



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 October 31, 2013 and December 31, 2012, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the one-month and ten months ended October 31, 2013 and the year ended December 31, 2012. 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 18, 2013

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
OCTOBER 31, 2013 AND DECEMBER 31, 2012

	<u>10/31/2013</u>	<u>12/31/2012</u>
ASSETS		
VECTRA BANK CHECKING	\$ 517,687	\$ 34,500
VECTRA BANK MONEY MARKET	11,906	11,901
BROKERAGE MONEY MARKET ACCOUNTS	244,084	131,441
COLOTRUST INVESTMENT	25,081	25,053
WELLS FARGO INVESTMENT	-	399,085
STIFEL NICOLAUS INVESTMENT	217,343	260,045
MORGAN STANLEY INVESTMENT	631,581	
ACCRUED INTEREST	-	5,116
MAINTENANCE ASSESSMENTS RECEIVABLE	<u>10,204</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 1,657,886</u>	<u>\$ 867,141</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
ACCOUNTS PAYABLE	\$ -	\$ 902
PAYROLL TAXES PAYABLE	<u>459</u>	<u>497</u>
TOTAL LIABILITIES	<u>459</u>	<u>1,399</u>
DEFERRED INFLOWS OF RESOURCES		
MAINTENANCE ASSESSMENTS	<u>10,204</u>	<u>-</u>
ASSIGNED FUND BALANCE	310,851	310,851
UNASSIGNED FUND BALANCE	<u>1,336,372</u>	<u>554,891</u>
TOTAL FUND BALANCE	<u>1,647,223</u>	<u>865,742</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 1,657,886</u>	<u>\$ 867,141</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, 2013
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2012

	ACTUAL				
	CURRENT MONTH	YEAR TO DATE	2013 BUDGET	UNUSED BUDGET	2012 ACTUAL
REVENUES					
INTEREST INCOME					
COLOTRUST	\$ 2	\$ 28	\$ -	\$ -	\$ 56
MONEY MARKET ACCOUNTS	2	21	-	-	21
WELLS FARGO	-	5,575	-	-	21,749
STIFEL NICOLAUS	883	7,425	-	-	12,494
MORGAN STANLEY	1,266	5,967	-	-	
UNREALIZED GAINS (LOSSES)	1,405	(23,395)	-	-	(13,834)
TOTAL INTEREST INCOME	3,558	(4,379)	30,000	34,379	20,486
MAINTENANCE FUND ASSESSMENT	-	881,297	314,000	(567,297)	92
CITY OF PUEBLO MAINT. FUND IGA	-	50,000	50,000	-	-
LEASE PAYMENTS	-	-	-	-	1,042
OTHER INCOME	-	275	-	(275)	-
TOTAL REVENUES	\$ 3,558	\$ 927,193	\$ 394,000	\$ (533,193)	\$ 21,620
EXPENDITURES					
80 LEGAL FEES	\$ 500	\$ 4,911	\$ 6,000	\$ 1,089	\$ 4,800
81 DIRECTORS FEES	600	6,000	7,200	1,200	3,735
82 FICA TAXES	-	-	551	551	286
83 ENGINEER/ADMINISTRATIVE	600	5,807	7,200	1,393	7,219
90 AUDIT & BOOKKEEPING	350	3,920	4,200	280	4,000
92 INSURANCE/BONDS	-	3,328	3,200	(128)	2,416
96 OFFICE EXPENSE	50	1,396	500	(896)	498
97 OFFICE RENT	-	840	1,000	160	840
100 PROFESSIONAL FEES	7,663	7,663	10,000	2,337	950
APPRAISAL	-	24,580	20,000	(4,580)	146,289
103 TRAVEL	-	-	-	-	-
105 REPAIRS & MAINTENANCE	298	12,267	20,000	7,733	2,215
ARKANSAS RIVER LEVEE REPAIRS	-	-	125,000	125,000	5,414
LEVEE CERTIFICATION-PRELIM	-	-	165,000	165,000	-
WILDHORSE/DRY CREEK LEVEE-PRELIM	-	-	15,000	15,000	-
WILDHORSE/DRY CREEK LEVEE DESIGN	-	-	50,000	50,000	-
WILDHORSE/DRY CREEK LEVEE CONSTRU	-	-	150,000	150,000	-
108 CONTINGENCIES	-	-	20,000	20,000	-
109 EMERGENCY REPAIR	-	-	15,000	15,000	7,500
110 CAPITAL IMPROVEMENTS	-	-	5,000	5,000	-
111 PLANNING & DEVELOPMENT	-	-	5,000	5,000	-
112 HARP - O & M / HARP - IGA CNTRB	-	75,000	75,000	-	45,000
113 SALES TAX	-	-	-	-	-
TOTAL EXPENDITURES	10,061	145,712	704,851	559,139	231,162
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (6,503)	\$ 781,481	\$ (310,851)	\$ (1,092,332)	\$ (209,542)

SEE ACCOUNTANTS' COMPILATION REPORT

BROKER	DESCRIPTION	MATURITY DATE	RATE	PAR VALUE	BALANCE 12/31/2012	ADDITIONS	MKT VALUE CHANGE	REDEMPTION SALES	BALANCE 10/31/2013	INTEREST RECEIVED 10/31/2013
CASH ACCOUNTS										
VECTRA BANK	Money Market Account				11,900.86	4.98	-	-	11,905.84	4.98
STIFEL NICOLAUS	Money Market Account				26,568.20	35,234.87	-	-	61,803.07	3.80
WELLS FARGO	Cash Sweep Account				104,872.42	55,167.64	(160,040.06)	-	-	2.40
MORGAN STANLEY	Cash Sweep Account				-	567,212.48	(384,931.21)	-	182,281.27	9.31
TOTAL CASH ACCOUNTS WITH BROKERS										
					143,341.48	657,619.97	(544,971.27)	-	255,990.18	20.49
INVESTMENTS										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,052.96	27.49	-	-	25,080.45	27.49
TOTAL COLOTRUST										
					25,052.96	27.49	-	-	25,080.45	27.49
WELLS FARGO	FNMA 06-107 PD REMIC MULTICLASS CMO	6/25/2035	5.000%	78,000.00	83,811.78	-	(2,738.58)	81,075.20	-	1,950.00
	GNMA 08-7 PN REMIC MULTICLASS CMO	1/20/2037	4.250%	60,000.00	17,329.97	-	(307.12)	17,022.85	-	326.36
	FHLMC 3393 BY REMIC MULTICLASS CPN	11/15/2037	5.500%	94,000.00	98,327.20	-	(2,949.36)	95,377.84	-	2,271.64
	FNMA 2008-74B REMIC MULTICLASS CMO	9/25/1938	5.000%	50,000.00	27,540.49	-	(992.48)	26,548.01	-	649.41
	FHLMC 3626 UA REMIC MULTICLASS CMO	9/15/2039	5.000%	50,000.00	2,900.26	-	2.79	2,903.05	-	33.87
	GNMA 10-85 HQ REMIC MULTICLASS CMO	3/20/2040	5.000%	144,000.00	70,467.43	-	(586.31)	69,881.12	-	1,608.04
	FNMA 10-141 AL REMIC MULTICLASS CMO	12/25/2040	4.000%	90,000.00	98,707.50	-	(3,578.40)	95,129.10	-	1,800.00
TOTAL WELLS FARGO										
					399,084.63	-	(11,149.46)	387,935.17	-	8,639.32
STIFEL NICOLAUS	FEDL HOME LN MTG CORP #170217	3/1/2017	8.000%	1,120,000.00	1,390.86	-	(60.61)	379.40	950.85	76.09
	GNMA POOL #676875	3/15/2023	6.500%	235,000.00	117,339.56	-	(1,352.13)	12,981.04	103,006.39	5,341.95
	GNMA POOL #003851	5/20/2036	5.500%	165,000.00	39,657.77	-	(1,241.85)	12,496.68	25,919.24	1,433.15
	GNMA POOL #MA0318	8/20/1942	3.500%	95,000.00	101,657.02	-	(4,816.64)	9,373.95	87,466.43	2,625.67
TOTAL STIFEL NICOLAUS INVESTMENT										
					260,045.21	-	(7,471.23)	35,231.07	217,342.91	9,476.86
MORGAN STANLEY	FED NATL MTG ASSN	1/15/2014		60,000.00	60,002.73	-	(27.33)	-	59,975.40	-
	TENN VALLEY AUTH	5/1/2016		135,000.00	129,737.92	-	(420.69)	-	129,317.23	-
	FNMA MED TERM NOTE	9/23/2017		100,000.00	95,112.69	-	(228.69)	-	94,884.00	-
	FNMA POOL MA0629	1/1/2021	3.500%	100,000.00	50,008.12	-	(56.89)	2,566.73	47,384.50	138.13
	FNR 2006-107 PD	6/25/1935	5.000%	78,000.00	81,073.20	-	(1,138.01)	28,059.64	51,875.55	1,383.21
	GNMA REMIC TRUST 2010-84 NL	12/20/1936	3.000%	100,000.00	49,819.46	-	(275.94)	3,379.44	46,164.08	120.73
	GNR 2008-7 PN	1/20/1937	4.250%	60,000.00	13,890.54	-	(147.21)	2,544.09	11,199.24	214.46
	FHR 3393 BY	11/15/1937	5.500%	94,000.00	74,544.19	-	(849.88)	17,339.78	56,354.53	1,417.91
	FNR 2008-74 B	9/25/1938	5.500%	53,000.00	21,964.99	-	53.26	3,057.89	18,960.36	425.26
	GNMA 10-85 HQ	3/20/1940	5.000%	144,000.00	46,167.91	-	611.51	24,147.90	22,631.52	767.65
	FNMA REMIC TRUST 2010-141 AL	12/25/1940	4.000%	90,000.00	-	95,129.10	(2,294.10)	-	92,835.00	1,500.00
TOTAL MORGAN STANLEY INVESTMENT										
					-	717,450.85	(4,773.97)	81,095.47	631,581.41	5,967.55
TOTAL INVESTMENTS										
					684,182.80	717,478.34	(23,394.66)	504,261.71	874,004.77	24,111.02
TOTAL ALL ACCOUNTS										
					827,524.28	1,375,098.31	(568,365.93)	504,261.71	1,129,994.95	24,131.51

PUEBLO CONSERVANCY DISTRICT

OCTOBER 2013 - NOVEMBER 2013

RECEIPTS

VENDOR	ITEM	AMOUNT
Stifel Nicolaus	Interest Payment	\$ 872.40
Pueblo County Treasurer	Maintenance Fund Assessment	\$ 13,892.23
Pueblo County Treasurer	Maintenance Fund Assessment	\$ 3,813.65
		\$ 18,578.28

DEBITS

VENDOR	ITEM	AMOUNT	CHECK	CODE
Black Hills Energy	Electrical Billing	\$ 425.00	172	105
MBDG, PC	Bookkeeping	\$ 350.00	173	90
Don Banner - B&B, PC	Attorney Fees	\$ 500.00	174	80
	Mount New Flood Map	\$ 39.31	"	96
Kidd Engineering	Engineer/Admin Fees	\$ 600.00	175	83
	Bustillos and Arkansas Levee Assessment	\$ 187.50	"	100
Director Cordova	Fees	\$ 184.70	176	81
Director Phillips	Fees	\$ 184.70	177	81
Director Willumstad	Fees	\$ 184.70	178	81
Boundaries Unlimited	Bustillos South Boundary Survey	\$ 990.00	179	100
		\$ 3,645.91		

PLUM STREET

N 00° 14' 16" W

FOUND PK
NAIL

480.03 ()
480.00 ()

TYPICAL FENCE

30'

50'

B STREET

N 89° 59' 23" E 3

5.4±

N 90° 00' 00" E

64.00 (D)

1.0±

30'

N 00° 14' 16" W 100.00 (P)

The Northerly
64' of lots
13, 14, 15 & 16,
block 107

0.15 Acre ±

PORCH

HOUSE
605 B ST.

LOT 16

LOT 15

The So.
76' of
13, 14, 15
block 107
611 B

LOT 14

LOT 13

eave

GARAGE

CAR
PORT

4.2±

64.00 (D)

S 90° 00' 00" W

N 00° 14' 16" W 100.00 (P)

2.5±

5.5±

block
retaining
wall outside
property

33'±

TYPICAL FENCE

VICINITY
NOT TO SCALE

**BANNER &
BOWER, P.C.**
ATTORNEYS AT LAW

115 E. RIVERWALK, SUITE 400
P. O. BOX 583
PUEBLO, COLORADO 81002-0583
dbanner@bannerbower.com
PHONE: (719) 544-5086
FAX: (719) 544-2544

DONALD J. BANNER

NOVEMBER 20, 2013

Ms. Josephine Bustillos
605 E. "B" Street
Pueblo, CO 81003

Re: Union Pacific Track/Damage Issue

Dear Ms. Bustillos:

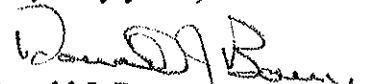
I am the attorney for the Pueblo Conservancy District. Your family has met with the District Directors concerning the problems caused by soil migration from the Union Pacific Track bed adjacent to your property. The District has investigated the issue by sending our engineer to your home, communicating with the City of Pueblo Public Works people, and hiring a professional land surveyor to determine where your property boundary was located with reference to land owned by the Pueblo Conservancy District.

Enclosed please find a copy of my letter of today to the Union Pacific. Attached to the letter is a copy of the survey that was prepared at the District's expense. You will note that your retaining wall is partially located on property owned by the Pueblo Conservancy District and thus constitutes an encroachment into our land.

The Directors of the District are willing to either a) grant to you a license to enter our land for the limited purpose of your repairing or replacing your retaining wall or b) convey by Quit Claim Deed the interest of the District in this land. In either case you will be asked to agree to do any replacement or repair work in a prudent and professional manner and to indemnify the Pueblo Conservancy District from any loss or damage it may suffer as a result of your efforts to rebuild a retaining wall.

Please give this your attention and let us know how you wish to proceed. If you have any questions about this don't hesitate to contact me.

Very truly yours,


Donald J. Banner

C: District Directors

**BANNER &
BOWER, P.C.**
ATTORNEYS AT LAW

115 E. RIVERWALK, SUITE 400
P. O. BOX 583
PUEBLO, COLORADO 81002-0583
dbanner@bannerbower.com
PHONE: (719) 544-5086
FAX: (719) 544-2544

DONALD J. BANNER

NOVEMBER 20, 2013

Union Pacific Railroad Company
Attn: Director – Real Estate
1800 Farnam Street
Omaha, NB 68102

Kelly Abaray
1400 W. 52nd Ave.
Denver, CO 80221

Schia Cloutier
1400 Douglas St.
Omaha, NB 68102

Re: Pueblo, Colorado Track/Damage Issue

Dear Gentlemen:

I am the attorney for the Pueblo Conservancy District. Please refer to the survey that accompanies this letter. Josephine Bustillos owns the property at 605 E. B. Street, Pueblo, CO 81003 upon which is a house, a garage and a carport. Holding the survey with the "Top" at the top of the page, the Union Pacific owns the property adjacent to the left boundary of the Bustillos property, the Plum Street side. The Pueblo Conservancy District owns the land adjacent to the bottom property line of the Bustillos property. As you can see from the survey, an existing block retaining wall encroaches into the Pueblo Conservancy District Property.

Drainage from soil migration from the railroad track bed has caused damage to the Bustillos property. Their block wall fence collapsed and the walls of the carport and garage are severely bowing. To support the existing slope up to the rail bed these walls must be built as retaining walls. The Pueblo Conservancy District was asked by Ms. Bustillos family to investigate the problem and in an effort to cooperate with her, the District paid for a land survey to be obtained.

Our engineer, Rick Kidd, has advised the District that it will not be possible to construct a retaining wall without moving some of the earthen fill that holds up the Union Pacific track. Another option is to excavate the earthen fill and steepen the slope up to the track bed. Mr. Kidd did meet with UP employee Mike Aragon a couple of weeks ago. Mr. Aragon was to make contact with other UP personnel and let Mr. Kidd know what the UP feels is appropriate action and what assistance the UP could provide. Mr. Kidd has not been contacted by any UP personnel since that initial contact with Mr. Aragon. Failure to rectify this problem will result in continuing damage to the Bustillos property. It is the intent of the Pueblo Conservancy District to either grant a license to Ms. Bustillos to enter upon its parcel of land and construct a retaining wall to protect her property or convey the parcel of land to her.

Please note that our Courts have allowed access to the UP Property for maintenance purposes pursuant to the Order of July 6, 2008, a copy of which is attached.

The Pueblo Conservancy District is requesting your cooperation by having your Pueblo Yardmaster or other appropriate personnel of the UP contact our Engineer, Rick Kidd, to determine how to rectify the problem without damage to the track bed of Union Pacific.

If you fail to contact our Engineer, be on notice that a retaining wall may be constructed by Ms. Bustillos, but without your cooperation there may be inadvertent damage to the track bed of Union Pacific.

Mr. Kidd may be contacted at 719-544-5239 (w) or 719-250-1881 (c). His email address is: rickkidd@kiddengineering.com. His mailing address is: 44811 East US Highway 50, Avondale, CO 81022.

Josephine Bustillos intends to commence construction of the retaining wall within the next fifteen days. Please contact Mr. Kidd prior to that time.

I have tried to identify the appropriate UP representative to address this issue. It may be appropriate for you to forward this letter to Mr. Dave Kollars, a Union Pacific employee for Colorado Track. I was not able to identify his correct mailing address.

Very truly yours,


Donald J. Banner

C: Josephine Bustillos

PLUM STREET

N 00° 14' 16" W
480.03
48° 20'

FOUND PK
NAIL

107
TYPICAL FENCE

B STREET

N 89° 59' 23" E 3

RR Property's

Josephina
Bustillos

The Northerly
64' of lots
13, 14, 15 & 16,
block 107

0.15 Acre ±

PORCH

HOUSE
605 B ST.

GARAGE

CAR
PORT

64.00 (D)
S 90° 00' 00" W

block
retaining
wall outside
property

Pueblo
Conservation
District
Property

TYPICAL FENCE

LOT 16

LOT 15

The So
76' of
13, 14, 15
block 1
611 B

LOT 14

LOT 13

VICINITY
NOT TO S



GRANTED

to provide a copy of this Order to any pro se parties who have entered an appearance in this action within 10 days from the date of this order.

C. Dennis Maes

C. Dennis Maes
Chief District Court Judge
DATE OF ORDER INDICATED ON ATTACHMENT

DISTRICT COURT, PUEBLO COUNTY, COLORADO Court address: 320 W. 10th St., Pueblo, CO 81003 Phone number: (719) 583-7125 (information)		FILED Document - District Court 1967CV17664 CO Pueblo County District Court 10th Jd Filing Date: Jul 6 2008 12:12PM MDT Filing ID: 20521646 Review Clerk: N/A
IN THE MATTER OF THE PUEBLO CONSERVANCY DISTRICT.		A COURT USE ONLY A
Donald J. Banner, #3026 Banner & Bower, P.C. Attorneys for the Pueblo Conservancy District 503 N. Main St., Suite 221 Pueblo, CO 81003 (719) 544-5086		Case No. 67 CV 17664 Div. No. B
ORDER ALLOWING ACCESS		

THIS MATTER comes before the Court upon the Motion for Order Allowing Access filed by the Pueblo Conservancy District, and the Court being fully advised that the health, wealth, and safety of the citizens of Pueblo County, Colorado, require that this Court enter its Order allowing access to the Union Pacific Railroad and BNSF property adjacent to the Arkansas River levy in Pueblo County, Colorado for the purpose of inspection and maintenance without the necessity of obtaining a permit from the Union Pacific Railroad Company.

The District Engineer for the Pueblo Conservancy District, members of the Army Corp. of Engineers, and the City of Pueblo involved in inspecting and maintaining the Arkansas River levy, as well as contractors contracted by Pueblo Conservancy District for maintenance and repair work on the Arkansas River levy be and are hereby authorized to access the Arkansas River levy across Union Pacific Railroad and BNSF property without a permit issued by either the Union Pacific or the BNSF.

This Court directs that the Sheriff of Pueblo County, as well as the Chief of Police of the City of Pueblo, advise their respective deputies and officers to honor this Court's Order.

DATED this ____ day of July, 2008.

BY THE COURT

This document constitutes a ruling of the court and should be treated as such.

Court: CO Pueblo County District Court 10th JD

Judge: Dennis Maes

File & Serve

Transaction ID: 20472437

Current Date: Jul 06, 2008

Case Number: 1967CV17664

Case Name: In the matter of: PUEBLO CONSERVANCY et al

/s/ Judge Dennis Maes

PLUM STREET

N 00° 14' 16" W

FOUND PK
NAIL

480.03 (1)
480.00 (F)

TYPICAL FENCE

30'

50'

B STREET

N 89° 59' 23" E

5.4±

N 90° 00' 00" E

64.00 (D)

1.0±

LOT 16

30'

N 00° 14' 16" W 100.00 (P)

The Northerly
64' of lots
13, 14, 15 & 16,
block 107

0.15 Acre ±

PORCH

HOUSE
605 B ST.

LOT 15

The So
76' of
13, 14, 1
block
611 B

LOT 14

N 00° 14' 16" W 100.00 (P)

eave

GARAGE

CAR
PORT

4.2±

64.00 (D)
S 90° 00' 00" W

2.5±

33'±
block
retaining
wall outside
property

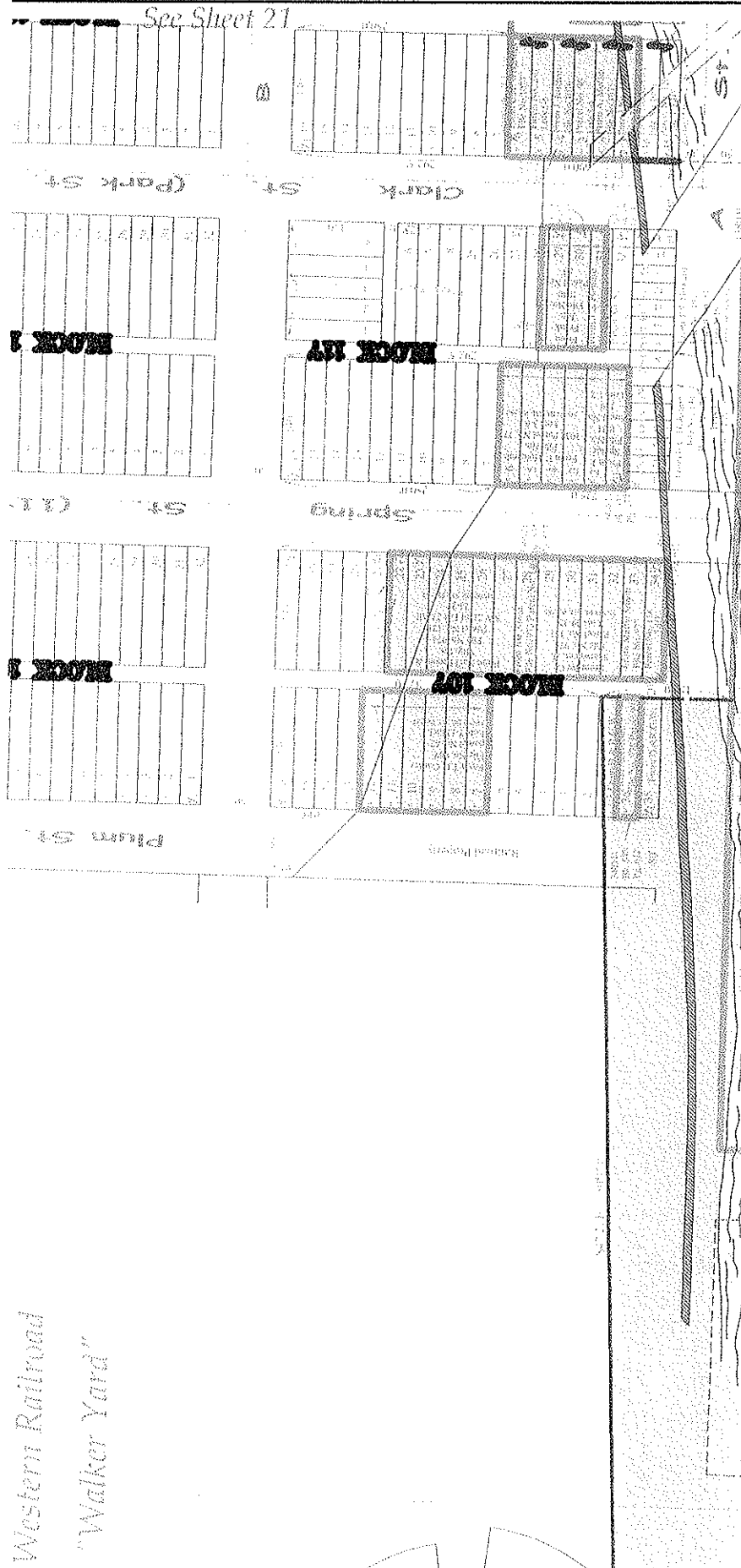
5.5±

TYPICAL FENCE

VICINIT

NET TO C

Western Railroad
"Walker Yard"



215W 10th St, Pueblo CO 81003
719.583.6240 (v) 719.583.6249 (f)

COPY

**DIRECTIONS TO THE TREASURER OF PUEBLO COUNTY FOR
MAINTENANCE FUND ASSESSMENT OF THE
PUEBLO CONSERVANCY DISTRICT**

STATE OF COLORADO)
) ss.
COUNTY OF PUEBLO)

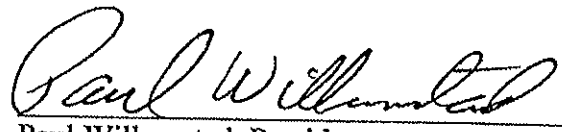
To the Treasurer of Pueblo County, Colorado:

This is to certify that by virtue and under the authority of the conservancy law of Colorado, the Board of Directors of the Pueblo Conservancy District has levied a maintenance fund for the year 2013 payable with real property taxes for 2013 due in 2014 as shown on the maintenance fund assessment record. The undersigned further certify that all of the properties in Pueblo County excluding exempt properties, as shown in Tiers 1, 2 and 3 and State Assessed Properties, are to be assessed.

The amounts of said levies upon the several parcels of land upon which the same are imposed are set forth in the maintenance fund assessment record.


The said assessments set forth in the maintenance fund record shall be collectible and payable the present year in the sums therein specified at the time that the state and county taxes are due and collectible, and you are directed and ordered to demand and collect such assessments at the time that the state and county taxes are due on the same land, and the maintenance fund assessment record to which this certificate is appended shall be your authority to make such collection.

Witness the signature of the president of the District, attested by the signature of its secretary, this 31st day of October, 2013.


Paul Willumstad, President

ATTEST:


Denna Phillips, Secretary

Rec'd 10-31-13 

**PUEBLO CONSERVANCY DISTRICT
2014 BUDGET WORKSHEET**

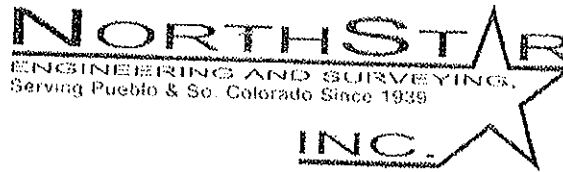
	2013 BUDGET	2013 Actual to 8/31/13	2013 Projected	2014 BUDGET
REVENUES				
Interest	\$ 30,000	\$ 14,623	\$ 21,900	\$ 22,000
Unrealized Gains	\$ -	\$ (28,813)	\$ -	\$ -
Maintenance Fund Assessment	\$ 314,000	\$ 870,308	\$ 870,308	\$ 870,000
City of Pueblo Maintenance Fund IGA	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Leases, Books, Other	\$ -	\$ -	\$ -	\$ -
Other Income	\$ -	\$ 275	\$ 275	\$ -
Cost of Sales	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 394,000	\$ 906,393	\$ 942,483	\$ 942,000
EXPENDITURES				
Legal Fees	\$ 6,000	\$ 3,911	\$ 5,911	\$ 6,000
Directors Fees	\$ 7,200	\$ 4,800	\$ 7,200	\$ 7,200
FICA Taxes	\$ 551	\$ -	\$ 551	\$ 551
Engineer/Administrative	\$ 7,200	\$ 4,607	\$ 7,607	\$ 7,200
Bookkeeping & Audit Preparation	\$ 4,200	\$ 3,220	\$ 4,620	\$ 10,200
Audit				\$ 4,000
Insurance/Bonds	\$ 3,200	\$ 3,328	\$ 3,328	\$ 3,500
Office Expense	\$ 500	\$ 1,346	\$ 2,019	\$ 2,000
Office Rent/Storage	\$ 1,000	\$ 840	\$ 840	\$ 1,000
Professional Fees	\$ 10,000	\$ 22,922	\$ 27,000	\$ 10,000
Appraisal	\$ 20,000	\$ -	\$ -	\$ -
Travel	\$ -	\$ -	\$ -	\$ -
Repairs & Maintenance	\$ 20,000	\$ 11,968	\$ 17,952	\$ 18,000
Maintenance Fund Assessment Programming & Maintenance				\$ 10,000
Contract Administration and Oversight				\$ 15,000
Arkansas River Levee Repairs	\$ 125,000	\$ -	\$ -	\$ 15,000
Arkansas River Levee Certification Preliminary Work	\$ 165,000	\$ -	\$ -	\$ 264,250
Arkansas River Levee Certification Design and/or Construction				\$ 700,000.00
Wildhorse/Dry Creek Levee Design Preliminary Work	\$ 15,000	\$ -	\$ 15,000	\$ -
Wildhorse/Dry Creek Levee Design and/or Construction	\$ 50,000	\$ -	\$ -	\$ 350,000
Wildhorse/Dry Creek Levee Construction	\$ 150,000	\$ -	\$ -	
Contingencies	\$ 20,000	\$ -	\$ -	\$ 20,000
Emergency Repairs	\$ 15,000	\$ -	\$ -	\$ 15,000
Capital Improvements	\$ 5,000	\$ -	\$ -	\$ 5,000
Planning & Development	\$ 5,000	\$ -	\$ -	\$ 5,000
HARP -- IGA Contribution	\$ 65,000	\$ 65,000	\$ 65,000	\$ 50,000
HARP -- O&M	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Total Expenditures	\$ 704,851	\$ 131,942	\$ 167,028	\$ 1,528,901
Excess of Revenues Over (Under) Expenditures	\$ (310,851)	\$ 774,451	\$ 775,455	\$ (586,901)
Beginning Reserve Fund Balance	\$ 873,407	\$ 865,742	\$ 865,742	\$ 865,742
Ending Reserve Fund Balance	\$ 562,556	\$ 1,640,193	\$ 1,641,197	\$ 278,841

PUEBLO CONSERVANCY DISTRICT
CAPITALIZATION POLICY

Whereas the Pueblo Conservancy District is subject to governmental audit requirements for the year ending December 31, 2013 and one section of the audit deals with capital assets. Therefore, the Pueblo Conservancy District board of directors is required to establish a capitalization policy.

Whereas the Pueblo Conservancy District will capitalize purchases and betterments with costs exceeding \$10,000 and useful life of one year. Purchases and betterments not meeting this criteria will be expensed.

Approved this ____ day of _____, 2013



111 E. 5th Street
Pueblo, CO 81003

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

Kim K. Kock, P.E.

JN 12 008 01
Date October 23, 2013

Pueblo Conservancy District
c/o Kidd Engineering, Inc.
1001 East Evans Avenue
Pueblo, CO 81004

Attn: Rick Kidd, P.E.

Re: "As-Constructed" Survey, Visual Conditional Assessment/Evaluation, and Geotechnical Investigations

We are pleased to present this Proposal for performing professional engineering and surveying services with regard to the above referenced project. Please find a list below of the services that are to be provided:

BID SCHEDULE A: "AS-CONSTRUCTED" SURVEY, to include:

1. Levee cross-sections, to 0.1' vertical and 0.05' horizontal accuracy, at 50' maximum intervals (and any changes of alignment or grade) to include the following minimum points: inside toe of levee, water surface elevation (if any) at date of survey, kayak course constructed improvements, existing slope paving construction joint at approximate mid-height of levee, inside top of levee/slope paving, existing improvements at top of levee (i.e. guardrails, in service or abandoned utilities, etc.), outside top of levee/embankment, outside mid-height of levee/embankment, outside toe of levee/embankment, ground surface 20' away from outside toe of levee/embankment, railroad access road edges, and nearest set of railroad tracks. Survey point data shall coincide with cross-section intervals. The 50' cross-section interval will net a minimum of 300 levee cross-sections. Due to levee slopes (approximately 1.5:1 and 40' height), field personnel will need to be "tied off" for any survey work on levee slopes in accordance with OSHA requirements. The survey will also identify and detail any known: levee penetrations (i.e. storm sewers), existing or abandoned utilities (based on locates by others but coordinated by surveyor), levee foundation system elements which can be identified, slope paving panel layouts (including all existing panel construction joint intersections estimated to be at 10' x 25' grid), test hole locations from Task C below (including static water level 24 hours after drilling), etc. All survey data will be included on a "Topographic Survey Drawing" with 1' contour intervals and a maximum horizontal scale of 1" = 100'. Topographic survey will be overlaid on existing City/County aerial mapping and shall be tied to State Plane Coordinates. Cross-sections, at 50' maximum intervals, will also

be plotted as supplemental drawings (horizontal scale 1"=20', vertical scale 1"=10') to the "Topographic Survey Drawing." Surveyor shall develop and maintain, for all Tasks of this Project, a GIS Database into which all survey data and cross-sections are incorporated and retrievable. The Surveyor shall also be responsible for the incorporation of geotechnical information (from Task C) and visual assessment data (from Task B) into the database as attributes. The database shall allow for retrieval of any and all data pertinent to any slope paved levee panel (via panel identification point) or levee cross-section. The Surveyor shall carry minimum Professional Liability (E&O) Insurance of \$1,000,000 and all other standard District required insurance.

TOTAL BID SCHEDULE A: \$72,500.00

BID SCHEDULE B: VISUAL CONDITIONAL ASSESSMENT/EVALUATION, to include:

1. The existing wet side of the levee is approximately 40' deep and is surfaced with concrete slope paving with a construction joint at center height (approximately) and longitudinal joint spacing approximately equivalent to one half panel height. Based on the existing slope of the levee, the existing slope paving panels are approximately 10.5' x 25'. Based on the 2.8 mile levee length and a two panel height, there are approximately 2820 panels to visually evaluate. Each existing slope paved panel of the wet side of the levee will be locationally tied to the "Topographic Survey" and GIS Database of Task A above. Each panel will be visually evaluated for cracking, spalling, settlement, buckling, undercutting, water intrusion, foundation conditions, pile cap conditions, etc. The condition of each panel, and photos thereof, will be documented in Tables supporting the "Topographic Survey" and GIS Database. All personnel will need to be "tied off" per OSHA requirements for safety during this levee evaluation process due to levee slopes and height. The final deliverables of this Task, in conjunction with Tasks A and C, will allow the District to more accurately estimate Levee Improvement Costs which have been estimated in a preliminary manner only in the "Pueblo Conservancy District Assessment Project – Phase II- Development of Assessment" Report dated September 25, 2012. This information will also provide the basis for Final Design of Levee Improvements and for the Final Certification of the Levees process in accordance with FEMA 65.10. The Consultant for this Task shall carry minimum Professional Liability (E&O) Insurance of \$1,000,000 and all other standard District required insurance.

TOTAL BID SCHEDULE B: \$53,000.00

BID SCHEDULE C: GEOTECHNICAL INVESTIGATIONS, to include:

1. Drill and log test holes at 500' intervals along the top of the levee with a portable, narrow wheel base (less than 5') drill rig "lifted" into place at not less than five access points by a crane. Consultant shall be responsible for all traffic control plans and devices at all access/lifting points. Depth of the test holes will be the maximum achievable by the portable drill rig but not less than the overall levee height. "Companion" test holes will also be drilled, to a depth not less than 25', and logged at the outside toe of the levee using the same 500' spacing with a conventional drill rig. Samples from borings shall occur at 2.5' intervals through fill areas, at 5' intervals in natural soils and at noted changes in soil type. All boring logs and supporting tests and analysis shall be formatted in a manner suitable for incorporation into the Project GIS Database as identified in Task A. The Consultant for this Task shall carry minimum Professional Liability (E&O) Insurance of \$2,000,000 and all other standard District required insurance. Geotechnical consultant shall be responsible for utility locates prior to drilling. If significantly varying soils conditions are encountered between the test holes of this Task, and the Consultant and the District Engineer deem additional test holes are necessary, the cost for those additional holes shall be as bid in Task C-4 below. \$80,000.00
2. Lab testing and analysis of samples taken from each of the test holes. Testing shall be sufficient to allow for slope stability evaluation and shall include evaluation of strength and seepage properties of embankment and foundation materials. Proctor moisture/density relationships shall be prepared to compare in-place densities of the embankment fills. Classification tests shall also be conducted. \$25,000.00
3. Final Report preparation including construction recommendations for Levee Improvements to include stability analysis and seepage considerations, their impact on performance of the levee and methods to enhance overall stability as appropriate. \$20,000.00
4. Allowance for intermediate test holes, with all required testing and analysis, referenced in Task C-1 above:
 - a. At top of levee with portable drill rig:

5 each @ \$175.00	=	\$8,750.00
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 - b. At outside toe of levee:

5 each @ \$1,000.00	=	\$5,000.00
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TOTAL BID SCHEDULE C: **\$138,750.00**

TOTAL BID SCHEDULES A, B, and C: **\$264,250.00**

We will perform the above listed services on a Fixed Fee Rate basis. Our fees for providing these services will be as shown above. Any item or service not specifically listed in the scope of services given above is not included in this contract. Any extra services which may be required

to complete the job will be billed per our current time and material rates. Any extra work that is required by NorthStar or by the client to complete the project shall be in writing, acknowledged and made a portion of the Agreement.

Please note that any City, County, utility company, or title company fees are the responsibility of the client and are not included in this budget. Also, all direct reimbursable expenses incurred in performance of this project will be invoiced at cost plus ten percent.

Our company policy is to send an invoice to the address listed above no later than the 1st day of every month; payment is due on receipt of invoice and to be received no later than the 25th day of that month. Should you require a different submittal date, please so advise. Payment not received by NorthStar by the 25th will cause all work to stop on the project, and an assessment of two percent monthly.

NorthStar agrees to assign to the District all intellectual property rights in all data gathered, analysis made and work product of Providers concerning this project.

NorthStar agrees that the District may use as the District deems necessary or desirable all information provided to the District by NorthStar which shall become the exclusive property of the District.

This Contract however shall not be construed to give to NorthStar any right beyond the rights set forth in this Contract and should District choose to use third parties for additional services relative to completing the project, the District shall have the right to do so.

NorthStar agrees to comply with all applicable local, State and Federal laws concerning NorthStar's services to Conservancy.

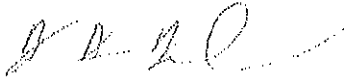
This Agreement may not be assigned by NorthStar without the written consent of Conservancy.

In the event the client wishes to terminate the services of NorthStar, the client shall pay NorthStar time and materials rates up to the date of termination.

NorthStar and the District each agree to indemnify and hold the others harmless, and their respective officers, employees, agents, and representatives from and against liability for all claims, losses, damages, and expenses, including reasonable attorneys' fees, to the extent such claims, losses, damages, or expenses are caused by the indemnifying party's negligent acts, errors, or omissions.

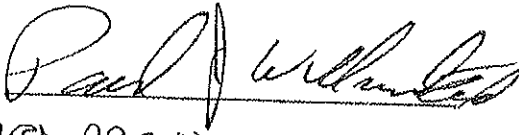
Please review this proposal carefully, for it represents a binding contract when signed. If this proposal is acceptable, please have a duly authorized representative sign on the space provided below and return the original to us as notice of authorization to proceed. We appreciate the opportunity to be of service to you.

NorthStar Engineering and Surveying, Inc.



Kim K. Kock, P.E.
President

Accepted By:



Title: BOARD PRESIDENT

Date: 11-20-2013

Report to the Court

From: "Donald J. Banner" <dbanner@comcast.net>
To: Matt Cordova , "Donna F. Phillips" , Paul Willumstad
Cc: RKidd <rickkidd@kiddengineering.com>
Subject: Report to the Court
Date: Nov 14, 2013 8:21 AM
Attachments: [11.13.13 Report to Court_20131113114743.pdf](#)

I had a nice discussion with Judge Alexander. He asked me to file a Report on the issues we discussed. Attached is that report. He was very appreciative of the conversation and the report. On the surety bond issue, he said he would be open to a recommendation from the Board as to whether or not one was needed and if so, from whom.

On the issue of legislative change, he thought our approach of not spending any money on the issue was appropriate. He said he very much appreciated our inviting non-voting representatives from the City, County, PW and CC Metro Districts to the Board meetings.

In researching the statute again, I noted that the Board sets compensation, even for itself. I mentioned to the judge that I thought it would be appropriate for the Board to be compensated more in 2014 since more time would be spent on Board matters. He thought it would be appropriate. I mention this because I think if changes are to be made they should be made in the upcoming budget.

I sent this report through the Court system to Mullans, the attorney of record for PW Metro Dist.

Don