Banner - B&B, PC	Attorney Fees	\$ 400.00	3836	80
Kidd Engineering	Engineer/Admin Fees	\$ 500.00	3837	83
Director Sandstrom	Fees	\$ 94.35	3838	81
Director Farley	Fees	\$ 56.61	3839	81
Director Barela	Fees	\$ 56.61	3840	81
Colorado Vegetation Management	Arkansas Levee Weed Control Agreement with Pueblo County	\$ 4,000.00	3841	105
		\$ 5,407.57		



ANDERSON CONSULTING ENGINEERS, INC.

Civil • Water Resources • Environmental

February 4, 2011

Mr. Earl Wilkinson
Director Pueblo Public Works Department
211 E. D Street
Pueblo CO 81003

RE: Preliminary Certification Costs for the Arkansas River and Wild Horse Creek Levees, Pueblo, CO

Dear Mr. Wilkinson:

Pursuant to our conversation concerning the potential engineering costs associated with the certification of the Arkansas River and Wild Horse Creek levees using the Federal Emergency Management Agency (FEMA) levee certification criteria found in Part 44 Section 65.10 of the National Flood Insurance Program (NFIP) regulations, this letter is intended to provide a preliminary engineering cost estimate to assess both levee systems and compile the necessary engineering data to meet FEMA's levee certification criteria.

Information regarding the levees associated with the Arkansas River and Wild Horse Creek in the City of Pueblo is summarized in the following paragraphs. Please note that the following paragraphs are based upon Anderson Consulting Engineers, Inc. (ACE) staff's understanding of the two levee systems at the present time, and we acknowledge that the preliminary costs put forth below may change considerably should additional data on the levees become available from sources such as the Pueblo Conservancy District or the United States Army Corps of Engineers (USACE).

Arkansas River Levee

As documented in the effective FEMA Flood Insurance Study (FIS) for the City of Pueblo and confirmed during conversations with representative from the Pueblo Conservancy District, a concrete-lined levee was constructed along the north bank of the Arkansas River in 1924-25 by the Pueblo Conservancy District. According to the FIS, in 1952 the USACE extended the levee downstream past Runyon Field toward the confluence with Fountain Creek. The Conservancy District continues to maintain the levee system today.

As shown on the effective FEMA floodplain maps, the Arkansas River levee extends from a point approximately ¼-mile west (upstream) of the confluence with Fountain Creek to the Denver and Rio

Grande Western Railroad at the confluence with Wildhorse Creek. The length of the levee system is approximately 2.8 miles. On the effective floodplain maps, this levee is shown to provide protection from the 100-year flood.

No information regarding the levee has been found in files provided by FEMA, and representatives from the Conservancy District have indicated that information regarding the construction of the levee may be available in the Conservancy District's archived files. However, due to the early date of construction, it is anticipated that this information would likely not be suitable for verifying certification of the floodwall as meeting current FEMA standards.

Wild Horse Creek Levee

As documented in the effective FIS for the City of Pueblo, there is an existing levee located along the east side of the lower portion of Wildhorse Creek, west of downtown Pueblo. As shown on the effective FEMA floodplain maps, this levee begins at 11th Street directly upstream of the Denver and Rio Grande Railroad, which is also the upstream terminus of the Arkansas River levee. The levee ends just downstream of 16th Street; however, at 15th Street there is a break in the levee to accommodate a left bank tributary. According to the FEMA FIS, the levee is in poor condition upstream of this break. The length of the levee from 11th Street to 15th Street is 1,600 feet; the upper portion of the levee is approximately 200 feet in length. On the effective floodplain maps, this levee is shown to provide protection from the 100-year flood.

It is possible, although not certain, that the USACE may have constructed this levee. The Albuquerque District USACE was contacted by the Colorado Water Conservation Board (CWCB) in mid-December 2005, early January 2006 and late January 2006 in order to ascertain whether or not the Wildhorse Creek levee was constructed by the USACE and, if so, obtain any available documentation concerning its original certification. To date, no information has been provided by the USACE. The Pueblo Conservancy District was contacted in early January 2006 to determine whether or not the District had constructed the levee. To date, the District has not provided any information.

The Wild Horse Creek levee was mentioned in the USACE's 1969 Flood Plain Information Report for Goodnight Arroyo, (East) Dry Creek and Wild Horse-Dry Creek. The floodplain mapping provided in that report shows this levee providing protection during the 100-year event.

Potential Levee Certification Costs

It should be noted that the engineering costs listed below are based upon ACE's current understanding of both levee systems which is limited to a review of a few readily available floodplain documents and sporadic conversations with City of Pueblo and Pueblo Conservancy District staff; therefore the engineering costs listed herein should be considered preliminary in nature, and should not be

considered as final costs. Given the lack of engineering information available at this time for both levees, two scenarios are proposed to aid in the preparation of preliminary cost estimates for levee certification.

It should also be noted that any potential levee construction remediation/rehabilitation costs associated with bringing either levee into compliance with FEMA's regulations are unknown at this time, and these engineering design and construction costs are not included in the preliminary certification engineering costs listed below.

The **first certification scenario** assumes that all of the necessary engineering data including engineering design calculations, as-built plans etc. exist for the design and construction both levees and the work effort required to certify the levee would consist of an engineering review and verification of the available data. It is ACE's opinion that the engineering certification costs associated with this scenario would be approximately **\$176,000**. This scenario could be considered a "**best-case**" scenario, in that little new engineering analyses are required nor would construction/remediation be required for either levee. A breakdown of the "**best-case**" scenario costs is shown below.

Table 1 -- Best case scenario levee certification engineering costs

1. Data Collection & Review	\$8,848
2. Field Inspection & Surveying	\$11,779
3. Freeboard Evaluation	\$4,260
4. Closure Evaluation	\$5,630
5. Interior Drainage Evaluation	\$6,802
6. Embankment Protection Evaluation	\$12,707
7. Embankment & Foundation Stability Evaluation	\$6,768
8. Sediment Transport Risk Assessment	\$5,460
9. Settlement Potential Evaluation	\$2,614
10. Operation & Maintenance Plan	\$9,886
11. Levee Certification Submittal	\$22,436
12. Potential Risk Notification	\$3,810
Surveying	\$7,000
Structural Engineering	\$20,000
Geotechnical Engineering	\$48,000
Total Cost	<u>\$176,000</u>

The **second certification scenario** assumes that little to no engineering or as-built information is available for both levees, and that extensive new engineering analyses and surveying will be required to certify to FEMA that the levees meet the requirement of Part 44, Section 65.10 of the Code of Federal Regulations. It is ACE's opinion that the engineering certification costs associated with this scenario would be an **additional \$175,000**, above and beyond the best case scenario costs. This scenario could be considered a "worst-case" scenario, in that extensive new engineering analyses are required, and the levees could require additional engineering design and construction to bring them into compliance with FEMA's levee certification requirements. A breakdown of the "worst-case" scenario costs is shown below.

Table 2 – Worst case scenario levee certification engineering costs – additional to the best case scenario costs

1. Data Collection & Review	\$0
2. Field Inspection & Surveying	\$0
3. Freeboard Evaluation	\$5,348
4. Closure Evaluation	\$0
5. Interior Drainage Evaluation	\$4,702
6. Embankment Protection Evaluation	\$12,832
7. Embankment & Foundation Stability Evaluation	\$5,460
8. Sediment Transport Risk Assessment	\$9,210
9. Settlement Potential Evaluation	\$3,216
10. Operation & Maintenance Plan	\$12,024
11. Levee Evaluation Report & Compliance Plan	\$30,208
12. Potential Risk Notification	\$0
Surveying	\$2,000
Structural Engineering	\$20,000
Geotechnical Engineering	\$70,000
Total Cost	\$175,000

In summary, the approximate engineering costs to certify both levees will be in the range of **\$176,000 to \$351,000**, depending on the amount of existing engineering data available for each levee.

If the City of Pueblo or the Pueblo Conservancy District wishes to further investigate the potential certification costs for the levees, and hone in on a more accurate certification cost estimate (including

this is the anticipated number

Mr. Earl Wilkinson
February 4, 2011

Page 5

both engineering fees and potential construction rehabilitation costs), it is suggested that a Levee Assessment effort be performed for both levees. The completion of the assessment, which is normally included as the initial tasks in a levee certification project, could provide both the City and the District with a better indication of potential levee certification costs, and any potential construction costs to rehabilitate all or parts of the levees. To accomplish this refinement of engineering and construction costs, ACE has prepared a separate scope and budget to perform both the Data Collection, Field Inspection, Freeboard Evaluation, and Levee Assessment Memorandum preparation efforts for both levees. Previous experience has shown that the completion of these tasks would aid both the City and the District greatly in discussions regarding the potential certification costs for both levees and provide levee owners with a much clearer idea of the costs and efforts associated with certifying their levee to FEMA.

If you have any questions concerning this information, please do not hesitate to contact me via phone at (970) 226-0120 or you can e-mail me at mkkempton@acewater.com.

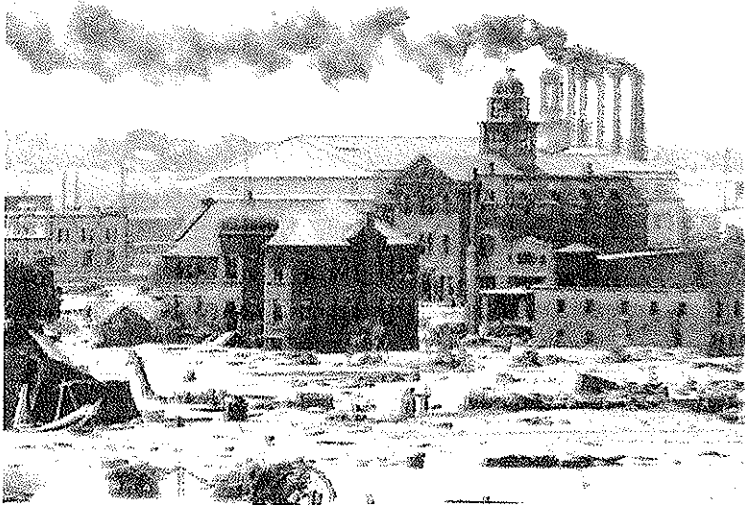
Sincerely,
ANDERSON CONSULTING ENGINEERS, INC.



Mark K. Kempton, P.E.
Project Manager

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