

MINUTES OF THE JUNE 27, 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: Carla Sikes, City of Pueblo
Kim Kock, NorthStar Engineering-Appraisal Group
Mike Cuppy, 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 10:05 am.

Minutes:

The minutes of the May 23, 2012 Regular Meeting were reviewed. Phillips moved to approve the minutes. Motion passed.

Treasurer's Report:

The accountant's report for May 2012 was reviewed. Willumstad moved to receive and file the report and pay the bills, including payment to NorthStar. 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
\$ 12.00	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
\$ 988.31	Chem-Way, Weed Spraying
\$ 136.00	Postmaster, PO Box 12 month rental
\$54,085.00	NorthStar Engineering, Appraisal Assessment Phase I

Appraisal Group Report-

Lytle reported that the Phase I Appraisal reports were out on Monday. The Pueblo Conservancy District has been in existence since 1923. The Colorado State Statute was finalized in 1922 and it was specifically for Pueblo after the 1921 flood. The State Attorney General challenged the statute, but it was upheld by the Colorado Supreme Court. There were two power bases in Colorado in 1921, Denver and Pueblo. Pueblo was a rail center and all trains had to go through Pueblo to go on to the west. Legislators in the Denver area wanted a northern rail route and wanted the Moffat Tunnel constructed through the Continental Divide. Pueblo area legislators had been balking on this but agreed to support the Moffat Tunnel in exchange for support of the Pueblo Conservancy District. The Pueblo Conservancy District sold bonds to pay for the construction required to relocate the rail lines, reroute the River, and build levees along Wildhorse/Dry Creek and the Arkansas River. A Supreme Court case allowed for the District to assess and collect maintenance fees and stated that this is not a tax. The Statute allows the District to look at who receives benefit as well as making the assessments.

June 27, 2012 Minutes, Page 2 of 3

The Appraisal Group has determined that essential community services would be severely impacted without the levee system, even with the construction of Pueblo Dam. These services include those living in the County, as well as the City. A conservancy district has latitude to span multi-county regions. Lytle stated that the Appraisal Group feels that the Pueblo Conservancy District is the most appropriate and cost effective entity to continue the mission of the Pueblo Conservancy District.

The current FEMA flood plain mapping and the existing District boundaries are not the same. The statute looks to who receives benefit so it does not appear necessary to change the District boundaries for who is assessed. The original appraisal only considered benefit to entities within the District. It is a different world today and the statute allows looking at all who receive benefit. A Community Rating afforded by keeping the levees in place and no flood insurance required in Town will have an impact of reducing flood insurance rates charged for properties outside of the levee protected area.

NorthStar has provided plans A, B and C in their proposal for Phase II. Plan C is not feasible from either a time or cost factor. NorthStar proposed scopes of service and fees for A and B. They estimate 90 days (September) for completion of Phase II per their proposals. The fee for Plan B is about \$60,000 more than the fee for Plan A. Banner stated that Plan A would be a forever decision that City and County properties would not be assessed. Plan B will provide the Board information regarding City and County values to then make a decision of how much assessment to City and County properties affects the maintenance fee assessment program. Banner believes that Plan B is the most conservative approach. Willumstad moved to take the decision under advisement and decide by the end of the month. Motion passed.

President's Report-

The City of Pueblo sent a letter requesting support for a Transportation Enhancement Grant. Kidd drafted a letter of support. Willumstad moved authorization for Tapia to sign the letter. Motion passed.

Administrator's Report –

Kidd reported that Earl Wilkinson had notified him that City Storm Water was going to repair the voids under the cross-pan on Corona north of Main. This work has not been done yet. He will contact Wilkinson to find out what their schedule is.

There have been requests from people interested in buying rock from the stockpile that the District has at the Pearl Street Parking Lot. This rock was used to build access for work that was performed the winter of 2011 and the Board had decided to retain ownership for future work. After discussion it was decided to not sell any of the rock at this time.

Kidd is working to get an accurate description of excess lands that the District may consider selling.

The Colorado Division of Parks and Wildlife has installed two gates at the Runyon Lake Parking Lot. Kidd will ask them to provide a set of keys for District maintenance access.

New Business:

None.

Old Business:

Banner provided an executed file copy of the Lake Runyon lease agreement with the Colorado Division of Parks and Wildlife.

Banner said that the Pueblo Conservancy District has been assigned to Judge Alexander. Banner has met with him and gave him a synopsis and update on the Pueblo Conservancy District.

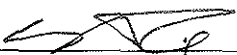
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Other Business:

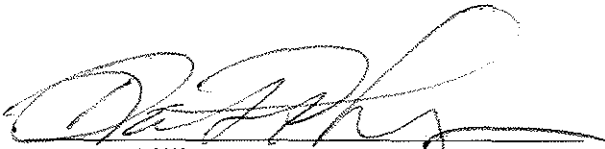
NorthStar Fee Structure – Tapia stated that his expectations of the Phase I report were more than what was provided by NorthStar. His concern is that the values of the City and County and other exempt properties were not defined. Kidd is to try to set up a meeting with the County Assessor and County Treasurer offices on Friday from 3:00 to 5:00.

There being no further business to come before the Board, the business meeting was adjourned at 12:04 pm. Kidd is to set up a special meeting with the Assessor and Treasurer. The next regular meeting date will be July 25, 2012.

APPROVED:


Sean Tapia, President


Paul Willumstad, Treasurer


Donna Phillips, Secretary

THE PUEBLO CONSERVANCY DISTRICT

AGENDA OF
REGULAR MEETING

DATE: JUNE 27, 2012 (WEDNESDAY) AT 10:00 A.M..
PLACE: SOUTHEASTERN COLORADO HERITAGE CENTER,
201 WEST B STREET, PUEBLO, COLORADO

1. ROLL CALL
2. APPROVAL OF THE MAY 23, 2012 REGULAR 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
8. NEW BUSINESS
9. OTHER BUSINESS AS MAY BE BROUGHT BEFORE THE BOARD
10. ADJOURNMENT

2012 SCHEDULED MEETING DATES:

July 25
October 24

August 22
November 28

September 26
December 26

News :
Letter to City
Road sales
Land sales
Booklets

KIDD ENGINEERING AND CONSTRUCTION
MANAGEMENT SERVICES, INC.
44811 EAST US HWY 50
AVONDALE, CO 81022
719-544-5239

Invoice

Date	Invoice #
6/1/2012	2645

Bill To
Pueblo Conservancy District P.O. Box 234 Pueblo, CO 81003

P.O. No.	Terms	Project
	Due on receipt	

Description	Qty	Rate	Amount
May Engineer / Administrator Fee	1	500.00	500.00
<i>\$3927</i> <i>6-27-12</i>			

Thank you for allowing us to serve you.	Total	\$500.00
	Payments/Credits	\$0.00
	Balance Due	\$500.00



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 May 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 five months ended May 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

June 21, 2012

UEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
MAY 31, 2012 AND DECEMBER 31, 2011

	<u>5/31/2012</u>	<u>12/31/2011</u>
ASSETS		
VECTRA BANK CHECKING	\$ 96,926	\$ 151,933
VECTRA BANK MONEY MARKET	11,897	11,895
BROKERAGE MONEY MARKET ACCOUNTS	204,011	115,624
COLOTRUST INVESTMENT	25,000	25,000
WELLS FARGO INVESTMENT	456,427	513,045
STIFEL NICOLAUS INVESTMENT	224,076	256,208
ACCRUED INTEREST	<u>-</u>	<u>3,793</u>
 TOTAL ASSETS	 <u>\$ 1,018,337</u>	 <u>\$ 1,077,498</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 837
PAYROLL TAXES PAYABLE	51	335
DEFERRED INCOME	<u>-</u>	<u>1,042</u>
 TOTAL LIABILITIES	 <u>51</u>	 <u>2,214</u>
 ASSIGNED FUND BALANCE	 204,130	 204,130
UNASSIGNED FUND BALANCE	<u>814,156</u>	<u>871,154</u>
	-	
TOTAL FUND EQUITY	<u>1,018,286</u>	<u>1,075,284</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,018,337</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 FIVE MONTHS ENDED MAY 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	9	-	-	23
WELLS FARGO	1,813	6,922	-	-	26,057
STIFEL NICOLAUS	1,069	3,871	-	-	15,064
UNREALIZED GAINS (LOSSES)	(630)	(369)	-	-	21,969
TOTAL INTEREST INCOME	2,254	10,436	40,000	29,564	63,144
MAINTENANCE FUND ASSESSMENT	-	84	-	(84)	180,092
LEASE PAYMENTS	208	1,042	2,500	1,458	2,500
OTHER INCOME	-	-	-	-	15,132
TOTAL REVENUES	\$ 2,462	\$ 11,562	\$ 42,500	\$ 30,938	\$ 260,868
EXPENDITURES					
80 LEGAL FEES	\$ 400	\$ 2,000	\$ 4,800	\$ 2,800	\$ 17,013
81 DIRECTORS FEES	180	900	2,160	1,260	2,520
82 FICA TAXES	-	-	230	230	193
83 ENGINEER/ADMINISTRATIVE	656	2,156	6,000	3,844	6,688
90 AUDIT & BOOKKEEPING	325	1,400	3,900	2,500	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	-	888	10,000	9,112	4,540
APPRAISAL	-	-	30,000	30,000	-
103 TRAVEL	-	-	-	-	-
105 REPAIRS & MAINTENANCE	1,003	1,003	20,000	18,997	20,316
ARKANSAS RIVER LEVEE REPAIRS	-	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	-	45,000	45,000	-	60,000
113 SALES TAX	-	-	-	-	-
TOTAL EXPENDITURES	2,564	68,559	246,630	178,071	315,372
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (102)	\$ (56,997)	\$ (204,130)	\$ (147,133)	\$ (54,504)

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
5/31/2012

6/21/2012 10:34 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 5/31/2012</u>	<u>INTEREST RECEIVED 5/31/2012</u>
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				11,894.90	2.48	-	-	11,897.38	2.48
STIFEL NICOLAUS	Money Market Account				38,326.34	31,945.23	-	-	70,271.57	1.82
WELLS FARGO	Cash Sweep Account				77,297.91	56,441.74	-	-	133,739.65	4.31
TOTAL CASH ACCOUNTS WITH BROKERS					127,519.15	88,389.45	-	-	215,908.60	8.61
<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	-	(960.96)	-	85,480.20	1,625.00
	GNMA 08-7 PN REMIC MULTICLASS CMO	1/20/2037	4.250%	60,000.00	26,431.66	-	12.46	3,554.57	22,889.55	429.38
	FHLMC 3393 BY REMIC MULTICLASS CPN	11/15/2037	5.500%	94,000.00	106,931.58	-	413.60	-	107,345.18	1,723.32
	FNMA 2008-74B REMIC MULTICLASS CMO	9/25/1938	5.000%	50,000.00	48,212.50	-	(1,383.53)	10,429.42	36,399.55	928.96
	FHLMC 3626 UA REMIC MULTICLASS CMO	9/15/2039	5.000%	50,000.00	27,113.84	-	(170.31)	10,549.73	16,393.80	396.53
	GNMA 10-62 LA REMIC MULTICLASS CMO	1/20/2040	4.500%	50,000.00	15,722.04	-	(127.56)	14,133.05	1,461.43	242.74
	GNMA 10-85 HQ REMIC MULTICLASS CMO	3/20/2040	5.000%	144,000.00	107,620.48	-	(823.31)	17,770.65	89,026.52	2,147.83
	FNMA 10-141 AL REMIC MULTICLASS CMO	12/25/2040	4.000%	90,000.00	94,572.00	-	2,859.30	-	97,431.30	1,500.00
TOTAL WELLS FARGO					513,045.26	-	(180.31)	56,437.42	456,427.53	8,993.76
STIFEL NICOLAUS	FEDL HOME LN MTG CORP #170217	3/1/2017	8.000%	1,120,000.00	1,877.60	-	10.94	193.23	1,695.31	56.61
	GNMA POOL #676875	3/15/2023	6.500%	235,000.00	150,006.43	-	1,034.62	4,218.33	146,822.72	3,672.55
	GNMA POOL #003851	5/20/2036	5.500%	165,000.00	59,256.11	-	(1,567.53)	6,898.39	50,790.19	1,172.69
	GNMA REMIC SER 2010-98	7/20/2039	4.000%	70,000.00	45,067.27	-	333.59	20,633.46	24,767.40	688.07
TOTAL STIFEL NICOLAUS INVESTMENT					256,207.41	-	(188.38)	31,943.41	224,075.62	5,589.92
TOTAL INVESTMENTS					794,252.67	-	(368.69)	88,380.83	705,503.15	14,588.37
TOTAL ALL ACCOUNTS					921,771.82	88,389.45	(368.69)	88,380.83	921,411.75	14,596.98

PUEBLO CONSERVANCY DISTRICT

MAY 2012 - JUNE 2012

RECEIPTS

VENDOR	ITEM	AMOUNT
First Clearing, LLC	Interest Payment	\$ 510.82
First Clearing, LLC	Interest Payment	\$ 480.12
First Clearing, LLC	Interest Payment	\$ 783.04
Stifel Nicolaus	Interest	\$ 1,042.95
		\$ 2,816.93

DEBITS

VENDOR	ITEM	AMOUNT	CHECK	CODE
Aquila	Electrical Billing	Pre-paid		105
MBDG, PC	Bookkeeping	\$ 325.00	3925	90
Don Banner - B&B, PC	Attorney Fees	\$ 400.00	3926	80
	Filing Fee	\$ 12.00	"	96
Kidd Engineering	Engineer/Admin Fees	\$ 500.00	3927	83
Paul Willumstad	Director Fees	\$ 56.61	3928	81
Sean Tapia	Director Fees	\$ 56.61	3929	81
Donna Phillips	Director Fees	\$ 56.61	3930	81
Chem-Way Lawn Care	Weed Spraying and Levee Sterilant	\$ 988.31	3931	105
Postmaster	12 Month PO Box Rental	\$ 136.00	3932	96
NorthStar Engineering	Appraisal Assessment Phase I	\$ 54,085.00	3933	100
		\$ 56,616.14		



111 E. 5th Street
Pueblo, Colorado 81003

David M. Stravia, P.L.S.

(719) 544-6823
(719) 544-6825 Fax

Kim K. Kock, P.E.

Invoice submitted to:

DATE: June 25, 2012

Pueblo Conservancy District
C/O Kidd Engineering
1001 East Evans Avenue
Pueblo, CO 81004

INVOICE: 21994

NORTHSTAR: 12 008 00

For Professional services for the period of April 12, 2012 through June 27, 2012

Re: Pueblo Conservancy District Assessment Project – Phase I Preliminary Services

Principal/P.E.:	49.0 Hrs. @ \$140.00 =	\$6,860.00
Principal/P.L.S.:	12.0 Hrs. @ \$140.00 =	\$1,680.00
Project Manager/P.E.:	70.0 Hrs. @ \$110.00 =	\$7,700.00
G.I.S. Technician:	46.0 Hrs. @ \$75.00 =	\$3,450.00
Certified General Appraiser:		
	81.0 Hrs. @ \$125.00 =	\$10,125.00
Certified Residential Appraiser:		
	90.0 Hrs. @ \$105.00 =	\$9,450.00
Attorney:	41.0 Hrs. @ \$205.00 =	\$8,405.00
Legal Assistant:	10.0 Hrs. @ \$90.00 =	\$900.00
Certified Public Accountant:		
	19.0 Hrs. @ \$185.00 =	\$3,515.00
Accountant:	4.0 Hrs. @ \$100.00 =	\$400.00

For professional services rendered \$52,485.00

Reimbursable Expenses: Bluelines/Blacklines	\$384.00	
Color Bond	\$642.00	
Xerox Copies	\$376.00	
Color Copies	<u>\$198.00</u>	
	\$1,600.00	<u>\$1,600.00</u>

TOTAL DUE THIS INVOICE

\$54,085.00

THE PUEBLO CONSERVANCY DISTRICT

P.O. BOX 234, PUEBLO, CO 81002

BOARD OF DIRECTORS:

SEAN TAPIA, PRESIDENT
PAUL WILLUMSTAD, TREASURER
DONNA PHILLIPS, SECRETARY

ADMINISTRATOR / ENGINEER:

RICK KIDD, PE
(719)544-5239

June 27, 2012

Steven Meier
Principal Planner
City of Pueblo
Planning and Community Development
211 East D Street
Pueblo, CO 81004

Subject: Transportation Enhancement Grant Application
Arkansas River Trail Upgrade and Safety Improvement Project,
Phase 4

Dear Mr. Meier:

The Pueblo Conservancy District Board of Directors authorized a letter of support for this River Trail project. The development of recreational opportunities along the River is one of the missions of the Pueblo Conservancy District. This project builds on work that has been completed through the Legacy Project and Fishing Is Fun projects. Through this project, access and safety will be improved and erosion along the bluff will be reduced. The erosion control will reduce maintenance costs and improve the Arkansas River water quality.

The Pueblo Conservancy District is responsible for maintenance and improvements of the Wildhorse/Dry Creek and Arkansas River levees, and the River floodway from Pueblo Dam to the east Pueblo County line. Recreational development within this floodway and levee system may affect flow velocity, flow depths, erosion patterns, and maintenance access. Therefore, we request that we have the opportunity to participate in project design meetings and plan development reviews. Please contact our Administrator, Rick Kidd, to keep him updated on the status of the application approval process and the subsequent design work.

Please let us know if there is anything more that you would like for the District to do in support of this proposed project. I invite you to come back and make a presentation to the Board when plans are near completion.

Sincerely,

Sean Tapia
President



Planning & Community Development
Jerry M. Pacheco, Director

211 East D Street | Pueblo, Colorado 81003 | Tel 719-553-2259 | Fax 719-553-2359 | TTY 719-553-2611 | www.pueblo.us

June 22, 2012

RE: Requesting a Letter of Support for the Arkansas River Trail Upgrade and Safety Improvements Project, Phase 4 Grant Application

The City of Pueblo Department of Planning and Community Development is applying for a \$350,000 Transportation Enhancement Grant, sponsored by the Colorado Department of Transportation. The Arkansas River Trail Upgrade and Safety Improvement Project includes a paved handicap accessible parking lot, turn around/drop off area for trail users, plant native vegetation on the hillsides to control erosion and stormwater quality, and bury overhead electrical lines. This Project is the fourth phase of redevelopment for the 25-year old section of the Arkansas River Trail northwest of Santa Fe Avenue along the south side of the Arkansas River. It is also a continuation of the bike/pedestrian improvements completed in 2011 as part of the 4th Street Bridge Replacement Project. Ultimately the bike/pedestrian trail will connect from the South side of the 4th Street Bridge to the Arkansas River Trail.

The purpose of this Project is to improve the overall appearance of the trail system and make it a safer and more inviting atmosphere where pedestrians and bicyclists feel welcome. A brief letter expressing your organization's support of the Project is greatly appreciated. If you have any questions, please contact me at 553-2252.

Thank you,

Steven Meier
Principal Planner