

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
SAGE POINTE METROPOLITAN DISTRICT**

HELD

TUESDAY, OCTOBER 7TH, 2025

AT 6:00 P.M. AT CSU NORTHEAST REGIONAL ENGAGEMENT CENTER
304 MAIN STREET, STERLING, CO 80751

The meeting of the Board of Directors of Sage Pointe Metropolitan District (“District”) was called and held as shown above in accordance with the statutes of the State of Colorado.

ATTENDANCE

The following Directors, having confirmed their qualifications to serve on the Board, were in attendance:

Karl Raff

Marianne Harbart

Heather Gage

Sean Gibson

Oryan Taylor

Also, present were:

Colin B. Mielke of Seter, Vander Wall & Mielke, P.C.; Angela Kana-Veydovec of KV Water Engineering; Eliza Fink of RCAC; Jim Yahn Commissioner of Logan County; Nickie Holder of NMHolder Financial, Inc. via Zoom; and members of the public.

CALL TO ORDER

After confirmation of a quorum of the Board present, the meeting of the Board of Directors of the Sage Pointe Metropolitan District was called to order at approximately 6:00 p.m.

DISCLOSURE MATTERS

Mr. Mielke advised the Board that pursuant to Colorado law, certain disclosures by the Board members may be required prior to taking official action at the meeting. The Board reviewed the agenda for the meeting, following which each board member acknowledged their conflicts of interest, stating the fact and summary nature of any matters, as required under Colorado law, to

Permit official action to be taken at the meeting. The board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

APPROVAL OF AGENDA

The Board reviewed the agenda for the meeting and determined to move up a presentation by RCAC to earlier in the meeting. Following discussion, upon a motion duly made, seconded, and unanimously carried, the Board approved the agenda as modified.

APPROVAL OF MINUTES

The Board reviewed the minutes for September 2 & September 15th, 2025, regular and special meetings. After review, and upon motion made, seconded and unanimously carried, the Board approved the minutes as presented.

RCAC

Ms. Fink with RCAC gave a presentation which included information about violations received from the CDPHE for the old SBR plant that resulted in the issuance of a NOV/CDO from the CDPHE. Ms. Fink further discussed the rental of the Cloacina temporary plant to regain compliance with CDPHE regulation and the existing gap funding from First Farm Bank for Cloacina rental costs, a wastewater treatment building, and related engineering costs. Ms. Fink also provided an overview regarding the community's decision to form a Metropolitan District for low-interest loan and grant purposes.

Ms. Fink further discussed activities recommended to facilitate the community's long-term compliance with CDPHE permit requirements, including preparation of a Project Needs Assessment and conveyance of water and wastewater improvements. Ms. Fink expressed RCAC's suggestion that the proper path moving forward is to find short-term funding to cover wastewater treatment rental unit costs.

Ms. Fink also explained the expenses versus revenue, the impacts of the wastewater treatment rental unit cost at nearly \$28,000.00 per month versus the cost of an alternative treatment facility that has redundancy and costs around \$9000.00 per month. Ms. Fink explained the goal of maintaining current compliance achieved through rental of the Cloacina unit, while reducing ongoing operational costs through purchase and operation of a new lower-cost unit. Current expenses range from \$74,000 - \$76,000 and require an increase in the rates to make the District solvent, which is the first step in becoming competitive for State low-interest loans and grants. RCAC recommended utility rates of \$690.00 per month for residential properties and \$1600.00

per month for commercial properties, including the adopt of a mill levy of 75 mills in order to provide a path for solvency for the District.

PUBLIC COMMENT

Upon conclusion of the presentation by RCAC, the Board opened the meeting for public comment.

Marianne and Vernon Harbart gave their resignations to Sage Pointe Metropolitan District and Sage Pointe Homeowners Association and their resignations were accepted. Ms. Harbart discussed the history of wastewater noncompliance by the community and the Board's actions over the past thirteen months to regain compliance and work toward consistent compliance.

Director Gage expressed her opinions as a homeowner, describing the issues the community has experienced with its wastewater system over previous decades, and the activities that the HOA has performed to correct noncompliance issues. Director Gage also discussed the need for further work to achieve permanent compliance with CDPHE regulations and District's plans to seek loans and grants to fund such activities.

Next, the Board heard from multiple homeowners, including Andy Mildenerberger, Johnathan Lichtenwaler, Wyatt Leppke, Steve Wiswell, Jerri Spear, Becky Reyes, Joe Herrera, Lara Fidalgo, Chuck May, Jason Hill, Maria Ruiz, Lori Thompson, Stan Bills, Chuck May, Julie Finley, Jason Sanders, James Thatcher, among others that did not provide their name.

Numerous homeowners expressed their opinions in opposition of the increasing of water and wastewater rates. Numerous other homeowners expressed their support and understanding of the urgency to increase the rates. Several items were discussed during this time including ideas about payment plans, foreclosure concerns, and actions of past HOA boards. A member of the public asked whether Logan County could assist with funding wastewater improvements, to which Logan County Commissioner Jim Yahn expressed his understanding of the community's situation, but the reality that the County does not have money to assist with funding Sage Pointe's wastewater project.

Members of the public and the Board engaged additional dialogue regarding timeframes for completion of wastewater treatment facility upgrades, and the unique issue of maintaining current compliance with the temporary Cloacina facility while seeking a long-term solution to the wastewater treatment compliance issues.

The Board stressed the importance of these activities being a collaborative community effort and to show good faith efforts to establish long-term compliance to the CDPHE. The Board

discussed concerns that failure to attain long-term compliance could result in the State taking over operations of the facilities and charging property owners for any costs associated with operations.

The Board further addressed questions from members of the public regarding the ability to connect to the City of Sterling's wastewater system. While this could be a possibility in the future, the City does not believe it is a feasible alternative in the near future. Ms. Harbart discussed prior research regarding the potential to annex into the City, and the inability of the community to do so. In addition, the cost to install infrastructure from the City to the community will cost a large amount of money that the community cannot currently afford—initial estimates for such installation are approximately \$16 million. The Board will continue to evaluate all potential options for regaining compliance and reducing costs to the community.

Directors Taylor and Raff discussed the importance of working together as a community. Director Raff noted that potential funding offers from a local bank were recently rescinded due to comments made by community members on social media about the community's wastewater situation. Director Raff has been meeting with bank representatives to reestablish funding opportunities. were recently pulled by a local bank, which expressed concerns with The Board also addressed water quality compliance, noting that there is a distinction between drinking water compliance and wastewater compliance. It was confirmed that the drinking water provided to homeowners has consistently met state requirements and regulations for many years. The water is tested frequently and has passed every test required by CDPHE. A member of the public mentioned his prior service on the HOA Board, and noted that the HOA Board relied on the expertise of its prior consultants, and disputed the Board's comments that prior HOA Boards had not properly monitored noncompliance. Another member of the public asked how long the anticipated fee increase would last, with the Board noting that all fees depend on future loans, grants, and finances.

Mr. Sanders addressed the Board regarding his frustration with the time to establish a District website. Mr. Mielke noted that a website is being created by the Statewide Internet Portal Authority (SIPA) and is preferred to a private website because SIPA guarantees the website will comply with ADA and accessibility requirements. It is expected to be established and operational soon.

Additional discussion was held regarding HOA fees, potential grant funding sources, opportunities for volunteer activities, water pressure issues, and the desire by community members for a compliance timeline.

Testimonies that had been submitted before the meeting were provided to the Board and taken into consideration, including testimonies from Jason and Seggan Sanders, Lyennette and James Bohler, Lori Thompson, Lyle Koch, Joe Herrera, and Len Fehringer. Those testimonies are incorporated into these minutes pursuant to the request of those individuals.

After entertaining over two hours of public comments, and there being no further comments from members of the public, the public comment period was closed.

DISCUSSION AND CONSIDERATION

The District Board considered the information that was presented during the meeting, the recommended rate increases from RCAC, water and wastewater system needs identified by the District's engineer and operators, and the input from the community. After review and discussion of all the information, a motion was made to adopt rates of \$690.00 for residential properties and \$1600.00 for commercial properties. Upon second and vote of the Board, the motion passed unanimously.

ADJOURNMENT

There being no further business, Director Raff called for adjournment of the meeting at 9:25 p.m.

/s/ Heather Gage
Secretary of the District