

SPECIAL MEETING OF THE BOARD OF DIRECTORS OF  
PLUM CREEK METROPOLITAN DISTRICT, HELD AT 331 PLAYERS CLUB DRIVE,  
CASTLE ROCK, COLORADO, ON OCTOBER 26, 2004, AT 10:00 A.M.

The following members of the Board of Directors were present: Paul Bombalicky, Peter Rinehart, Michael DiBlasi, Mike Der Manuel, and David Littler. Also present were: James Folkestad and Adriana Miller.

Mr. Bombalicky determined that a quorum of Directors was present.

**Conflict Disclosure**

The Board noted that disclosures of potential conflict of interest statements for all Directors required to file such disclosures pursuant to law are on file, and that the statements were filed at least 72 hours prior to the meeting in accordance with Colorado statutes.

**Approval of Minutes of the August 25, 2004 Meeting.**

Upon a motion made by Mr. Bombalicky, seconded by Mr. Der Manuel, the minutes of the August 25, 2004 meeting were approved. Motion passed unanimously 5 – 0.

**Old Business**

**Web site.**

Mr. Littler reported to the Board that the Town of Castle Rock added a link to the District web site from the Town of Castle Rock web site.

Ms. Miller reported there were 39 hits recorded between end of August (when a new web counter was added) and October 25, 2004. The current web counter specifies the source of hits as well as referrals. Most of the referrals came from the Town of Castle Rock web site.

Mr. Littler suggested that it would be beneficial to post items relevant to the Plum Creek area from the Town of Castle Rock web site on the District's web site as well. He noted that this would duplicate information, but it would help people visiting the District web site to obtain relevant information faster because the Town's web site contains almost too much information. Ms. Miller will contact Ms. Kramer and report to the Board on associated costs.

**New Business**

**Consideration of 2005 Budget.**

**Balance Sheet:**

Mr. Kevin Collins presented a Combined Balance Sheet as of September 30, 2004 to the Board. Mr. Rinehart stated that Developer Receivable under Current Assets (page no. 1 of the Combined

Balance Sheet) should be 0 instead of \$3,604.00. Mr. Collins will make a revision.

Mr. Collins noted that the property taxes collection of 95.5% is slightly behind last year's collection. He explained that this may have been due to the county awarding refunds or abatements.

Budget Sheet:

Mr. Collins reported no change in the total of 25 mill levy to be collected in 2005 for the General Fund and Debt Service Fund. He suggested that the year 2006 as a reappraisal year would allow better adjustment of mill levy if the District wishes to decrease mill levy. The District decreased a levy of 34.779 mills in 2003 to 25 mills in 2004. He reported that the District has a one-year reserve in the General Fund and a similar reserve of one year would be beneficial for the Debt Service Fund as well.

Mr. Bombalicky noted that Debt Service Fund has an Ending Fund Balance of \$132,090, and inquired if the District could decrease the proposed 25 mills to 23 mills. Mr. Collins stated that in case tax collections from the County are behind, the District needs to have sufficient funds available by the end of the year 2005 to cover the District's bond payment of \$60,000 (approximate) due June 1, 2006.

The Board discussed a decrease of the mill levy. One mill equals approximately \$14,000. Mr. Littler suggested a decrease of 1 mill instead of 2 mills.

Other new business.

RS Wells:

Mr. Folkestad stated that districts often employ a district manager to manage the district. He stated that the District might want to consider hiring a manager or a professional management company. Mr. Folkestad met with Mr. Brooks, Director of RS Wells, last week. Mr. Folkestad stated that RS Wells focuses on special districts that don't have a full time district manager, and which would accommodate the District regarding how much or how little the District wants them to do.

The Board discussed the availability of funds regarding a proposed management company. Mr. Collins stated the funds currently projected within the General Fund are sufficient for the District to engage RS Wells. He added that the Board can allocate specific funds from the General Fund for management company costs through resolution at the later time.

Adoption of 2005 Budget:

A motion to finalize and adopt the proposed 2005 budget with a decrease of total mill levy from 25mills to 23 mills, and revision to Developer Receivable was made:

Resolution to Adopt 2005 Budget: Upon a motion made by Mr. Bombalicky, seconded by Mr. Der Manuel, the resolution was approved. Motion passed unanimously 5 – 0.

Resolution to Appropriate Sums of Money: Upon a motion made by Mr. Bombalicky, seconded by Mr. Rinehart, the resolution was approved. Motion passed unanimously 5 – 0.

Resolution to Set Mill Levies:

General Fund - 12.528 mills - Upon a motion made by Mr. Bombalicky, seconded by Mr. Littler, the resolution was approved. Motion passed unanimously 5 – 0.

Debt Service - 10.472 mills - Upon a motion made by Mr. Bombalicky, seconded by Mr. Littler, the resolution was approved. Motion passed unanimously 5 – 0.

**Possible Amendments to 2004 Budget.**

Mr. Collins stated that no amendments to 2004 budget were necessary.

**Treasurer's Report.**

Mr. Rinehart reported that Clifton Gunderson absorbed some of his responsibilities. The Douglas County Treasurer's office will start sending property tax revenue checks to the District saving's account per Mr. Rinehart's written request. There have been no major expenses incurred by the District since the last meeting.

**Accounting Services.**

Clifton Gunderson will provide accounting services to the District but will not prepare auditing documents for the District.

The Board raised a concern regarding its ability to pay invoices by Clifton Gunderson on time, due to the Board's approval process. Mr. Collins stated that financial actions will be ratified at the next meeting, and Clifton Gunderson will report to the Board.

A motion was made by Mr. Bombalicky, seconded by Mr. Rinehart, to engage Clifton Gunderson as the District's accountant was approved. Motion passed unanimously 5 – 0.

There being no further business to come before the meeting and upon a motion made by Mr. Bombalicky, seconded by Mr. Der Manuel, the meeting was adjourned. The motion was approved 5-0.

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Paul Bombalicky, President

Attest:

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Peter Rinehart, Secretary