

RECORD OF PROCEEDINGS

100 LEAVES

MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE PUEBLO CONSERVANCY DISTRICT APRIL 24, 1979

The meeting of the Board of Directors was called to order by the President at 3:20 P.M. in the Conference Room at the District's Office, 111 E. 5th St., Pueblo, Colorado.

DIRECTORS PRESENT: P. Kelly, K. Farley and G. Sandstrom
ENGINEER PRESENT : R. Koester
ATTORNEY PRESENT : L. Ward

It was moved and carried that the minutes of the March 29, 1979 meeting be approved as read.

The Treasurer's report was read and approved and the Treasurer was instructed to transfer \$11,185.02 from the checking account to the Savings Account at First National Bank, to bring the checking account balance to \$150.00 after payment of the following vouchers:

16450	Midtown National Bank	\$130,000.00
16451	K L H Engineering Consultants, Inc.	430.00
16452	McDonald, Halbig & Associates, CPA	300.00
16453	Kathleen Farley	40.00
16454	Patricia Kelly	40.00
16455	Gus Sandstrom, Jr.	40.00
16456	Predovich & Ward Attorneys	150.00
16457	U. S. Postmaster	15.00

Attached hereto is a letter from McDonald, Halbig, clarifying some past accounting.

It was moved and carried to accept Western Federal's bid for investment of \$100,000.00 in a Certificate of Deposit on May 1, 1979.

Attorney Ward reported on correspondence with FDIC regarding multiple custodians for Certificates of Deposit. (Correspondence attached hereto).

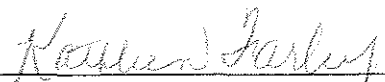
It was moved and carried to award contract for weed control to Chem-Way, as it was determined they had submitted the lowest bid for the work required.

The Directors authorized Engineer Koester to make three copies of the Planning Commission Study and Report on Wild Horse-Dry Creek to be used by the Conservancy Board of Directors. Cost for these copies to be billed to The Pueblo Conservancy District.

It was moved and carried to accept the agreement with the Denver & Rio Grande Railroad Co., to amend the lease of 1973 in South Pueblo, for diesel fuel storage tanks.

A special meeting of the Board will be held at 1:30 P.M., May 3, 1979, in the Conservancy Office to further discuss the Wild Horse-Dry Creek Report.

The next regular meeting was set for May 31, 1979 at 4:00 P.M.


Kathleen Farley, Secretary

TREASURER'S REPORT

Date 4/24/79

Acct. #	Account	1978 Spent	1979 Budget	Current Mo. Voucher	Total @	Unused Portion of Budget
#80	Attorney's Fees	\$ 1,800.	\$ 1,800.	150.	600.	1200.
#81	Director's Fees	1,400.	2,160.	120.	440.	1720.
#83	Engineer-Administrative	4,560.	4,560.	380.	1520.	3040.
#90	Audit Fees	575.	750.	300.	300.	450.
#92	Insurance & Bond Premiums	1,013.	1,100.	---	597.	503.
#96	Office Supplies, Postage	377.	700.	15.	174	526.
#97	Office Rent	600.	600.	50.	200.	400.
#100	Professional Fees	543.	12,000.	---	---	12,000.
#105	Repairs & Maintenance of Flood Protection Works	14,591.	30,000.	---	3,082.	26,918.
#108	Contingencies, unforeseen	000.	5,000.	---	---	5,000
#109	Reserve for emergency flood repairs	000.	36,330.	---	---	36,330.
		\$25,459.	\$95,000.	\$1,015.	\$6,913.	\$88,087.
TOTAL EXPENDED THRU CURRENT MONTH			Midtown CD 130,000.			

Vouchers # 16450 thru # 16457

Amount to be transferred \$ 11,185.02 from checking to Tel Transfer

Deposits 4/2 \$142,200.02

Tel Transfer Balance 4/10 = \$21,445.25 +11,185.02 tfr. on 4/24 = \$32,630.27

Checking Account Balance 4/24 \$150.00

Total CD's \$1,320,000.

cpa

McDonald, Hallig and Associates, Inc.

CERTIFIED PUBLIC ACCOUNTANTS
TELEPHONE 303-543-0516
SUITE 740 THATCHER BUILDING
PUEBLO, COLORADO 81003

April 20, 1979

Mr. Lester L. Ward, Jr.
Predovich, Ward and Banner
727 Thatcher Building
Pueblo, CO 81003

Dear Mr. Ward:

At your request, I have reviewed the 1977 disbursements of The Pueblo Conservancy District to obtain an explanation of the item of expense of \$34,990 entitled "reserve for emergency flood".

The records of the District show the following disbursements in account 105, repairs and maintenance, and related accounts:

Repairs and maintenance (Account 105)	
KLH Engineering	\$ 1,442.50
Pueblo County Treasurer	786.64
Pueblo County Clerk	2.00
	<u>\$ 2,211.14</u>
Anthony Gradishar Construction Co.	
(Account 105A)	39,179.52
KLH Engineering (Account 105B)	1,426.50
Simon F. Elliott, Consulting Engineer	
(Account 105C)	425.00
Chem-Way (Account 105E)	2,300.00
	<u>\$ 43,542.16</u>

These items were reclassified by the auditor for statement purposes as follows:

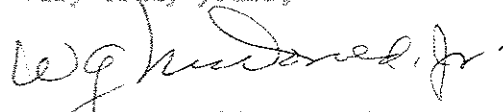
Professional Fees	\$ 1,851.50
Repairs and Maintenance	9,100.66
Reserve for Emergency Flood	34,990.00
	<u>\$ 45,542.16</u>

In addition, repairs and maintenance on the report included \$255.00 of maintenance expense in account 95, principally a \$241.00 payment to Weickers.

Mr. Lester L. Ward, Jr.
April 20, 1979
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It appears that the reclassifications above were more or less arbitrary to make the figures fit budget classifications and that the terminology was poor, but the \$34,500 was actually disbursed and not simply a bookkeeping transfer of funds.

Very truly yours,



W. G. McDonald, Jr., C.P.A.

WGM:jm

cc: The Pueblo Conservancy District

THE PUEBLO CONSERVANCY DISTRICT

BOARD OF DIRECTORS
P. KELLY
K. FARLEY
G. SANDSTROM

111 EAST FIFTH STREET
544-6823
PUEBLO, COLORADO

MAILING ADDRESS:
P. O. BOX 234
PUEBLO, COLO. 81002

April 23, 1979

BID TABULATION - 3:00 P.M.

BIDDER	INTEREST RATE (%)	COMPOUNDED	ANNUAL YIELD (\$)
American Federal Savings	No Bid		
Columbia Savings & Loan Assoc.	9.750	Quarterly	\$10,120.
First National Bank of Pueblo	10.03	Simple	\$10,030.
(3)Majestic Savings & Loan Assoc.	9.714	Daily	\$10,200.
Midland Federal Savings & Loan	9.750	Simple	\$ 9,750.
Midtown National Bank	9.625	Simple	\$ 9,625.
(2)Otero Savings & Loan Assoc.	9.750	Daily	\$10,239.
United Bank of Pueblo	9.520	Simple	\$ 9,520.
(1)Western Federal Savings & Loan	10.00	Quarterly	\$10,381.

APPARENT BEST BID: WESTERN FEDERAL SAVINGS & LOAN

AMOUNT: \$100,000. Certificate of Deposit

TIME : 365 Days - May 1, 1979 to May 1, 1980

PREDOVICH, WARD & BANNER

ATTORNEYS AT LAW

THATCHER BUILDING

PUEBLO, COLORADO 81003

TELEPHONE 544-5081
AREA CODE 303

WALTER J. PREDOVICH
LESTER L. WARD
DONALD J. BANNER

April 13, 1979

Mr. Richard Foreman
Department of Law
Office of the Attorney General
1525 Sherman Street, 3rd Floor
Denver, Colorado 80203

In re: Multiple Custodian Accounts of
Pueblo Conservancy District

Dear Mr. Foreman:

This office represents the Pueblo Conservancy District, a special district of the State of Colorado, organized in 1922 under the Conservancy Law of Colorado, now C.R.S. 1973, 37-1-101 et seq. We were referred to you by Mr. Roy Romer, State Treasurer of Colorado, in connection with the within stated problem.

The District has funds invested in State and Federal banks and savings and loan associations insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings & Loan Insurance Corporation (FSLIC) as applicable. Section 7 of Colorado Senate Bill 249, adopted in 1977, amended Colorado Revised Statutes 1973, 24-75-603(1) to read as follows:

24-75-603. Depositories. (1) It is lawful for the state of Colorado and any of its institutions and agencies...districts, and any other political subdivision of the state...whenever any of the foregoing having funds, and for any bank, savings and loan association...having funds in their possession or custody, respectively, to deposit, or cause to be deposited either by or through the treasurer or such other custodian of funds as may be appointed, such funds so eligible for investment in any state bank, national bank, or state or federal savings and loan association in Colorado... (emphasis supplied)

The District wishes to deposit \$300,000.00 in a particular bank or savings and loan association, insured by either the FDIC or FSLIC as appropriate, and by resolution desires

Mr. Richard Foreman
April 13, 1979
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to designate each of the three members of the District Board as custodian for \$100,000.00 of the total amount. We have requested the opinion of the FDIC and FSLIC as to whether each such account in the respective bank or savings and loan association is insured to the \$100,000.00 limit as authorized by Title 12, U.S.C. Sec. 1728(d)(1) or Sec. 1821(a)(2)(A). We have received an opinion from the FDIC (copy enclosed) that each said account is insured up to \$100,000.00 "provided the District Board has the authority under State law to appoint official custodians for the District funds". We have not as yet received an opinion from the FSLIC but I suspect it will be in the same vein.

Question: Does Colorado law give the District Board the authority to appoint official custodians for the District funds? C.R.S. 37-3-105, concerning the District provides, "...the secretary shall serve also as treasurer of the District unless a treasurer is otherwise provided for by the Board of Directors...". We feel that the reading together of this statute and C.R.S. 24-75-603 referred to above authorizes our conclusion that the Pueblo Conservancy District Board does have the authority under State law to appoint official custodians for the District funds.

We would appreciate the opinion of your office in this matter. If you have any questions please advise. I have a Denver telephone number, 893-3586.

Very truly yours,



LLW/lis

cc: Mr. Roy Romer
Colorado State Treasurer



FEDERAL DEPOSIT INSURANCE CORPORATION, Washington, D.C. 20429

OFFICE OF THE GENERAL COUNSEL

April 9, 1979

Mr. Lester Ward
Predovich, Ward & Banner
Thatcher Building
Pueblo, Colorado 81003

Dear Mr. Ward:

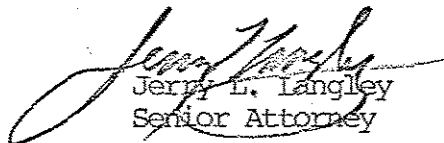
This responds to your recent letter concerning FDIC deposit insurance coverage for public unit funds. You state that in order to deposit \$300,000 of its funds, the Pueblo Conservancy District, which was created under the Conservancy Law of Colorado, wishes to appoint by resolution three custodians to deposit \$100,000 each in the same FDIC-insured bank in Colorado. Regarding this matter, you ask whether each account would be insured up to \$100,000 under 12 U.S.C. § 1821(a) (2) (A).

The provisions of 12 U.S.C. § 1821(a) (2) (A) are implemented by Section 330.8 of FDIC's regulations (12 CFR § 330.8). Under this section, each account would be separately insured up to \$100,000, provided the District Board has the authority under State law to appoint official custodians for the District funds.

Your attention is also called to Section 330.8(b) of FDIC's regulations (12 CFR § 330.8(b)) regarding public bond issues. It states that where funds which are deposited by the custodian are required by law or the bond indenture to be paid to bondholders, each bondholder's interest in the deposit is separately insured up to \$40,000. Accordingly, such a deposit could have insurance coverage exceeding \$100,000.

Please contact me if I can be of further assistance.

Sincerely,


Jerry E. Langley
Senior Attorney

THE PUEBLO CONSERVANCY DISTRICT

BOARD OF DIRECTORS
P. KELLY
K. FARLEY
G. SANDSTROM

111 EAST FIFTH STREET
544-6823
PUEBLO, COLORADO

MAILING ADDRESS:
P. O. BOX 234
PUEBLO, COLO. 81002

MEMORANDUM TO: Directors

FROM : R. Koester, Engineer

REGARDING : Review of Bids for the Weed Control Program

DATE : April 24, 1979

We received bids on April 23, 1979, for the control of deciduous phreatophyte and weed growth control on the District's flood control area and structures through Pueblo for the growing season in 1979.

Two bids were received. Each bidder had reviewed the work to be done, and are considered knowledgeable and competent to perform the control work.

Chemway, Inc.	- \$3,542.00
Valley Chemical & Tree Spraying	- \$4,700.00

The apparent lowest and therefore best bidder, is Chemway, Inc.