

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
BEEBE DRAW FARMS AUTHORITY
HELD
NOVEMBER 11, 2014**

A regular meeting of the Board of Directors (referred to hereafter as the "Board") of the Beebe Draw Farms Authority (referred to hereafter as the "Authority") was convened on Tuesday, the 11th day of November, 2014, at 6:00 P.M., at the Pelican Lake Ranch Community Info and Sales Center, 16502 Beebe Draw Farms Parkway, Platteville, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Paul "Joe" Knopinski; President (via speakerphone)
Christine Hethcock (via speakerphone)
Douglas Tabor
Linda Cox (alternate D1 Board Member)

Also In Attendance Were:

Lisa A. Johnson and Divena Mortimeyer (via speakerphone for a portion of the meeting); Special District Management Services, Inc.

Elisabeth Cortese, Esq., McGeady Sisneros, P.C. (via speakerphone)

Josh Freeman and Michael Welch; Beebe Draw Farms Metropolitan District No. 1 Board Members

Following discussion, upon motion duly made by President Knopinski, seconded by Director Tabor and, upon vote, unanimously carried the absence of Glen Adkins was excused and the Board acknowledged Linda Cox serving as an alternate for Beebe Draw Farms Metropolitan District No. 1.

**DISCLOSURE OF
POTENTIAL
CONFLICTS OF
INTEREST**

Disclosures of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State.

Ms. Johnson noted that a quorum was present and requested members of the Board disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. It was noted that Directors Hethcock and Knopinski's Disclosure Statements have been filed.

**ADMINISTRATIVE
MATTERS**

Agenda: Ms. Johnson distributed for the Board's review and approval a proposed Agenda for the Authority's regular meeting.

Following discussion, upon motion duly made by President Knopinski, seconded by Director Tabor and, upon vote, unanimously carried, the Agenda was approved.

CONSENT AGENDA

Consent Agenda: The Board considered the following actions:

- Approve Minutes of the October 14, 2014 regular meeting.
- Consider approval of the payment of claims through the period ending November 11, 2014 as follows:

General Fund:	\$ 32,639.84
Infrastructure Fund	\$ 30,053.94
Amenities Fund	\$ <u>12.50</u>
Total:	\$ <u>62,706.38</u>

- Approve unaudited financial statements through the periods ending September 30, 2014.

Following discussion, upon motion duly made by Director Tabor, seconded by Director Cox and, upon vote, unanimously carried, the Board approved the consent agenda.

PUBLIC COMMENTS

Public Comments: No public comment was received.

**FINANCIAL
MATTERS**

SECOND READING:

2014 Budget Amendment Hearing: The President opened the public hearing to consider the Resolution to Amend the 2014 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2014 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the Authority. No written objections were received prior to this public hearing.

There were no comments and the public hearing was closed.

Following review and discussion, the Board determined that a 2014 Budget Amendment was not needed.

2015 Budget Hearing: The President opened the public hearing to consider the proposed 2015 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2015 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the Authority. No written objections were received prior to this public hearing.

No public comments were received and the public hearing was closed.

Ms. Mortimeyer reviewed the estimated 2014 expenditures and proposed 2015 expenditures.

The Board discussed the mill levy and determined that no mill levy will be certified.

Following discussion, the Board considered the adoption of Resolution No. 2014-11-01 to Adopt the 2015 Budget and Appropriate Sums of Money. Upon motion duly made by President Knopinski, seconded by Director Tabor and, upon vote, unanimously carried, Resolution No. 2014-11-01 was adopted, as discussed, and execution of the Certification of Budget was authorized. Ms. Johnson was authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2015. A copy of adopted Resolution No. 2014-1101 is attached to these Minutes and incorporated herein by this reference.

Request from Beebe Draw Farms Metropolitan District Nos. 1 and No. 2 to Increase 2015 Expenditures: The Board reviewed the request from Beebe Draw Farms Metropolitan District Nos. 1 and 2 to increase administrative expenditures in 2015 to allow for one additional meeting in 2015 to conduct public hearings related to the inclusion and exclusion of property.

Following discussion, upon motion duly made by President Knopinski, seconded by Director Tabor and, upon vote, unanimously carried, the Board approved the requests from Beebe Draw Farms Metropolitan District Nos. 1 and 2 to increase administrative expenditures in 2015 to allow for one additional meeting in 2015 to conduct public hearings related to the inclusion and exclusion of property.

DLG-70 Mill Levy Certification Form: The Board considered authorizing the Authority's Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Following discussion, upon motion duly made by Director Tabor, seconded by Director Cox and, upon vote, unanimously carried, the Board authorized the Authority's Accountant to prepare and sign the DLG-70 Mill Levy Certification

form for certification to the Board of County Commissioners and other interested parties.

2014 Audit: The Board reviewed engagement letters from L. Paul Goedecke, P.C. and BKD CPAs & Advisors to perform the 2014 Audit.

Following discussion, upon motion duly made by President Knopinski, seconded by Director Tabor and, upon vote, unanimously carried, the Board approved the engagement of L. Paul Goedecke, P.C. to perform the 2014 Audit, for an amount not to exceed \$5,000.

Consider Approval of a Proposal from Tamarack Consulting for Verification and Documentation of the 2014 Taxable Assessed Valuation Pertaining to Oil and Gas Production: The Board reviewed a proposal from Tamarack Consulting, LLC for Verification and Documentation of the 2014 Taxable Assessed Valuation Pertaining to Oil and Gas Production.

Following discussion, upon motion duly made by President Knopinski, seconded by Director Tabor and, upon vote, unanimously carried, the Board approved the proposal from Tamarack Consulting, LLC for Verification and Documentation of the 2014 Taxable Assessed Valuation Pertaining to Oil and Gas Production for an amount not to exceed \$6,400 and ensure that the last two years are included in the analysis.

LEGAL MATTERS
CONTINUED

FIRST READING:

Term Sheet Related to Leases with Farmers Reservoir and Irrigation Company ("FRICO"): Attorney Cortese discussed the term sheet with the Board. Director Hethcock recommended revisions in several areas of the term sheet. Attorney Cortese will revise the document and transmit to the Board for final approval. Once the Board approves, Attorney Cortese will transmit the term sheet to Mr. Barry Bowman and FRICO for their review and request to schedule a meeting.

SECOND READING:

Discuss and Review Encanca Access Agreement: There was nothing new to report.

OPERATIONS AND
MAINTENANCE

Action Items Status: The Board reviewed the action items status matrix, which is attached hereto and incorporated herein by this reference.

Director Cox discussed the possibility of improving and expanding the RV Storage Facility. The Board discussed forming a committee to work with residents on this. Director Cox will solicit interest from community members.

The Board acknowledged the execution of change orders to the Environmental Design Contract to extend the term to December 31, 2015 with no increase in annual fees.

The Board also acknowledged the execution of a change order to the BioTree contract to update the scope of work and cost for services through 2015.

CAPITAL AMENITIES

Status of New Maintenance Facility: Director Tabor provided an update on the status of the location of the new maintenance facility. Director Tabor, Ms. Deitman and others confirmed with Weld County that the location is within 200 feet of an Anadarko metering shed. Weld County suggested the District contact Anadarko and inquire as to the cost to move the location of the metering shed outside of the setback requirement. Anadarko was contacted and has requested additional information before they can provide a response. Tamarack Consulting was contacted to provide a proposal of cost to provide the information that Anadarko is requesting.

Director Tabor then presented two other options to the location of the new maintenance facility. One option is to pursue a location in the unplatted area. The other option would be to locate the facility on Lot 84.

Director Cox is not in favor of locating the facility on Lot 84. She commented that this location is not aesthetically pleasing and will interfere with the functionality of the new community center and the swimming pool. President Knopinski and Director Hethcock agreed.

Director Tabor will share these comments and direction with Ms. Deitman.

INFRASTRUCTURE

Development of the Front 36 Lots and Associated Infrastructure: Ms. Johnson updated the Board on the project. The project is 100% complete. Mr. Volle continues to work with Fiore and Sons and pending change orders.

Substantial Completion: Substantial completion was provided to Fiore and Sons on October 30, 2014.

Consider Approval of Retainage Pay Application: The Board considered approval of the retainage pay application in the amount of \$29,891.44.

Following discussion, upon motion duly made by President Knopinski, seconded by Director Hethcock and, upon vote, with Directors Hethcock and Knopinski

voting yes and Directors Tabor and Cox supporting, the Board approved the Retainage Pay Application in the total amount of \$29,891.44.

OTHER BUSINESS

32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification for 2014: The Board discussed §32-1-809 C.R.S. reporting requirements and mode of eligible elector notification for 2015.

Following discussion, the Board determined to post the required transparency notice information on the Special District Association's website and the Beebe Draw Farms website.

December Board Meeting: The Board determined to cancel the December 9, 2014 Board Meeting.

ADJOURNMENT

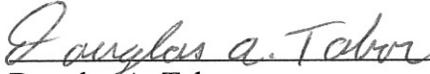
There being no further business to come before the Board at this time, upon motion duly made, seconded, and upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By  _____
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL NOVEMBER 11, 2014 MINUTES OF BEEBE DRAW FARMS AUTHORITY BY THE BOARD OF DIRECTORS SIGNING BELOW:

Paul "Joe" Knopinski



Douglas A. Tabor

Christine Hethcock

Glen Adkins

RESOLUTION NO. 2014 - 11 - __

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE BEEBE DRAW FARMS AUTHORITY
TO ADOPT THE 2015 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Beebe Draw Farms Authority ("Authority") has appointed the Authority Accountant to prepare and submit a proposed 2015 budget to the Board at the proper time; and

WHEREAS, the Authority Accountant has submitted a proposed budget to this Board on or before October 15, 2014, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on *November 11*, 2014, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the Authority; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the Authority has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of the Authority.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Beebe Draw Farms Authority:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Beebe Draw Farms Authority for the 2015 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the Authority to all appropriate agencies and is made a part of the public records of the Authority.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 11 day of November, 2014.



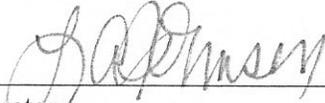
A handwritten signature in cursive script, appearing to read "J. J. Jensen", is written above a horizontal line.

Secretary

(SEAL)

EXHIBIT A
(Budget)

I, Lisa A. Johnson, hereby certify that I am the duly appointed Secretary of the Beebe Draw Farms Authority, and that the foregoing is a true and correct copy of the budget for the budget year 2015, duly adopted at a meeting of the Board of Directors of the Beebe Draw Farms Authority held on *November 11*, 2014.

By:  _____
Secretary

BEEBE DRAW FARMS AUTHORITY

**GENERAL FUND
2015 ADOPTED BUDGET
with 2013 Actual, 2014 Adopted, and 2014 Estimated**

	2013 Actual	2014 Adopted Budget	2014 Estimated	2015 Adopted Budget
BEGINNING FUND BALANCE	390,560	474,103	477,770	495,346
REVENUE				
Fishing Permits	10	-	20	10
Developer Rent	1,383	1,400	1,421	1,500
Pool Fees	4,095	4,600	4,000	4,000
RV Parking Fees	1,420	800	2,000	2,000
Interest	806	500	650	500
Other Income	113	-	2,700	-
Oil and Gas Other Revenue	2,909	-	2,000	-
Transfer From Dist. No. 1	91,502	87,719	87,719	84,671
Transfer from District 2	350,588	349,012	349,012	329,216
Transfer from Infrastructure	-	-	-	-
Transfer from Amenities	30,000	30,000	43,339	30,000
CY accruals for fund balance reservations	-	66,693	-	73,805
Total Revenue	482,825	540,724	492,861	525,703
Total Funds Available	873,385	1,014,827	970,631	1,021,049
EXPENDITURES				
O&M - General and Administrative				
Accounting	21,013	25,000	22,000	23,000
Audit Fees	7,763	8,500	5,700	8,500
Director's Fees	4,400	4,800	4,800	4,800
Payroll Taxes	4,502	3,811	4,000	367
Miscellaneous	7,982	10,000	8,072	5,000
Insurance and Bonds	12,539	13,200	13,193	14,500
Legal Services	25,589	33,600	43,600	35,000
Legal services - Oil and gas	8,567	8,400	8,400	10,000
Statutory Compliance	75	-	-	-
Management	41,624	45,000	42,000	45,000
Facilities Management	1,100	-	-	-
Project Management	18,855	20,000	14,000	14,000
Property Manager	43,971	45,020	45,020	-
Seasonal Help	-	7,200	7,200	-
Property Management Wages	-	-	-	55,000
Engineering	25,335	7,000	-	7,000
Total General and Administrative	223,314	233,031	217,985	222,167

BEEBE DRAW FARMS AUTHORITY
GENERAL FUND
2015 ADOPTED BUDGET
with 2013 Actual, 2014 Adopted, and 2014 Estimated

	2013	2014	2014	2015
	Actual	Adopted Budget	Estimated	Adopted Budget
O&M - Physical Facilities				
Community Center/Gatehouse	5,112	12,000	3,000	7,000
Equestrian Facility	2,251	3,000	2,000	3,000
Ground Lease	2,500	2,500	2,500	2,500
Nature Preserve	-	1,000	1,000	2,500
RV Storage	-	1,000	1,000	1,000
Sport Court	-	1,500	500	1,500
Utilities	27,289	23,000	23,000	23,000
Equestrian Center	111	-	-	-
Total Physical Facilities	37,263	44,000	33,000	40,500
O&M - Aquatic Facilities				
Community Pool	11,091	24,500	14,000	19,500
Floating Docks	-	5,000	-	5,000
Reservoir Lease Rev.	(37,602)	(38,520)	(38,633)	(39,600)
Reservoir Lease	41,780	42,800	42,926	44,000
Lake Christina/Fish Stocking	7,000	9,500	9,500	7,500
Marina	-	500	-	500
Pool and tile repair	-	7,800	10,000	-
Fish habitat enhancement	-	2,000	2,000	2,000
Total Aquatic Facilities	22,269	53,580	39,793	38,900
O&M - Parks and Open Space				
Park/Recreation Facilities	24	-	500	1,000
Landscaping Improvements	-	10,000	-	5,000
Reservoir/Marina	-	1,000	-	-
Signage	500	500	500	500
Play Equipment	-	1,000	-	1,000
Cross Country Riding Course	-	1,000	-	1,000
Landscape Maintenance	20,876	18,500	18,500	18,500
Supplemental mowing	3,565	5,000	5,000	-
Mosquito Control	10,650	10,000	10,000	10,000
Open Space Maintenance	-	1,000	1,000	1,000
Rodent Control	1,858	24,000	21,493	3,100
Weed Control & Insect Control	7,450	14,000	7,000	7,500
Tree Maintenance	-	9,500	9,500	9,500
Total Parks and Open Space	44,924	95,500	73,493	58,100

BEEBE DRAW FARMS AUTHORITY

GENERAL FUND

2015 ADOPTED BUDGET

with 2013 Actual, 2014 Adopted, and 2014 Estimated

2013	2014	2014	2015
Actual	Adopted Budget	Estimated	Adopted Budget

O&M - Roads, Trails and Ditches

Footbridges	-	250	-	-
Riding/Walking Trails/Footbridges	6,000	500	500	750
Nature Trail at Lake Christina	-	5,000	-	5,000
Road Maintenance - Dirt	-	500	500	500
Road Maintenance - Paved	1,488	142,400	8,000	8,000
Signage	160	200	200	200
Total Roads, Trails and Ditches	7,648	148,850	9,200	14,450

O&M - Other Expenses

Other Repairs/Maintenance	3,861	5,000	5,000	5,000
Public Relations / Community Events	-	2,500	-	2,500
Vehicle/Equipment	6,134	3,000	8,000	28,000
Capital Repl. and Res.	-	-	78,000	90,000
Discretionary Funds	7,500	-	1,200	-
Capital Replacement and Reserve Contingency	-	25,000	-	25,000
Discretionary Fund Contingency	-	64,565	-	85,351
Total Other Expenses	17,495	100,065	92,200	235,851

Total O&M Expenditures

352,913	675,026	465,671	609,968
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Transfer to Infrastructure fund - year-end surplus	34,162	-	-	-
Transfer to Amenities fund - year-end surplus	8,540	-	-	-
Emergency Reserve	-	12,932	-	12,281

Other Transfers & Expenditures

42,702	12,932	-	12,281
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Total Expenditures Requiring Appropriation	395,615	687,958	465,671	622,249
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O&M Reserve Fund - Restricted	-	256,333	260,000	290,000
Capital Repair & Replacement Reserve Fund -	-	70,498	131,731	108,800
Discretionary Fund - Restricted	-	-	51,269	-
Undesignated	-	38	-	-

ENDING FUND BALANCE	477,770	326,869	61,960	398,800
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BEEBE DRAW FARMS AUTHORITY
INFRASTRUCTURE PROJECTS FUND
2015 ADOPTED BUDGET
with 2013 Actual, 2014 Adopted, and 2014 Estimated

	2013 Actual	2014 Adopted Budget	2014 Estimated	2015 Adopted Budget
BEGINNING FUND BALANCE	2,917,075	4,521,542	4,677,666	4,135,856
REVENUE				
Interest	7,148	4,000	5,000	-
Water Tap Fees	-	30,000	10,000	-
Transfer from General Fund	34,162	-	-	-
Transfer from Dist. No. 1	290,588	146,771	122,242	159,394
Transfer from Dist. No. 2	1,496,749	894,399	826,948	941,281
Total Revenue	1,828,648	1,075,170	964,190	1,100,675
Total Funds Available	4,745,723	5,596,712	5,641,856	5,236,531
EXPENDITURES				
Infrastructure	25	1,080,000	1,400,000	450,000
Engineering/Planning	68,032	100,000	100,000	250,000
Street Signage	-	6,000	6,000	5,000
Transfer to General Fund	-	-	-	-
Contingency	-	4,410,713	-	4,531,531
Total Infrastructure	68,057	5,596,713	1,506,000	5,236,531
Total Expenditures Requiring Appropriation	68,057	5,596,713	1,506,000	5,236,531
ENDING FUND BALANCE	4,677,666	(1)	4,135,856	-

Note: In 2015, the Infrastructure funds will be used to pave the 14 lots that are partially completed; the paving will complete the lot development for these 14 lots. Infrastructure funds will also be used to begin final platting of 50 to 100 lots out of Filing 2.

BEEBE DRAW FARMS AUTHORITY

AMENITIES PROJECT FUND

2015 ADOPTED BUDGET

with 2013 Actual, 2014 Adopted, and 2014 Estimated

	2013 Actual	2014 Adopted Budget	2014 Estimated	2015 Adopted Budget
BEGINNING FUND BALANCE	782,066	1,042,264	1,190,447	1,252,380
REVENUE				
Interest	1,867	1,200	1,200	-
Transfer from General Fund	8,540	-	-	-
Transfer from Dist. No. 1	72,647	36,693	30,560	39,849
Transfer from Dist. No. 2	374,187	223,600	206,737	235,320
Total Revenue	457,242	261,493	238,497	275,169
Total Funds Available	1,239,308	1,303,757	1,428,944	1,527,549
EXPENDITURES				
Community Center-Land	-	-	60,558	-
Community Center-Legal	-	-	16,006	-
Community Center-Architecture	-	15,000	-	-
Maintenance Facility Construction	-	-	-	650,000
Maintenance Facility - Land	-	15,000	-	-
Maintenance Facility - Legal	-	15,000	15,000	15,000
Maintenance Facility - Engineering	4,156	-	-	-
Maintenance Facility - Architecture	-	5,000	55,000	55,000
Planned Amenities	14,704	1,223,756	-	-
Transfer to General Fund	30,000	30,000	30,000	-
Contingency	-	-	-	807,549
Total Amenities	48,860	1,303,756	176,564	1,527,549
Total Expenditures	48,860	1,303,756	176,564	1,527,549
Total Expenditures Requiring Appropriation	48,860	1,303,756	176,564	1,527,549
ENDING FUND BALANCE	1,190,447	1	1,252,380	-

NOTE: The District is planning on constructing a maintenance facility in 2015. The location of the building is still being determined. Funding for the project will come from the Amenities Fund.