

MINUTES OF THE MAY 23, 2012
REGULAR MEETING
OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Paul Willumstad, Sean Tapia

Also Present: Administrator Rick Kidd, Counselor Don Banner

Guests: Carla Sikes, City of Pueblo
Kim Kock, NorthStar Engineering-Appraisal Group
Dave Lytle, NorthStar Engineering-Appraisal Group
Kevin Rourk, NorthStar Engineering-Appraisal Group

With a quorum present, the Pueblo Conservancy District regular board meeting was called to order at 11:15 am.

Tapia requested an agenda change to move the appraisal team report up to after the approval of the minutes. Willumstad so moved. Motion passed.

Minutes:

The minutes of the April 25, 2012 Regular Meeting were reviewed. Willumstad moved to approve the minutes. Motion passed.

Appraisal Report:

Lytle said that the team has completed their evaluation of the need and operations entity for the mission of the Pueblo Conservancy District. They have concluded: 1) There needs to a levee system maintained through the City and a floodway maintenance program for the area to the eastern County line, 2) The appropriate entity to operate and maintain the levee and floodway system is the Pueblo Conservancy District, and 3) Everyone in Pueblo County benefits due to the critical infrastructure, functions, and services protected by the levee system. There are benefits to citizens of the City that layer on top of that, and then another layer of benefit to the property owners within the flood plain. They are working on mapping to show the difference between the flood plain of 1923 versus the flood plain area that is pending for the new FEMA flood mapping.

Kock reported that they have completed the data acquisition effort and received the FEMA mapping for the area from the west City Limit to the east City Limit line. They will have to use the old flood plain mapping for the areas outside of that. They have base GIS mapping data in place. There are currently 3800 parcels within the existing Pueblo Conservancy District boundaries. Seven to eight hundred of these parcels lie outside of what will be the flood plain boundaries. About 650 parcels do not have a County Assessor valuation on them. There are about 300 tax exempt properties with State assessments. This brings the number down to approximately 350 parcels with no valuations. The current flood plain boundaries do not match the established District boundaries. Does the Board want to redefine the boundaries as allowed by State statute? The team is doing an analysis of flood insurance premiums. There is a major benefit to having the levee system versus the premiums for not having a community rating.

What direction does the Board want to go in valuing City of Pueblo and County of Pueblo properties? As stated before, the team feels that everyone in the County receives a benefit and should be paying some maintenance fund amount. One approach for the City and County properties is to assume that the benefits to these properties are already covered by the constituents paying a fee. These entities have no contributing funding outside of assessing taxes

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on the same pool of constituents. Another approach is to go out and do a valuation on each building and property with the belief that they are just the same as other property owners and that the assessment program should be comparable for all benefitted properties.

Willumstad questioned: 1) What is the added costs for individual appraisals? 2) If the City and County properties within the flood plain are excluded how does that affect John Q. Public? 3) Is one approach more defensible than the other?

Banner requested the appraisal team to determine if the Pueblo Conservancy District can assess a maintenance fee on all properties in the County without changing the District boundaries.

Lytle said that they need some direction from the Board on how they want the appraisal team to proceed because the chosen approach will affect the appraisal team's fee pricing for going on to Phase II of the maintenance fee evaluation process. The first phase of the appraisal process is scheduled to be coming to a close by the end of June. After discussion it was decided that NorthStar is to provide alternatives in fee values based upon the various approaches. The team is also to have answers to the above questions by the next Board meeting. Then the Board will have information on which to base a decision.

It was decided to start the June 27 meeting at 10:00 am to allow the NorthStar team more time to present their final Phase I Appraisal Report. NorthStar will try to have a draft report out to allow the Board a chance to review it prior to the meeting.

Treasurer's Report:

The accountant's report for April 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
\$ 500.00	Kidd Engineering, Administrator/Engineer fees
\$ 210.00	Kidd Engineering, Corona Sink Hole Testing
\$ 403.62	Kidd Engineering, Corona Limestone Repairs
\$ 125.00	Kidd Engineering, April 12 Special Meeting
\$ 56.61	Phillips, Director's Fee
\$ 56.61	Tapia, Director's Fee
\$ 56.61	Willumstad, Director's Fee
\$ 389.00	Chem-Way, Weed Spraying

President's Report-

Tapia said that he did not have a report.

Administrator's Report –

Kidd did not have anything to report.

New Business:

None

Old Business:

Lake Runyon Lease – Banner reviewed the primary provisions of the lease with the Colorado Division of Parks and Wildlife. Willumstad moved to approve the lease. Motion passed.

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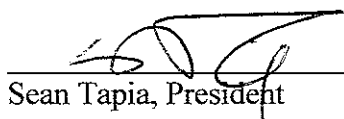
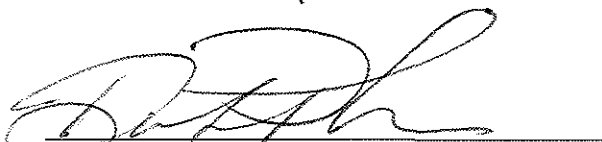
Excess Properties - Tapia requested that the discussion on selling of excess properties be tabled until a later meeting. Willumstad so moved. Motion passed.

Other Business:

None

There being no further business to come before the Board, the business meeting was adjourned at 12:05 pm. The next regular meeting date will be June 27, 2012. The meeting will begin one hour earlier, at 10:00 am.

APPROVED:


Sean Tapia, President
Paul Willumstad, Treasurer
Donna Phillips, Secretary

PUEBLO CONSERVANCY DISTRICT

APRIL 2012 - MAY 2012

RECEIPTS

VENDOR	ITEM	AMOUNT
First Clearing, LLC	Interest Payment	\$ 518.31
First Clearing, LLC	Interest Payment	\$ 510.98
First Clearing, LLC	Interest Payment	\$ 783.39
Stifel Nicolaus	Interest	\$ 1,068.95
		\$ 2,881.63

DEBITS

VENDOR	ITEM	AMOUNT	CHECK	CODE
Black Hills Energy	Electrical Billing	Pre-paid		105
MBDG, PC	Bookkeeping	\$ 325.00	3918	90
Don Banner - B&B, PC	Attorney Fees	\$ 400.00	3919	80
Kidd Engineering	Engineer/Admin Fees	\$ 500.00	3920	83
	Corona Sink Hole Testing	\$ 210.00	"	105
	Corona Limestone Repairs	\$ 403.62	"	105
	4-12 Special Meeting	\$ 125.00	"	83
Paul Willumstad	Fees	\$ 56.61	3921	81
Sean Tapia	Fees	\$ 56.61	3922	81
Donna Phillips	Fees	\$ 56.61	3923	81
Chem-Way	Weed Spraying	\$ 389.00	3924	105
		\$ 2,522.45		



McPherson,
Breyfogle,
Daveline &
Goodrich, PC
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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 April 30, 2012 and December 31, 2011, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the one month and four months ended April 30, 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

May 21, 2012

JEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
APRIL 30, 2012 AND DECEMBER 31, 2011

	<u>4/30/2012</u>	<u>12/31/2011</u>
ASSETS		
VECTRA BANK CHECKING	\$ 96,598	\$ 151,933
VECTRA BANK MONEY MARKET	11,897	11,895
BROKERAGE MONEY MARKET ACCOUNTS	185,124	115,624
COLOTRUST INVESTMENT	25,000	25,000
WELLS FARGO INVESTMENT	468,669	513,045
STIFEL NICOLAUS INVESTMENT	231,349	256,208
ACCRUED INTEREST	<u>-</u>	<u>3,793</u>
 TOTAL ASSETS	 <u>\$ 1,018,637</u>	 <u>\$ 1,077,498</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 837
PAYROLL TAXES PAYABLE	41	335
DEFERRED INCOME	<u>208</u>	<u>1,042</u>
 TOTAL LIABILITIES	 <u>249</u>	 <u>2,214</u>
 ASSIGNED FUND BALANCE	 204,130	 204,130
UNASSIGNED FUND BALANCE	<u>814,258</u>	<u>871,154</u>
	-	
 TOTAL FUND EQUITY	 <u>1,018,388</u>	 <u>1,075,284</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,018,637</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 FOUR MONTHS ENDED APRIL 30, 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	7	-	-	23
WELLS FARGO	1,324	5,109	-	-	26,057
STIFEL NICOLAUS	1,094	2,802	-	-	15,064
UNREALIZED GAINS (LOSSES)	3,708	261	-	-	21,969
TOTAL INTEREST INCOME	6,128	8,182	40,000	31,818	63,144
MAINTENANCE FUND ASSESSMENT	-	84	-	(84)	180,092
LEASE PAYMENTS	208	833	2,500	1,667	2,500
OTHER INCOME	-	-	-	-	15,132
TOTAL REVENUES	\$ 6,336	\$ 9,099	\$ 42,500	\$ 33,401	\$ 260,868
EXPENDITURES					
80 LEGAL FEES	\$ 400	\$ 1,600	\$ 4,800	\$ 3,200	\$ 17,013
81 DIRECTORS FEES	180	720	2,160	1,440	2,520
82 FICA TAXES	-	-	230	230	193
83 ENGINEER/ADMINISTRATIVE	500	1,500	6,000	4,500	6,688
90 AUDIT & BOOKKEEPING	325	1,075	3,900	2,825	3,600
92 INSURANCE/BONDS	-	2,416	3,200	784	3,056
96 OFFICE EXPENSE	-	206	500	294	904
97 OFFICE RENT	-	840	840	-	915
100 PROFESSIONAL FEES	781	888	10,000	9,112	4,540
APPRAISAL	-	-	30,000	30,000	-
103 TRAVEL	-	-	-	-	-
105 REPAIRS & MAINTENANCE	-	-	20,000	20,000	20,316
ARKANSAS RIVER LEVEE REPAIRS	500	4,250	50,000	45,750	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	15,000	7,500	-
110 CAPITAL IMPROVEMENTS	-	-	-	-	-
111 PLANNING & DEVELOPMENT	-	-	5,000	5,000	1,453
112 HARP - O & M / HARP - IGA CNTRB	10,000	45,000	45,000	-	60,000
113 SALES TAX	-	-	-	-	-
TOTAL EXPENDITURES	12,686	65,995	246,630	180,635	315,372
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (6,350)	\$ (56,896)	\$ (204,130)	\$ (147,234)	\$ (54,504)

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
4/30/2012

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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 4/30/2012</u>	<u>INTEREST RECEIVED 4/30/2012</u>
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				11,894.90	1.98	-	-	11,896.88	1.98
STIFEL NICOLAUS	Money Market Account				38,326.34	25,491.23	-	-	63,817.57	1.56
WELLS FARGO	Cash Sweep Account				77,297.91	44,008.83	-	-	121,306.74	3.24
TOTAL CASH ACCOUNTS WITH BROKERS					127,519.15	69,502.04	-	-	197,021.19	6.78
<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	-	(554.58)	-	85,886.58	1,300.00
	GNMA 08-7 PN REMIC MULTICLASS CMO	1/20/2037	4.250%	60,000.00	26,431.66	-	(37.98)	2,784.10	23,609.58	347.74
	FHLMC 3393 BY REMIC MULTICLASS CPN	11/15/2037	5.500%	94,000.00	106,931.58	-	612.88	-	107,544.46	1,292.49
	FNMA 2008-74B REMIC MULTICLASS CMO	9/25/1938	5.000%	50,000.00	48,212.50	-	(1,076.71)	8,647.63	38,488.16	770.57
	FHLMC 3626 UA REMIC MULTICLASS CMO	9/15/2039	5.000%	50,000.00	27,113.84	-	(150.89)	7,724.56	19,238.39	309.05
	GNMA 10-62 LA REMIC MULTICLASS CMO	1/20/2040	4.500%	50,000.00	15,722.04	-	(119.19)	10,954.26	4,648.59	214.99
	GNMA 10-85 HQ REMIC MULTICLASS CMO	3/20/2040	5.000%	144,000.00	107,620.48	-	(783.82)	13,895.04	92,941.62	1,746.24
	FNMA 10-141 AL REMIC MULTICLASS CMO	12/25/2040	4.000%	90,000.00	94,572.00	-	1,739.70	-	96,311.70	1,200.00
TOTAL WELLS FARGO					513,045.26	-	(370.59)	44,005.59	468,669.08	7,181.08
STIFEL NICOLAUS	FEDL HOME LN MTG CORP #170217	3/1/2017	8.000%	1,120,000.00	1,877.60	-	19.69	138.16	1,759.13	45.63
	GNMA POOL #676875	3/15/2023	6.500%	235,000.00	150,006.43	-	1,555.51	3,278.91	148,283.03	2,946.61
	GNMA POOL #003851	5/20/2036	5.500%	165,000.00	59,256.11	-	(1,186.85)	5,437.79	52,631.47	951.06
	GNMA REMIC SER 2010-98	7/20/2039	4.000%	70,000.00	45,067.27	-	243.08	16,634.81	28,675.54	577.67
TOTAL STIFEL NICOLAUS INVESTMENT					256,207.41	-	631.43	25,489.67	231,349.17	4,520.97
TOTAL INVESTMENTS					794,252.67	-	260.84	69,495.26	725,018.25	11,706.74
TOTAL ALL ACCOUNTS					921,771.82	69,502.04	260.84	69,495.26	922,039.44	11,713.52