

BEEBE DRAW FARMS METROPOLITAN DISTRICT NO. 2
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A copy of the agenda/meeting packet is available at the Beebe Draw Farms website at beebedrawfarmsauthority.colorado.gov

NOTICE OF SPECIAL MEETING AND AGENDA

DATE: April 1, 2024
TIME: 2:30 p.m.
LOCATION: Microsoft Teams

You can attend the meetings in any of the following ways:

- ACCESS:**
1. To attend via Microsoft Teams Videoconference use the below link:
https://teams.microsoft.com/l/meetup-join/19%3ameeting_OGRjNjgyZTMtM2VhOC00NjQyLTliOWQtNTgxOTVkJWY1Yzg4%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%225b9f6fa2-e9dd-42cc-bfd8-f7dd2ed196a6%22%7d
 2. To attend via telephone, dial 720-547-5281 and enter the following Conference ID: 641 519 500#

<u>Board of Directors</u>	<u>Office</u>	<u>Term Expires</u>
Christine Hethcock	President	May 2025
Diane Mead	Vice President	May 2027
Joe Knopinski	Treasurer	May 2027
Scott Edgar	Secretary	May 2025
Vacant		May 2025

I. ADMINISTRATIVE MATTERS

- A. Present disclosures of potential conflicts of interest.
- B. Call to order, approval of agenda.
- C. Confirm quorum, location of meeting and posting of meeting notices.
- D. Appoint Director to serve on Beebe Draw Farms Authority Board of Directors.

II. PUBLIC COMMENT

Members of the public may express their views to the Board on matters that affect the District that are otherwise not on the agenda. Comments will be limited to three (3) minutes per person.

III. CONSENT AGENDA

These items are considered routine and will be approved and/or ratified by one motion. There will be no separate discussion of these items unless requested by a Board member; in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda.

A. Approval of minutes from February 13, 2024 Special Board Meeting (enclosure).

B. Ratify approval of payment of claims (enclosure).

IV. FINANCIAL MATTERS**V. LEGAL MATTERS****VI. MANAGER MATTERS****VII. OTHER MATTERS****VIII. ADJOURNMENT**

The next regular meeting is scheduled for June 12, 2024 at 6:00 p.m.

**MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
BEEBE DRAW FARMS METROPOLITAN DISTRICT NO. 2
HELD
FEBRUARY 13, 2024**

A special meeting of the Board of Directors (referred to hereafter as the “Board”) of the Beebe Draw Farms Metropolitan District No. 2 (referred to hereafter as the “District”) was convened on Tuesday, the 13th day of February 2024, at 6:00 P.M. This District Board meeting was conducted via Microsoft Teams videoconference and teleconference. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

- Christine Hethcock, President
- Diane Mead, Vice President
- Scott Edgar, Secretary
- Joe Knopinski, Treasurer

Also In Attendance Were:

- Lisa Johnson and Shauna D’Amato; CliftonLarsonAllen, LLP (“CLA”)
- Bill Caldwell, Sharon Dillon, Catrena Rosentreader, Brenda Lewis and Cindy Billinger; Beebe Draw Farms Metropolitan District No. 1 Directors
- MaryAnn McGeady, Esq.; McGeady Becher, P.C.

Members of the Public:

- Jeanette Rummel, Kelly Deitman, Dave and Jo Miller, Ashlee Kazee, Laura Svedman, Jeffrey Heley, Sarah Hoover, Crystal Clark, Kent Lewis, Melanie Briggs, Ed Farrell, and other members of the public.

ADMINISTRATIVE
MATTERS

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 and to the Secretary of State. Attorney McGeady 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 as filed.

Call to Order and Agenda: The meeting was called to order. Following review, upon a motion duly made by Director Knopinski, seconded by Director Mead and, upon vote unanimously carried, the Board approved the agenda.

Quorum, Location of Meeting and Posting of Notices: A quorum was confirmed.

The Board discussed the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District’s Board meeting. The Board determined to conduct the meeting at the above-stated date, time, and location. It was

further noted that notice of the time, date, location and manner of meeting was duly posted and that no objections to the location nor any requests that the meeting place be changed were received from taxpaying electors within the District's boundaries.

Ms. Johnson advised that meeting notices were posted as required.

PUBLIC COMMENT

Sharon Dillon asked if the Board would confirm that Director Edgar is the manager of REI, LLC, and Director Hethcock is no longer the manager of REI, LLC. Director Hethcock confirmed.

Crystal Clark read a prepared statement to the Board, which is attached hereto and incorporated herein by this reference.

Ed Farrell read a prepared statement to the Board, which is attached hereto and incorporated herein by this reference.

Bill Caldwell addressed the Board, requesting future Board meetings to be held with an in-person attendance option. He then reported that he would like to work towards resolution of the land conveyance matter.

Kent Lewis asked Director Knopinski regarding his knowledge of certain aspects of the land conveyance matter.

Brenda Lewis addressed the Board, echoing the comments made by Ms. Clark and Mr. Farrell.

CONSENT AGENDA

The Board considered the following actions under the Consent Agenda:

- Approve the Minutes of the November 8, 2023 Regular Board Meeting; and
- Ratify Approval of Payment of Claims totaling \$30,844.79.

Upon motion duly made by Director Knopinski, seconded by Director Mead and, upon vote unanimously carried, the Board approved the Consent Agenda.

FINANCIAL MATTERS

Public Hearing on Amendment to 2023 Budget: Ms. Johnson opened the public hearing to consider an amendment to the 2023 Budget at 6:23 p.m. Ms. Johnson presented the Budget amendment to the Board.

It was noted that publication of Notice stating that the Board would consider amendment of the 2023 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to the public hearing. Discussion ensued regarding the election costs and other revenue. Ms. Johnson will work with the accountant on providing answers to the questions.

The public hearing was closed at 6:32 p.m.

Following discussion, upon motion duly made by Director Knopinski, seconded by Director Edgar and, upon vote unanimously carried, the Board adopted the Resolution to Amend the 2023 Budget.

LEGAL MATTERS

Executive Session: Pursuant to Sections 24-6-402(4)(a), (b) and (e), C.R.S., upon motion duly made by Director Hethcock, seconded by Director Knopinski and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 6:38 p.m. for the sole purpose of receiving legal advice related to correspondence received by the District from Beebe Draw Farms Metropolitan District No. 1 regarding the conveyance of real property from Beebe Draw Farms Authority to REI, LLC as authorized by Section 24-6-402(4)(b) and (e), C.R.S. Furthermore, pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., no record or electronic recording will be kept of those portions of the executive session that, in the opinion of the Board’s attorney, constitute privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

Upon a motion duly made by Director Knopinski, seconded by Director Mead and, upon vote unanimously carried, the Board reconvened to regular session at 8:43 p.m.

Director Edgar addressed the community, noting that the Board has worked hard in the executive session and there are questions that still need to be answered and some additional research on this topic, therefore he would like to continue this meeting with the goal of producing a response letter to Beebe Draw Farms Metropolitan District No. 1 and Beebe Draw Farms Authority.

While the Board, Attorney McGeady and Ms. Johnson were in executive session, Ms. D’Amato remained in the public open session. The public discussed the following matters:

Ms. Dillon provided an update of the Weld County application process for submitting comments regarding the proposed Filing 2 construction project.

Discussion ensued regarding the ownership and new payment process of the RV storage lots, issues with Teams meeting links, revisiting the Beebe Draw Farms Authority’s Authority Establishment Agreement and possible revision in the future.

There was additional discussion regarding the ownership of the water within Lake Christina and surrounding property, and the possibility of the community seeking outside counsel regarding the legal issues in which the Beebe Draw Farms Metropolitan Districts are currently involved.

MANAGER MATTERS

None.

OTHER MATTERS

None.

ADJOURNMENT

Upon a motion duly made by Director Edgar, seconded by Director Knopinski and, upon vote unanimously carried, the Board determined to continue the meeting to February 21, 2024, at 6:00 p.m. Attorney McGeady explained the structure of the continued meeting, noting that the agenda will be comprised of an executive session and the Board is not expecting to take any action.

Respectfully submitted,

By _____
Secretary for the Meeting

Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing the Beebe Draw Farms Metropolitan District No. 2 Board (the "Board"), I attended the executive session meeting of the Board convened on February 13, 2024, as authorized by Section 24-6-402(4)(b) and (e), C.R.S., for the purpose of discussing correspondence received by the District from Beebe Draw Farms Metropolitan District No. 1 regarding the conveyance of real property from Beebe Draw Farms Authority to REI, LLC. I further attest it is my opinion that all of the executive session discussion constituted a privileged attorney-client communication as provided by Section 24-6-402(4)(b) and (e), C.R.S. and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S.

MaryAnn McGeady, Attorney for the District

Date:

Statement read by Crystal Clark:

According to the Special District Association of Colorado, directors have the fiduciary “duty to exercise the utmost good faith, business sense, and astuteness on behalf of the district” and are “prohibited from taking personal advantage of a situation to benefit” oneself.

Time and time again, Christine Hethcock has proven that she conducts business not in the best interest of the taxpayers, but in her own best interests. She was already sued once by the residents costing the districts and taxpayers a tremendous amount of money in legal costs, only to put the districts and taxpayers in the same situation again.

With the current land transfer issues, Christine was approached to lease the land to FRICO and instead of working out the best deal for the taxpayers. Instead, she took our land, deeded it to her company, without the proper approval, only to turn around and sell her controlling interest to the very ones who were trying to lease the land!

She breached her fiduciary duty, acted in bad faith, and personally profited from her unethical acts.

Therefore, I request that she be recused from the land conveyance issue and step down from the D 2 Board.

While Joe may not have personally profited from the land transfer, he definitely was not acting in the best interests of the taxpayers or districts when approving the land conveyance. Instead, Joe acted in the best interests of Christine/REI.

Due to this, I ask Joe to recuse himself from the land issue and for Scott Edgar and Diane Meade be the D2 reps on the Authority Board for the land conveyance issue.

Fifteen years ago, Christine was sued by the BBD residents and settled by giving them the AEA and the amenity land she had so long ago promised them. This was to ONLY wait eleven years until she found a board that would deed the land back to her.

I believe that we are now at a crossroads with three different paths:

ONE: we can do what Christine did and simply wait until we have just the right board to go after the clouded title, as there is no statute of limitations for the recovery of government property.

Or TWO: We can draw lines in the sand and the Districts and Authority can spend a great deal of taxpayer’s money on legal costs fighting amongst themselves, twisting the definitions and procedures in the AEA to fit each side.

Or THREE: we can determine the fair-market value of the land and lost income and then open communication between the BBDF residents and Scott Edgar, the new REI manager, to negotiate an equitable exchange.

I believe there are creative solutions to navigate this situation that could potentially be beneficial to ALL sides. But first the Districts and Authority Boards MUST all choose to be traveling the same road.

Statement read by Ed Farrell:

I want to let the D2 Board know how disappointed your actions have left me and others. I do not speak for the entire development but can assure you my comments are echoed by many. I have a complete lack of trust in your ability to manage any business decisions related to District 2 and the Authority. This includes the pending Filing 2 actions.

As a result of your actions related to the land transfer I am asking for a Quinquennial review in order to determine what other actions and financial decisions have been made that fall within a conflict of interest. Conflicts related to this land transfer specifically include Wernsman Engineering, who was on the board when this transfer was approved and who has since benefitted greatly, and any other conflicts with the Board with either their ownership percentages or shares in REI that would benefit anyone. Merely Filing a conflict of interest does not relieve that conflict and any D2 or Authority board member with a conflict should be banned from casting a vote.

A Quinquennial review is necessary to insure the tax dollars collected by the county and dispersed to the Authority are being spent on current Filing 1 infrastructure and amenities. The Filing 2 application, engineering contracts and consulting and attorney fees are not funds that should be diverted from the Authority budgets. New Filing costs should be the developers' investments and not from the tax pool derived from Filing 1 residents.

I understand there are insurance policies to protect individuals serving on District and Authority boards from liability. I would be surprised if these policies would apply in situations that were initiated willfully and illegally in accordance with the AEA. In fact, I will support a full investigation with the State Attorney General, and the County District Attorney. I also support filing a claim with the Metropolitan District Homeowners Rights Task Force.

Beebe Draw Farms Metro District 2
Claims Paid
February 8th, 2024 through March 29th, 2024

Process Date	Vendor	Invoice Number	Payment Method	Amount
3/12/2024	CliftonLarsonAllen LLP	L241047518	BILL EFT	\$ 759.58
3/12/2024	McGeady Becher P.C.	1012C DEC23	BILL EFT	1,295.31
3/12/2024	Special District Association	2024 Dues	BILL Check	302.78
3/20/2024	CliftonLarsonAllen LLP	L241063819	BILL EFT	890.40
3/25/2024	CliftonLarsonAllen LLP	L241133355	BILL EFT	4,112.33
3/25/2024	McGeady Becher P.C.	1012C FEB24	BILL EFT	8,647.62
3/25/2024	McGeady Becher P.C.	1012C JAN24	BILL EFT	13,182.89
Grand Total				\$ 29,190.91