

**MINUTES OF THE NOVEMBER 28, 2012
REGULAR MEETING
OF THE PUEBLO CONSERVANCY DISTRICT**

Directors Present: Paul Willumstad, Sean Tapia

Also Present: Administrator Rick Kidd, Counselor Don Banner

Guests: Kim Kock, NorthStar Engineering-Appraisal Group
Carla Sikes, City of Pueblo Assistant City Attorney
Quentin Springer, Colorado DPW
Chad Schrivogel, Colorado DPW

With a quorum present, the Pueblo Conservancy District regular board meeting was called to order at 11:19 am.

Lake Runyon, Division of Parks and Wildlife – Quentin Springer requested to be on the agenda to provide an update on Lake Runyon. There are three fishing docks that need repair work. They are hoping to have funding to start some of those repairs soon. They have opened the Lake to non-motorized or electric only boat access. With the Board's permission they shut off the east parking lot. This has helped with the enforcement and control of activities in the area. The City Police Department is kicking people out of the Lake area at night if they are not actively fishing. DPW would like to bring in a "timber axe" to take down some noxious trees and brush to improve the vegetation make-up and visibility around the Lake. This will improve safety and also make enforcement easier. Their crews are going in three times per week to clean up trash. In the future, the DPW would like to pull out some of the debris left over from when this area was a gravel operation, shape slopes, and reseed the areas. They would also like to relocate some of the boulders from the east parking lot area and place them to protect the bathroom and the Lake from the parking lot. Kidd requested them to monitor the overhead lights so that he can request Black Hills Energy to make repairs.

Minutes:

The minutes of the October 24, 2012 regular meeting were reviewed. Banner noted that "Tom Jagger" should be changed to "Bob Jagger". Willumstad moved to approve the minutes. Motion passed.

Treasurer's Report:

The accountant's report for October 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:

\$ 600.00	Black Hills Energy, Lake Runyon Electricity
\$ 325.00	MBD&G, Monthly Accountant fees
\$ 400.00	Banner and Bower, Attorney fees
\$ 500.00	Kidd Engineering, Administrator/Engineer fees
\$ 156.25	Kidd Engineering, 10-29-12 Special Meeting
\$ 56.61	Tapia, Director's Fee
\$ 495.34	Tapia, Board of Appraisers Fee
\$ 56.61	Phillips, Director's Fee
\$ 495.34	Phillips, Board of Appraisers Fee
\$ 56.61	Willumstad, Director's Fee
\$ 495.34	Willumstad, Board of Appraisers Fee
\$10,640.00	NorthStar Engineering, Appraisal Phase III work
\$ 1,350.50	NorthStar Engineering, Reimbursable print and copy costs

November 28, 2012 Minutes, Page 2 of 3

Maintenance Fee Assessment / Appraisal –

Banner reported that he had talked with Tom Mullans, Attorney for the Pueblo West Metro District. He is to advise his Board at executive session during their next Board meeting. Banner has not heard anything from either the County Assessor or Treasurer offices so he assumes that all is okay. We are still scheduled for court on January 9, 2013, at 7:30 am.

Tapia Replacement –

Banner and Tapia talked to Matt Cordova about serving on the District Board. Cordova is interested. Banner was directed to forward Cordova's name as a candidate to Judge Alexander.

President's Report-

The December 13 meeting will be Tapia's last meeting as a member of the Board. He said that he would be available to represent the District at the court hearing on January 9th.

Administrator's Report-

City Stormwater has made repairs at the concrete pan crossing Corona, north of Union Avenue. They pumped 8.5 cubic yards of flowable fill into the void.

Budget-

Kidd presented a draft budget. Banner explained that, due to the additional workload that the Board will have as we move forward he recommends that their fee be increased to \$200 per month. The accountant (MBD&G, PC) requested an increase of \$25, from \$325 to \$350 per month. Banner's and Kidd's fees have not been changed since 2008 and would like a \$100 per month increase, to \$500 and \$600 respectively.

With the Maintenance Fund IGA with the City, their \$25,000 payments should be entered into the budget. There is going to continue to be some work on the appraisal concerning values of non-profit owned properties, court support, etc. It was decided to add \$20,000 for this. The contingency fund was increased from \$5,000 to \$20,000. The HARP IGA contribution reflects making up for the \$15,000 that the Board did not fund in 2012. Funding this was part of the agreement with the City in the negotiations for their payment of maintenance funds dispute.

Old Business:

City of Pueblo Proposal –

Banner reported that the City has agreed to the District's counter proposal. They want to make a \$25,000 payment this year, if the resolution is approved, another \$25,000 in January 2013, and then the balance in 2014. Sikes said that the City wants the District to provide a timeline of the proposed construction work. NorthStar agreed to provide a bar chart schedule.

New Business-

2013 Meeting Dates: It was agreed to hold the first meeting of 2013 at 9:00 am on January 9th. If it looks like the court hearing may take more time this will be moved back as required.

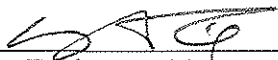
Tapia Replacement: Matt Cordova is to be invited as a guest to the December meeting if Judge Alexander appoints him. He would then be sworn in as a new Director to start serving in January.

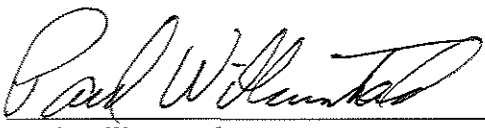
RECORD OF PROCEEDINGS

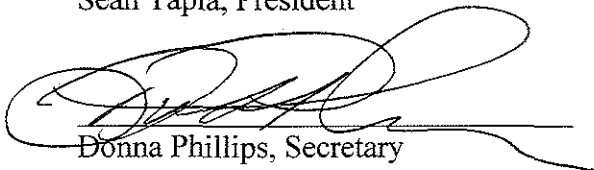
November 28, 2012 Minutes, Page 3 of 3

There being no further business to come before the Board, the business meeting was adjourned at 12:10 pm. The next regular meeting date will be December 13, 2012, at 10:30 am.

APPROVED:


Sean Tapia, President


Paul Willumstad, Treasurer


Donna Phillips, Secretary

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 October 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 ten months ended October 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

November 26, 2012

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

	<u>10/31/2012</u>	<u>12/31/2011</u>
ASSETS		
VECTRA BANK CHECKING	\$ 61,227	\$ 151,933
VECTRA BANK MONEY MARKET	11,900	11,895
BROKERAGE MONEY MARKET ACCOUNTS	100,181	115,624
COLOTRUST INVESTMENT	25,044	25,000
WELLS FARGO INVESTMENT	423,687	513,045
STIFEL NICOLAUS INVESTMENT	270,137	256,208
ACCRUED INTEREST	<u>-</u>	<u>3,793</u>
 TOTAL ASSETS	 <u>\$ 892,176</u>	 <u>\$ 1,077,498</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 837
PAYROLL TAXES PAYABLE	102	335
DEFERRED INCOME	<u>-</u>	<u>1,042</u>
 TOTAL LIABILITIES	 <u>102</u>	 <u>2,214</u>
 ASSIGNED FUND BALANCE	 204,130	 204,130
UNASSIGNED FUND BALANCE	<u>687,944</u>	<u>871,154</u>
	-	
 TOTAL FUND EQUITY	 <u>892,074</u>	 <u>1,075,284</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 892,176</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 TEN MONTHS ENDED OCTOBER 31, 2012
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2011

	ACTUAL				
	CURRENT MONTH	YEAR TO DATE	2012 BUDGET	UNUSED BUDGET	2011 ACTUAL
REVENUES					
INTEREST INCOME					
COLOTRUST	\$ 5	\$ 47	\$ -	\$ -	\$ 31
MONEY MARKET ACCOUNTS	1	19	-	-	23
WELLS FARGO	1,266	15,449	-	-	26,057
STIFEL NICOLAUS	890	8,301	-	-	15,064
UNREALIZED GAINS (LOSSES)	(2,992)	(10,397)	-	-	21,969
TOTAL INTEREST INCOME	(830)	13,419	40,000	26,581	63,144
MAINTENANCE FUND ASSESSMENT	-	84	-	(84)	180,092
LEASE PAYMENTS	-	1,042	2,500	1,458	2,500
OTHER INCOME	-	-	-	-	15,132
TOTAL REVENUES	\$ (830)	\$ 14,545	\$ 42,500	\$ 27,955	\$ 260,868
EXPENDITURES					
80 LEGAL FEES	\$ 400	\$ 4,000	\$ 4,800	\$ 800	\$ 17,013
81 DIRECTORS FEES	180	1,800	2,160	360	2,520
82 FICA TAXES	-	-	230	230	193
83 ENGINEER/ADMINISTRATIVE	500	5,188	6,000	812	6,688
90 AUDIT & BOOKKEEPING	325	3,025	3,900	875	3,600
92 INSURANCE/BONDS	-	2,416	3,200	784	3,056
96 OFFICE EXPENSE	33	422	500	78	904
97 OFFICE RENT	-	840	840	-	915
100 PROFESSIONAL FEES	-	950	10,000	9,050	4,540
APPRAISAL	14,701	119,585	30,000	(89,585)	-
103 TRAVEL	-	-	-	-	-
105 REPAIRS & MAINTENANCE	-	1,615	20,000	18,385	20,316
ARKANSAS RIVER LEVEE REPAIRS	-	5,414	50,000	44,586	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	16,139	197,755	246,630	48,875	315,372
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (16,969)	\$ (183,210)	\$ (204,130)	\$ (20,920)	\$ (54,504)

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
10/31/2012

11/26/201 8 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 10/31/2012</u>	<u>INTEREST RECEIVED 10/31/2012</u>
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				11,894.90	4.97	-	-	11,899.87	4.97
STIFEL NICOLAUS	Money Market Account				38,326.34	84,855.25	-	105,844.99	17,336.60	4.83
WELLS FARGO	Cash Sweep Account				77,297.91	85,546.45	-	80,000.00	82,844.36	9.69
TOTAL CASH ACCOUNTS WITH BROKERS					127,519.15	170,406.67	-	185,844.99	112,080.83	19.49
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00	43.77	-	-	25,043.77	48.46
TOTAL COLOTRUST					25,000.00	43.77	-	-	25,043.77	48.46
WELLS FARGO	FNMA 06-107 PD REMIC MULTICLASS CMO	6/25/2035	5.000%	78,000.00	86,441.16	-	(1,869.66)	-	84,571.50	3,250.00
	GNMA 08-7 PN REMIC MULTICLASS CMO	1/20/2037	4.250%	60,000.00	26,431.66	-	(421.37)	7,369.59	18,640.70	796.99
	FHLMC 3393 BY REMIC MULTICLASS CPN	11/15/2037	5.500%	94,000.00	106,931.58	-	(3,039.02)	-	103,892.56	3,877.47
	FNMA 2008-74B REMIC MULTICLASS CMO	9/25/1938	5.000%	50,000.00	48,212.50	-	(1,951.37)	14,633.51	31,627.62	1,665.63
	FHLMC 3626 UA REMIC MULTICLASS CMO	9/15/2039	5.000%	50,000.00	27,113.84	-	(187.42)	19,741.76	7,184.66	705.73
	GNMA 10-62 LA REMIC MULTICLASS CMO	1/20/2040	4.500%	50,000.00	15,722.04	-	(81.15)	15,595.89	45.00	265.64
	GNMA 10-85 HQ REMIC MULTICLASS CMO	3/20/2040	5.000%	144,000.00	107,620.48	-	(512.58)	28,196.01	78,911.89	3,959.29
	FNMA 10-141 AL REMIC MULTICLASS CMO	12/25/2040	4.000%	90,000.00	94,572.00	-	4,241.70	-	98,813.70	3,000.00
TOTAL WELLS FARGO					513,045.26	-	(3,820.87)	85,536.76	423,687.63	17,520.75
STIFEL NICOLAUS	FEDL HOME LN MTG CORP #170217	3/1/2017	8.000%	1,120,000.00	1,877.60	-	(19.71)	364.57	1,493.32	106.80
	GNMA POOL #676875	3/15/2023	6.500%	235,000.00	150,006.43	-	(2,020.64)	29,098.17	118,887.62	7,169.59
	GNMA POOL #003851	5/20/2036	5.500%	165,000.00	59,256.11	-	(2,440.89)	13,399.86	43,415.36	2,196.94
	GNMA REMIC SER 2010-98	7/20/2039	4.000%	70,000.00	45,067.27	-	145.82	41,745.83	3,467.26	1,035.63
	GNMA POOL #MA0618	8/20/1942	3.500%	95,000.00	105,356.48	-	(2,241.10)	241.99	102,873.39	(488.51)
TOTAL STIFEL NICOLAUS INVESTMENT					361,563.89	-	(6,576.52)	84,850.42	270,136.95	10,020.45
TOTAL INVESTMENTS					899,609.15	43.77	(10,397.39)	170,387.18	718,868.35	27,589.66
TOTAL ALL ACCOUNTS					1,027,128.30	170,450.44	(10,397.39)	356,232.17	830,949.18	27,609.15

PUEBLO CONSERVANCY DISTRICT

OCTOBER 2012 - NOVEMBER 2012

RECEIPTS

VENDOR	ITEM	AMOUNT
First Clearing, LLC	Interest Payment	\$ 466.55
First Clearing, LLC	Interest Payment	\$ 404.64
First Clearing, LLC	Interest Payment	\$ 761.39
		\$ 1,632.58

DEBITS

VENDOR	ITEM	AMOUNT	CHECK	CODE
Black Hills Energy	Electrical Billing	\$ 600.00	3964	105
MBDG, PC	Bookkeeping	\$ 325.00	3965	90
Don Banner - B&B, PC	Attorney Fees	\$ 400.00	3966	80
Kidd Engineering	Engineer/Admin Fees	\$ 500.00	3967	83
	October 29, 2012 Special Meeting	\$ 156.25	"	83
Director Phillips	Director Fees	\$ 56.61	3968	81
	Board of Appraisers Fee @ \$175/day	\$ 495.34	"	100
Director Tapia	Director Fees	\$ 56.61	3969	81
	Board of Appraisers Fee @ \$175/day	\$ 495.34	"	100
Director Willumstad	Director Fees	\$ 56.61	3970	81
	Board of Appraisers Fee @ \$175/day	\$ 495.34	"	100
NorthStar Engineering	Appraisal Phase III Work	\$ 10,640.00	3971	100
	Reimbursable Expenses for printing and copies	\$ 1,350.50	"	100
		\$ 15,627.60		

PUEBLO CONSERVANCY DISTRICT
2013 BUDGET
 PROPOSED AT NOVEMBER 28, 2012 MEETING

	2012 BUDGET	ACTUAL THRU 10/31/2012	2013 BUDGET PROPOSALS
REVENUES			
Interest	\$ 40,000	\$ 23,816.00	\$ 20,000.00
Unrealized Gains	\$ -	\$ (10,397.00)	\$ 339,000
Maintenance Fund Assessment	\$ -	\$ 84.00	\$ 314,000.00
Leases, Books, Other	\$ 2,500	\$ -	\$ -
Other Income	\$ -	\$ 1,042.00	\$ -
Cost of Sales	\$ -	\$ -	\$ -
Total Revenues	\$ 42,500	\$ 14,545.00	\$ 334,000.00
EXPENDITURES			
Legal Fees	\$ 4,800	\$ 4,000.00	\$ 6,000.00
Directors Fees	\$ 2,160	\$ 1,800.00	\$ 7,200.00
FICA Taxes	\$ 230	\$ -	\$ -
Engineer/Administrative	\$ 6,000	\$ 5,188.00	\$ 7,200.00
Audit & Bookkeeping	\$ 3,900	\$ 3,025.00	\$ 4,200.00
Insurance/Bonds	\$ 3,200	\$ 2,416.00	\$ 3,200.00
Office Expense	\$ 500	\$ 422.00	\$ 500.00
Office Rent/Storage	\$ 840	\$ 840.00	\$ 1,000.00
Professional Fees	\$ 10,000	\$ 950.00	\$ 10,000.00
Appraisal	\$ 30,000	\$ 119,585.00	\$ 20,000.00
Travel	\$ -	\$ -	\$ -
Repairs & Maintenance	\$ 20,000	\$ 1,615.00	\$ 20,000.00
Arkansas River Levee Repairs	\$ 50,000	\$ 5,414.00	\$ 250,000.00
Arkansas River Levee Certification Preliminary Work	\$ 25,000	\$ -	\$ 75,000.00
Wildhorse/Dry Creek Levee Design	\$ 20,000	\$ -	\$ 30,000.00
Wildhorse/Dry Creek Levee Construction	\$ -	\$ -	\$ 150,000.00
Contingencies	\$ 5,000	\$ -	\$ 5,000.00
Emergency Repairs	\$ 15,000	\$ 7,500.00	\$ 15,000.00
Capital Improvements	\$ -	\$ -	\$ 5,000.00
Planning & Development	\$ 5,000	\$ -	\$ 5,000.00
HARP -- IGA Contribution	\$ 35,000	\$ 35,000.00	\$ 65,000.00
HARP -- O&M	\$ 10,000	\$ 10,000.00	\$ 10,000.00
Total Expenditures	\$ 246,630	\$ 197,755.00	\$ 669,300.00
Excess of Revenues Over (Under) Expenditures	\$ (204,130)		\$ (335,300)
Beginning Reserve Fund Balance	\$ 1,076,634		\$ 872,504.00
Ending Reserve Fund Balance	\$ 872,504		\$ 537,204

Appraisal Assistance on Main Pk. 25,000

25,000

25,000 1st
25,000 1st

20,000

50,000

PUEBLO CONSERVANCY DISTRICT
2013 BUDGET
 PROPOSED AT NOVEMBER 28, 2012 MEETING

	2012 BUDGET	ACTUAL THRU 10/31/2012	2013 BUDGET PROPOSALS
REVENUES			
Interest	\$ 40,000	\$ 23,816.00	\$ 20,000.00
Unrealized Gains	\$ -	\$ (10,397.00)	
Maintenance Fund Assessment	\$ -	\$ 84.00	\$ 314,000.00
Leases, Books, Other	\$ 2,500	\$ -	\$ -
Other Income	\$ -	\$ 1,042.00	\$ -
Cost of Sales	\$ -	\$ -	\$ -
Total Revenues	\$ 42,500	\$ 14,545.00	\$ 334,000.00
EXPENDITURES			
Legal Fees	\$ 4,800	\$ 4,000.00	\$ 6,000.00
Directors Fees	\$ 2,160	\$ 1,800.00	\$ 7,200.00
FICA Taxes	\$ 230	\$ -	
Engineer/Administrative	\$ 6,000	\$ 5,188.00	\$ 7,200.00
Audit & Bookkeeping	\$ 3,900	\$ 3,025.00	\$ 4,200.00
Insurance/Bonds	\$ 3,200	\$ 2,416.00	\$ 3,200.00
Office Expense	\$ 500	\$ 422.00	\$ 500.00
Office Rent/Storage	\$ 840	\$ 840.00	\$ 1,000.00
Professional Fees	\$ 10,000	\$ 950.00	\$ 10,000.00
Appraisal	\$ 30,000	\$ 119,585.00	\$ ~~20,000.00~~ *
Travel	\$ -	\$ -	\$ -
Repairs & Maintenance	\$ 20,000	\$ 1,615.00	\$ 20,000.00
Arkansas River Levee Repairs	\$ 50,000	\$ 5,414.00	\$ 250,000.00
Arkansas River Levee Certification Preliminary Work	\$ 25,000	\$ -	\$ 75,000.00
Wildhorse/Dry Creek Levee Design	\$ 20,000	\$ -	\$ 30,000.00
Wildhorse/Dry Creek Levee Construction			\$ 150,000.00
Contingencies	\$ 5,000	\$ -	\$ ~~5,000.00~~
Emergency Repairs	\$ 15,000	\$ 7,500.00	\$ 15,000.00
Capital Improvements	\$ -	\$ -	\$ 5,000.00
Planning & Development	\$ 5,000	\$ -	\$ 5,000.00
HARP -- IGA Contribution	\$ 35,000	\$ 35,000.00	\$ ~~65,000.00~~
HARP -- O&M	\$ 10,000	\$ 10,000.00	\$ 10,000.00
Total Expenditures	\$ 246,630	\$ 197,755.00	\$ 669,300.00
Excess of Revenues Over (Under) Expenditures	\$ (204,130)		\$ (335,300)
Beginning Reserve Fund Balance	\$ 1,076,634		\$ 872,504.00
Ending Reserve Fund Balance	\$ 872,504		\$ 537,204

339,000.

500/mo

600/mo

20,000.00

50,000.