

MINUTES OF THE APRIL 25, 2012
REGULAR MEETING
OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Paul Willumstad, Sean Tapia, Donna Phillips (Late)

Also Present: Administrator Rick Kidd, Counselor Don Banner

Guests: Earl Wilkinson, City of Pueblo
Carla Sikes, City of Pueblo
Pat Kyffin, Prudential Real Estate
Kim Koch, NorthStar Engineering-Appraisal Group
Dave Lytle, NorthStar Engineering-Appraisal Group

With a quorum present, the Pueblo Conservancy District regular board meeting was called to order at 11:05 am.

Minutes:

The minutes of the March 28, 2012 Regular Meeting were reviewed. Willumstad moved to approve the minutes. Motion passed.

Treasurer's Report:

The accountant's report for March 2012 was reviewed. Kidd reported that there is \$124,000 in the money market account at Wells Fargo Advisors. He recommended that it remain available for operating funds rather than reinvesting it. Willumstad moved to receive and file the report and pay the bills. Motion passed.

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

\$ 500.00	Black Hills Energy, Runyon Lake Electricity
\$ 325.00	MBD&G, Monthly Accountant fees
\$ 400.00	Banner and Bower, Attorney fees
\$ 500.00	Kidd Engineering, Administrator/Engineer fees
\$ 781.25	Kidd Engineering, February and March Appraisal RFP Support
\$ 56.61	Phillips, Director's Fee
\$ 56.61	Tapia, Director's Fee
\$ 56.61	Willumstad, Director's Fee
\$ 10,000.00	HARP Authority, Annual O&M Allocation

Appraisal Report-

David Lytle stated that it is their opinion that there is clearly a need for the levees even with Pueblo Dam in place. The information seems to be supporting the need for the Pueblo Conservancy District. They have not finalized this yet. There must be an entity for certification of the levees. The District boundaries are beyond the City limits and they cannot work outside of the City. There is not a legal-tax-Tabor issue with Districts assessing maintenance fees. A single purpose and consequently low overhead entity has a high level of efficiencies compared to multi-purpose governmental entities. There is a broad base of entities receiving benefit of the levee system. The core area contains basic governmental services for both the City and County. It affects safety services, law enforcement, and public health. There are also railroads, utility services, etc. who receive benefit. Numerous public services are impacted by a catastrophic flood. Everyone in Pueblo County is benefitted from not having flooding in Town. They are now looking at analysis for relative benefits.

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Kim Koch reported that they are currently acquiring information. They are working with Chris Markison, with the County GIS services department. NorthStar is providing them some information in exchange for GIS support. Anderson Consulting needs approval and authorization from the Colorado Water Conservation Board to release flood plain data. Alan Hamel, Executive Director of the Pueblo Board of Water Works, will be working to get CWCB to approve this release of information.

Willumstad asked if the western portion of the District should be de-annexed because of its proximity to Pueblo Dam and Reservoir. Lytle said it is too early to tell. Willumstad asked Sikes if the City wants to take over somewhere down the road. Sikes said that there is not a unified position at this time. Lytle said that they think that there is a benefit to all citizens of the County and therefore all should probably be helping to pay for floodway protection. Tapia stated that he wants to see law-proven fee structures from around the Country. Banner stated that he feels that our Colorado Statute gives some flexibility that is not afforded in other states. Lytle said that he has been looking at Colorado State Case Law. Colorado law has precedential value. They are looking at County valuations as a base for fees.

President's Report-

Tapia said that he does not have a report.

Administrator's Report –

Kidd reported that the City had filled the abandoned manholes along Corona with flow-fill and also filled the “sink hole” with flow-fill. The City intends to repair the area at the cross-pan within the next few days. Something in their operations had dislodged some of the limestone blocks at the “sink hole” area. Kidd requested permission to reset these blocks. It was agreed for Kidd to proceed.

New Business:

None

Old Business:

Lake Runyon Lease – Banner has received a draft lease agreement from the Colorado Division of Parks and Wildlife. They have proposed a 10-year term with a 60-day cancellation clause. Willumstad suggested that we seek a 6-month cancellation notice, rather than only 60-days.

Land Sales – Pat Kyffin reported that she had been looking for information concerning the value of the property north in the area where Corona turns to the west. This is that area where Don Wycoff has an interest in purchasing a portion of District property. Kyffin reported that there had not been any vacant land sales in the area for over a year. There is a 0.21 acre parcel on Boxelder that is listed for \$7900 and a 0.11 acre parcel on Abriendo that is listing for \$5900. There is a 0.143 acre parcel on Prairie that is under contract for \$9900. Donna Phillips joined the meeting at this time. It was agreed to table the land sales discussion and take it up at the next meeting.

Other Business:

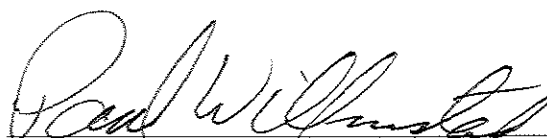
None

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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 May 23, 2012.

APPROVED:


Sean Tapia, President


Paul Willumstad, Treasurer


Donna Phillips, Secretary

THE PUEBLO CONSERVANCY DISTRICT

AGENDA OF
REGULAR MEETING

DATE: APRIL 25, 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 MARCH 28, 2012 REGULAR MEETING AND APRIL 12, 2012 SPECIAL MEETING MINUTES
3. TREASURER'S REPORT
 - a. ACCOUNTANT'S COMPILATION REPORT
 - b. PAYMENT OF BILLS
4. APPRAISAL TEAM REPORT
5. PRESIDENT'S REPORT
6. ADMINISTRATOR'S REPORT
7. OLD BUSINESS
 - a. Lake Runyon Lease
8. NEW BUSINESS
 - a. Excess Properties
8. OTHER BUSINESS AS MAY BE BROUGHT BEFORE THE BOARD
9. ADJOURNMENT

2012 SCHEDULED MEETING DATES:

May 23	June 27	
July 25	August 22	September 26
October 24	November 28	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 March 31, 2012 and December 31, 2011, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the one month and three months ended March 31, 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

April 20, 2012

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
March 31, 2012 AND DECEMBER 31, 2011

	<u>3/31/2012</u>	<u>12/31/2011</u>
ASSETS		
VECTRA BANK CHECKING	\$ 106,855	\$ 151,933
VECTRA BANK MONEY MARKET	11,896	11,895
BROKERAGE MONEY MARKET ACCOUNTS	168,707	115,624
COLOTRUST INVESTMENT	25,000	25,000
WELLS FARGO INVESTMENT	475,479	513,045
STIFEL NICOLAUS INVESTMENT	237,248	256,208
ACCRUED INTEREST	<u>-</u>	<u>3,793</u>
 TOTAL ASSETS	 <u>\$ 1,025,185</u>	 <u>\$ 1,077,498</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 837
PAYROLL TAXES PAYABLE	30	335
DEFERRED INCOME	<u>417</u>	<u>1,042</u>
 TOTAL LIABILITIES	 <u>447</u>	 <u>2,214</u>
 ASSIGNED FUND BALANCE	 204,130	 204,130
UNASSIGNED FUND BALANCE	<u>820,608</u>	<u>871,154</u>
	-	
 TOTAL FUND EQUITY	 <u>1,024,738</u>	 <u>1,075,284</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,025,185</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 THREE MONTH ENDED MARCH 31, 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	\$ -	\$ -	\$ 31
MONEY MARKET ACCOUNTS	2	5	-	-	23
WELLS FARGO	1,348	3,785	-	-	26,057
STIFEL NICOLAUS	1,117	1,707	-	-	15,064
UNREALIZED GAINS (LOSSES)	(1,593)	(3,447)	-	-	21,969
TOTAL INTEREST INCOME	874	2,053	40,000	37,947	63,144
MAINTENANCE FUND ASSESSMENT	-	84	-	(84)	180,092
LEASE PAYMENTS	208	625	2,500	1,875	2,500
OTHER INCOME	-	-	-	-	15,132
TOTAL REVENUES	\$ 1,082	\$ 2,762	\$ 42,500	\$ 39,738	\$ 260,868
EXPENDITURES					
80 LEGAL FEES	\$ 400	\$ 1,200	\$ 4,800	\$ 3,600	\$ 17,013
81 DIRECTORS FEES	180	540	2,160	1,620	2,520
82 FICA TAXES	-	-	230	230	193
83 ENGINEER/ADMINISTRATIVE	500	1,000	6,000	5,000	6,688
90 AUDIT & BOOKKEEPING	325	750	3,900	3,150	3,600
92 INSURANCE/BONDS	-	2,416	3,200	784	3,056
96 OFFICE EXPENSE	46	206	500	294	904
97 OFFICE RENT	-	840	840	-	915
100 PROFESSIONAL FEES	106	106	10,000	9,894	4,540
APPRAISAL	-	-	30,000	30,000	-
103 TRAVEL	-	-	-	-	-
105 REPAIRS & MAINTENANCE	-	-	20,000	20,000	20,316
ARKANSAS RIVER LEVEE REPAIRS	3,750	3,750	50,000	46,250	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	7,500	7,500	15,000	7,500	-
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	12,807	53,308	246,630	193,322	315,372
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (11,725)	\$ (50,546)	\$ (204,130)	\$ (153,584)	\$ (54,504)

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
3/31/2012

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<u>BROKER</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>PAR VALUE</u>	<u>BALANCE 12/31/2011</u>	<u>ADDITIONS</u>	<u>MKT VALUE CHANGE</u>	<u>REDEMPTION SALES</u>	<u>BALANCE 3/31/2012</u>	<u>INTEREST RECEIVED 3/31/2012</u>
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				11,894.90	1.48	-	-	11,896.38	1.48
STIFEL NICOLAUS	Money Market Account				38,326.34	18,770.38	-	-	57,096.72	1.10
WELLS FARGO	Cash Sweep Account				77,297.91	34,312.32	-	-	111,610.23	2.30
TOTAL CASH ACCOUNTS WITH BROKERS					127,519.15	53,084.18	-	-	180,603.33	4.88
<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	-	(983.58)	-	85,457.58	975.00
	GNMA 08-7 PN REMIC MULTICLASS CMO	1/20/2037	4.250%	60,000.00	26,431.66	-	(15.16)	1,869.60	24,546.90	347.74
	FHLMC 3393 BY REMIC MULTICLASS CPN	11/15/2037	5.500%	94,000.00	106,931.58	-	(298.92)	-	106,632.66	861.66
	FNMA 2008-74B REMIC MULTICLASS CMO	9/25/1938	5.000%	50,000.00	48,212.50	-	(1,340.72)	8,570.24	38,301.54	595.73
	FHLMC 3626 UA REMIC MULTICLASS CMO	9/15/2039	5.000%	50,000.00	27,113.84	-	(103.94)	5,926.77	21,083.13	215.49
	GNMA 10-62 LA REMIC MULTICLASS CMO	1/20/2040	4.500%	50,000.00	15,722.04	-	(101.30)	8,196.65	7,424.09	214.99
	GNMA 10-85 HQ REMIC MULTICLASS CMO	3/20/2040	5.000%	144,000.00	107,620.48	-	(460.89)	9,746.76	97,412.83	1,746.24
	FNMA 10-141 AL REMIC MULTICLASS CMO	12/25/2040	4.000%	90,000.00	94,572.00	-	47.70	-	94,619.70	900.00
TOTAL WELLS FARGO					513,045.26	-	(3,256.81)	34,310.02	475,478.43	5,856.85
STIFEL NICOLAUS	FEDL HOME LN MTG CORP #170217	3/1/2017	8.000%	1,120,000.00	1,877.60	-	18.11	76.48	1,819.23	34.48
	GNMA POOL #676875	3/15/2023	6.500%	235,000.00	150,006.43	-	655.30	2,374.55	148,287.18	2,216.55
	GNMA POOL #003851	5/20/2036	5.500%	165,000.00	59,256.11	-	(1,211.11)	4,232.88	53,812.12	723.23
	GNMA REMIC SER 2010-98	7/20/2039	4.000%	70,000.00	45,067.27	-	347.42	12,085.37	33,329.32	452.36
TOTAL STIFEL NICOLAUS INVESTMENT					256,207.41	-	(190.28)	18,769.28	237,247.85	3,426.62
TOTAL INVESTMENTS					794,252.67	-	(3,447.09)	53,079.30	737,726.28	9,288.16
TOTAL ALL ACCOUNTS					921,771.82	53,084.18	(3,447.09)	53,079.30	918,329.61	9,293.04

PUEBLO CONSERVANCY DISTRICT

MARCH 2012 - APRIL 2012

RECEIPTS

VENDOR	ITEM	AMOUNT
First Clearing	Interest	524.39
First Clearing	Interest	799.84
Stifel Nicolaus	Interest	\$ 1,094.35
		\$ 2,418.58

DEBITS

VENDOR	ITEM	AMOUNT	CHECK	CODE
Black Hills Energy	Electrical Billing	\$ 500.00	3910	105
MBDG, PC	Bookkeeping	\$ 325.00	3911	90
Don Banner - B&B, PC	Attorney Fees	\$ 400.00	3912	80
Kidd Engineering	Engineer/Admin Fees	\$ 500.00	3913	83
	February and March Appraisal RFP	\$ 781.25	"	100
Director Phillips	Fees	\$ 56.61	3914	81
Director Tapia	Fees	\$ 56.61	3915	81
Director Willumstad	Fees	\$ 56.61	3916	81
HARP Authority	Annual O&M Allocation	\$ 10,000.00	3917	112
		\$ 12,676.08		