

MINUTES OF THE MARCH 28, 2012
REGULAR MEETING
OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Paul Willumstad, Sean Tapia, Donna Phillips

Also Present: Administrator Rick Kidd, Counselor Don Banner

Guests: Daniel Mizicko, Kidd Engineering
Dan Henrichs, Highline Canal Company
Earl Wilkinson, City of Pueblo
Scott Hobson, City of Pueblo
Steven Meir, City of Pueblo
Carla Sikes, City of Pueblo

With a quorum present, the Pueblo Conservancy District regular board meeting was called to order at 11:04 am.

It was noted that the notice of the regular meetings is posted at the Interim City Hall, the City of Pueblo Judicial Center, the Heritage Center and the County Courthouse. The agenda was posted at the County Courthouse.

Minutes:

The minutes of the February 22, 2012 Regular Meeting were reviewed. Willumstad moved to approve the minutes. Motion passed.

Treasurer's Report:

The accountant's report for February 2012 was reviewed. Willumstad moved to receive and file the report and pay the bills. Motion passed.

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

\$ 325.00	MBD&G, Monthly Accountant fees
\$ 400.00	Banner and Bower, Attorney fees
\$ 45.85	Banner and Bower, Filing Fees
\$ 500.00	Kidd Engineering, Administrator/Engineer fees
\$ 56.61	Phillips, Director's Fee
\$ 56.61	Tapia, Director's Fee
\$ 56.61	Willumstad, Director's Fee
\$ 106.35	Pueblo Chieftain, Appraisal RFP Advertisement
\$ 7,500.00	Highline Canal Company, Emergency Arkansas River Bank Repair and Stabilization
\$ 3,750.00	Colorado Vegetation Management, Arkansas Levee Weed Control Agreement with Pueblo County

President's Report-

Tapia attended a meeting for Youth Building America. It is a group affiliated with Youth Corps. The City has some potential projects for them and Tapia believes that the District may also have some projects that would fit it with the group's mission. Tapia suggested having them come to a future meeting and make a presentation.

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New Business:

Fishing Is Fun – Steven Meyer said that the City has submitted an application to for some additional improvements upstream of Dutch Clark Stadium. Approximately 60 percent of the work is for altering previously installed improvements, and 40 percent is new construction. The application is requesting \$241,000 from the Fishing Is Fun program, Xcel Energy has agreed to a \$100,000 matching grant, \$50,000 will come from Colorado Department of Parks and Wildlife, \$11,000 from Trout Unlimited, and the City will provide \$6-7,000 of in-kind services. The purpose of the City's presentation is to inform the District of proposed work within the District and upon District owned property and to request the District's support of the project. Banner stated that the District has been supportive before and the Fishing Is Fun program work has resulted in some good projects for the community. Hobson clarified that the proposed work may have to be phased, depending upon the amount of funding provided by Fishing Is Fun. Meir said that the intended schedule is to begin work in January thru March of 2013 and then complete it during the 2013-2014 winter. This is when the work would be done along the reach owned by the District. Hobson said the two-thirds of the area receiving the improvements is a "catch and release" area. The intent is to improve the habitat quality and thereby increase the size of the fish. The Board agreed to have Kidd draft and letter of support for Tapia's signature.

Administrator's Report –

Highline Canal -- Kidd requested Henrichs to report on the Highline Canal's completion of the Emergency Arkansas River Stabilization project. Henrichs thanked the Board for their support. This persuaded two of the Highline Board members to move ahead with the work, giving majority support. All of the earthwork has been completed and the willow plantings will start next week. The willow transplants are being taken from an area where the Highline is doing some clearing. Kidd reported that he has been to the site and the work has been done.

Heritage Center – Kidd attended the Heritage Center Board meeting to discuss the District's desire for display of mapping and other aids to increase the presence for the District and for the purposes of District business discussions. The Center was very receptive and would like to work with us to develop mapping that presents a current day overlay with the historic District and improvements.

Maintenance Fund Appraisal RFP:

Kidd reported that only two entities attended the pre-proposal meeting and that they combined to submit one proposal for the appraisal project. Northstar Engineering will be the lead for the joint effort. The proposal is for there to be at least two phases with a fee agreement only for Phase 1. This phase would allow the Northstar team to assess the need for and needs of the District and a feasible methodology for maintenance fund assessment allocation. The Northstar team would then have the information that they need to provide a realistic cost projection to complete the assessment appraisal project should the District decide to proceed. In evaluation of their proposal, Kidd recommended reducing the time of performance from 90 to 60 days, or maybe only 45, for the proposed Phase 1. He also suggested that the contract provide for the District to take ownership of any research and report documentation that the team collects and compiles. Wilkinson stated that he likes the multi-phase approach. He also noted that Northstar has a good history with the City on other projects. He feels that the team should be allowed adequate time for gathering information and drafting an assessment methodology. He believes that 60 days would be an appropriate time period. Phillips expressed a concern that if they are allowed too much time up front it could make timing real tight on the back side. Tapia stressed that the process needs absolute transparency so that all entities are involved and everyone has ample opportunity to express their views and recommendations. He does not want there to be future assertions that the process is "arbitrary and capricious". Sikes said that the City Attorney's office is comfortable with the proposal. They would have liked for there to have been more

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competition but that the proposal includes a good team. Willumstad stated that he wants the City of have sufficient involvement so that they can buy into the process and not have concerns at the end. It was agreed that Banner and Kidd would go back to Northstar and let them know that the District would like for them to schedule for final delivery of Phase 1 within 60 calendar days, the District will be in ownership of all information generated, Northstar must provide a stipulated not-to-exceed fee, and that there must be an "out" clause such that the District can elect to either not proceed with future phases, or has the latitude to seek the services of a different organization.

The Board will hold a special meeting at 11:00 am on April 12, 2012 to discuss the District's expectations with the Northstar team, and a proposed contract for the work. Kidd is to confirm meeting space availability and will notify the Board of the meeting location.

Old Business:

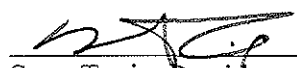
None

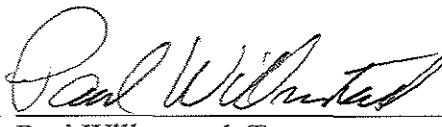
Other Business:

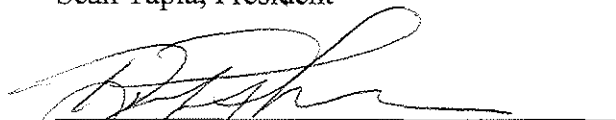
None

There being no further business to come before the Board, the business meeting was adjourned at 12:05 pm. There will be a special meeting on April 12 and the next regular meeting date will be April 25, 2012.

APPROVED:


Sean Tapia, President


Paul Willumstad, Treasurer


Donna Phillips, Secretary

THE PUEBLO CONSERVANCY DISTRICT

AGENDA OF
REGULAR MEETING

DATE: MARCH 28, 2012 (WEDNESDAY) AT 11:00 A.M..
PLACE: SOUTHEASTERN COLORADO HERITAGE CENTER,
201 WEST B STREET, PUEBLO, COLORADO

1. ROLL CALL
2. APPROVAL OF THE FEBRUARY 22, 2012 MINUTES
3. TREASURER'S REPORT
 - a. ACCOUNTANT'S COMPILATION REPORT
 - b. PAYMENT OF BILLS
4. PRESIDENT'S REPORT
5. ADMINISTRATOR'S REPORT
6. OLD BUSINESS
 - a. Lake Runyon Lease
7. NEW BUSINESS
 - a. Appraisal RFP Response Review
8. OTHER BUSINESS AS MAY BE BROUGHT BEFORE THE BOARD
9. ADJOURNMENT

2012 SCHEDULED MEETING DATES:

April 25
July 25
October 24

May 23
August 22
November 28

June 27
September 26
December 26

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 February 29, 2012 and December 31, 2011, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the one month and two months ended February 29, 2012 and the year ended December 31, 2011. 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

March 24, 2012

"UEBLO CONSERVANCY DISTRICT"
BALANCE SHEET - GENERAL FUND ONLY
FEBRUARY 29, 2012 AND DECEMBER 31, 2011

	<u>2/29/2012</u>	<u>12/31/2011</u>
ASSETS		
VECTRA BANK CHECKING	\$ 117,187	\$ 151,933
VECTRA BANK MONEY MARKET	11,896	11,895
BROKERAGE MONEY MARKET ACCOUNTS	150,506	115,624
COLOTRUST INVESTMENT	25,000	25,000
WELLS FARGO INVESTMENT	489,010	513,045
STIFEL NICOLAUS INVESTMENT	243,509	256,208
ACCRUED INTEREST	<u>-</u>	<u>3,793</u>
TOTAL ASSETS	<u>\$ 1,037,108</u>	<u>\$ 1,077,498</u>
LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 837
PAYROLL TAXES PAYABLE	20	335
DEFERRED INCOME	<u>625</u>	<u>1,042</u>
TOTAL LIABILITIES	<u>645</u>	<u>2,214</u>
ASSIGNED FUND BALANCE	204,130	204,130
UNASSIGNED FUND BALANCE	<u>832,333</u>	<u>871,154</u>
TOTAL FUND EQUITY	<u>1,036,463</u>	<u>1,075,284</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,037,108</u>	<u>\$ 1,077,498</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
ACTUAL AND BUDGET - GENERAL FUND
FOR THE TWO MONTH ENDED FEBRUARY 29, 2012
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2010

	ACTUAL				
	CURRENT MONTH	YEAR TO DATE	2012 BUDGET	UNUSED BUDGET	2011 ACTUAL
REVENUES					
INTEREST INCOME					
COLOTRUST	\$ 3	\$ 3	\$ -	\$ -	\$ 31
MONEY MARKET ACCOUNTS	1	3	-	-	23
WELLS FARGO	2,508	2,436	-	-	26,057
STIFEL NICOLAUS	1,142	591	-	-	15,064
UNREALIZED GAINS (LOSSES)	(1,091)	(1,854)	-	-	21,969
TOTAL INTEREST INCOME	2,563	1,179	40,000	38,821	63,144
MAINTENANCE FUND ASSESSMENT	-	84	-	(84)	180,092
LEASE PAYMENTS	208	417	2,500	2,083	2,500
OTHER INCOME	-	-	-	-	15,132
TOTAL REVENUES	\$ 2,771	\$ 1,680	\$ 42,500	\$ 40,820	\$ 260,868
EXPENDITURES					
80 LEGAL FEES	\$ 400	\$ 800	\$ 4,800	\$ 4,000	\$ 17,013
81 DIRECTORS FEES	180	360	2,160	1,800	2,520
82 FICA TAXES	-	-	230	230	193
83 ENGINEER/ADMINISTRATIVE	500	500	6,000	5,500	6,688
90 AUDIT & BOOKKEEPING	425	425	3,900	3,475	3,600
92 INSURANCE/BONDS	2,416	2,416	3,200	784	3,056
96 OFFICE EXPENSE	-	160	500	340	904
97 OFFICE RENT	-	840	840	-	915
100 PROFESSIONAL FEES	-	-	10,000	10,000	4,540
APPRAISAL	-	-	30,000	30,000	-
103 TRAVEL	-	-	-	-	-
105 REPAIRS & MAINTENANCE	-	-	20,000	20,000	20,316
ARKANSAS RIVER LEVEE REPAIRS	-	-	50,000	50,000	194,174
WILDHORSE/DRY CREEK LEVEE	-	-	20,000	20,000	-
LEVEE CERTIFICATION-PRELIM	-	-	25,000	25,000	-
108 CONTINGENCIES	-	-	5,000	5,000	-
109 EMERGENCY REPAIR	-	-	15,000	15,000	-
110 CAPITAL IMPROVEMENTS	-	-	-	-	-
111 PLANNING & DEVELOPMENT	-	-	5,000	5,000	1,453
112 HARP - O & M / HARP - IGA CNTRB	-	35,000	45,000	10,000	60,000
113 SALES TAX	-	-	-	-	-
TOTAL EXPENDITURES	3,921	40,501	246,630	206,129	315,372
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,150)	\$ (38,821)	\$ (204,130)	\$ (165,309)	\$ (54,504)

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
2/29/2012

3/24/2012 10:59 AM

<u>BROKER</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>PAR VALUE</u>	<u>BALANCE 12/31/2011</u>	<u>ADDITIONS</u>	<u>MKT VALUE CHANGE</u>	<u>REDEMPTION SALES</u>	<u>BALANCE 2/29/2012</u>	<u>INTEREST RECEIVED 2/29/2012</u>
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				11,894.41	0.52	-	-	11,894.93	0.99
STIFEL NICOLAUS	Money Market Account				38,326.34	0.32	-	-	38,326.66	0.67
WELLS FARGO	Cash Sweep Account				77,297.91	0.69	-	-	77,298.60	1.42
TOTAL CASH ACCOUNTS WITH BROKERS					127,518.66	1.53	-	-	127,520.19	3.08
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00		-	-	25,000.00	4.69
TOTAL COLOTRUST					25,000.00	-	-	-	25,000.00	4.69
WELLS FARGO	FNMA 06-107 PD REMIC MULTICLASS CMO	6/25/2035	5.000%	78,000.00	86,441.16	-	(562.38)	-	85,878.78	650.00
	GNMA 08-7 PN REMIC MULTICLASS CMO	1/20/2037	4.250%	60,000.00	26,431.66	-	(81.36)	1,271.55	25,078.75	263.98
	FHLMC 3393 BY REMIC MULTICLASS CPN	11/15/2037	5.500%	94,000.00	106,931.58	-	(441.80)	-	106,489.78	861.66
	FNMA 2008-74B REMIC MULTICLASS CMO	9/25/1938	5.000%	50,000.00	48,212.50	-	(780.53)	4,980.20	42,451.77	408.91
	FHLMC 3626 UA REMIC MULTICLASS CMO	9/15/2039	5.000%	50,000.00	27,113.84	-	(66.33)	4,466.17	22,581.34	215.49
	GNMA 10-62 LA REMIC MULTICLASS CMO	1/20/2040	4.500%	50,000.00	15,722.04	-	(72.63)	5,340.46	10,308.95	176.53
	GNMA 10-85 HQ REMIC MULTICLASS CMO	3/20/2040	5.000%	144,000.00	107,620.48	-	(197.15)	6,663.97	100,759.36	1,331.81
	FNMA 10-141 AL REMIC MULTICLASS CMO	12/25/2040	4.000%	90,000.00	94,572.00	-	889.20	-	95,461.20	600.00
TOTAL WELLS FARGO					513,045.26	-	(1,312.98)	22,722.35	489,009.93	4,508.38
STIFEL NICOLAUS	FEDL HOME LN MTG CORP #170217	3/1/2017	8.000%	1,120,000.00	1,877.60	-	24.97	51.16	1,851.41	23.16
	GNMA POOL #676875	3/15/2023	6.500%	235,000.00	150,006.43	-	191.49	1,612.66	148,585.26	1,482.12
	GNMA POOL #003851	5/20/2036	5.500%	165,000.00	59,256.11	-	(1,017.22)	2,880.17	55,358.72	489.21
	GNMA REMIC SER 2010-98	7/20/2039	4.000%	70,000.00	45,067.27	-	259.63	7,613.06	37,713.84	315.55
TOTAL STIFEL NICOLAUS INVESTMENT					256,207.41	-	(541.13)	12,157.05	243,509.23	2,310.04
TOTAL INVESTMENTS					794,252.67	-	(1,854.11)	34,879.40	757,519.16	6,823.11
TOTAL ALL ACCOUNTS					921,771.33	1.53	(1,854.11)	34,879.40	885,039.35	6,826.19

PUEBLO CONSERVANCY DISTRICT

FEBRUARY 2012 - MARCH 2012

RECEIPTS

VENDOR	ITEM	AMOUNT
First Clearing, LLC	Interest Payment	\$ 534.15
First Clearing, LLC	Interest Payment	\$ 562.09
First Clearing, LLC	Interest Payment	\$ 811.82
First Clearing, LLC	Interest Payment	\$ 536.65
Wells Fargo	ColoTrust Plus	\$ 3.12
Stifel Nicolaus	Interest Payment	\$ 1,116.58
		\$ 3,564.41

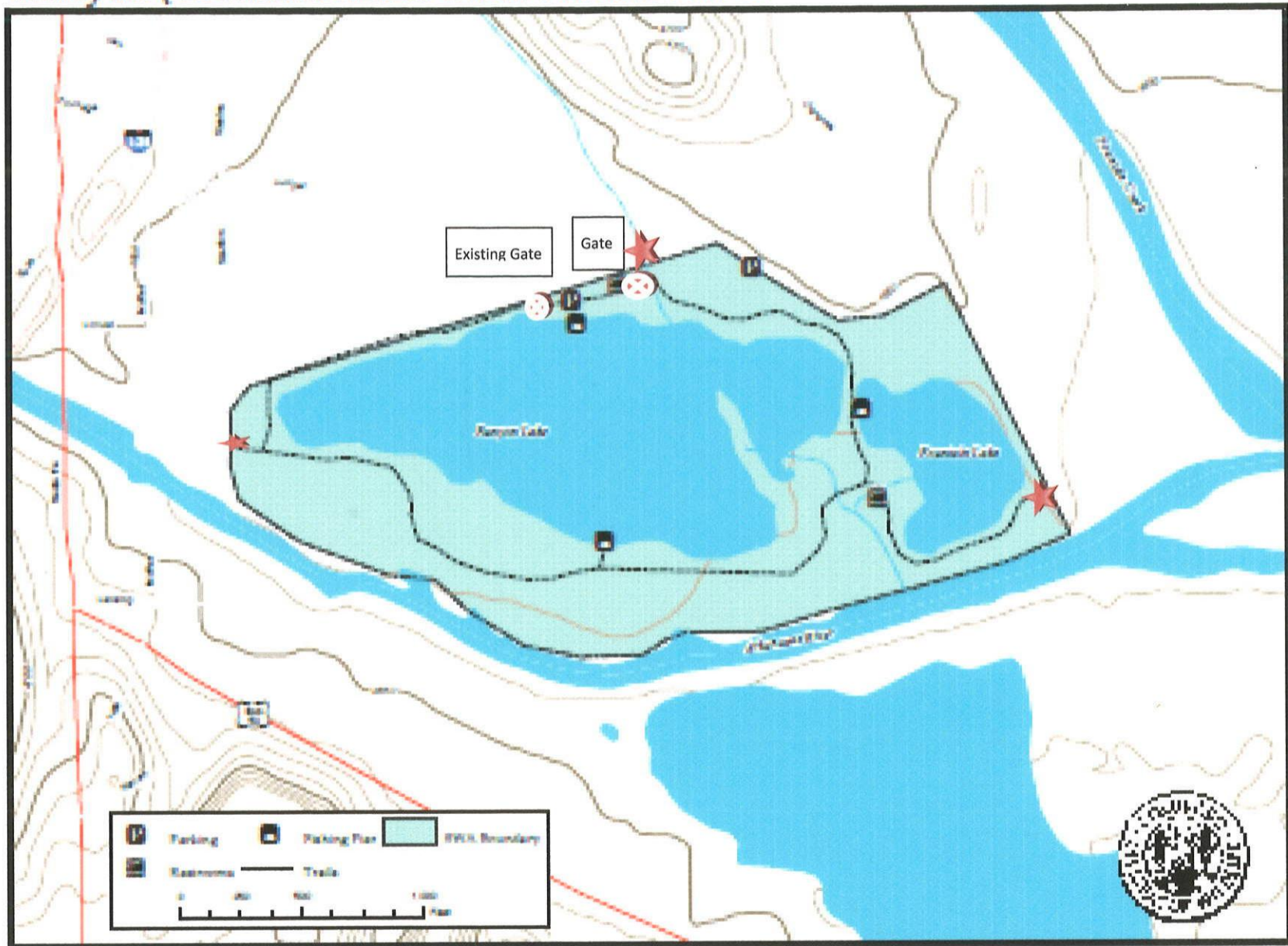
DEBITS

VENDOR	ITEM	AMOUNT	CHECK	CODE
BHE	Electrical Billing	Pre-paid		105
MBDG, PC	Bookkeeping	\$ 325.00	3901	90
Don Banner - B&B, PC	Attorney Fees	\$ 400.00	3902	80
	Filing Fees	\$ 45.85	"	96
Kidd Engineering	Engineer/Admin Fees	\$ 500.00	3903	83
Director Phillips	Fees	\$ 56.61	3904	81
Director Tapia	Fees	\$ 56.61	3905	81
Director Willumstad	Fees	\$ 56.61	3906	81
Pueblo Chieftain	Appraisal RFP Advertisement	\$ 106.35	3907	100
Highline Canal Company	Emergency River Bank Repair and Stabilization Assistance	\$ 7,500.00	3908	109
Colorado Vegetation Management	Arkansas Levee Weed Control Agreement with Pueblo County	\$ 3,750.00	3909	105
		\$ 12,797.03		





Runyon \ Fountain Lakes State Wildlife Area



Indicate where posts would be placed in trail to prevent use by ATV's