

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

TUESDAY, DECEMBER 2, 2025

AT 6:00 P.M. AT CSU NORTHEAST REGIONAL ENGAGEMENT CENTER
304 MAIN STREET, STERLING, CO 80751 AND VIA VIRTUAL MEETING
PLATFORM

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, we in attendance:

Karl Raff – President

Heather Gage - Secretary

O’Ryan Taylor - Director

Sean Gibson – Director

James Thatcher – Excused Absence

Also, present were:

Colin B. Mielke of Seter, Vander Wall & Mielke, P.C.; Angela Kana-Veydovec of KV Water Engineering; 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. Following discussion, upon a motion duly made, seconded, and unanimously carried, the Board approved the agenda as presented.

APPROVAL OF MINUTES

The Board reviewed the minutes for November 4, 2025, Annual Meeting and November 4 Regular Meeting. After review, and upon motion made, seconded and unanimously carried, the Board approved the minutes presented.

FINANCIAL MATTERS

Ms. Nickie Holder, of NMHolder Inc. presented financial statements for the District. Included in these financial statements were bank reconciliations of the General Fund, Enterprise Fund. Ms. Holder went onto inform the public that the billing for utilities has already been mailed.

Ms. Holder went on to state that not a lot of information is on the Balance Sheet, Profit and Loss Statement because the District only had a month of financial data. Operations have been running smoothly, invoices are being paid. Director Gage has ordered checks and is awaiting a debt card issuance from The Bank of Colorado.

Director Gage asked if the District should charge interest or late payments to those utility consumers that were late on payment. Mr. Mielke of Seter, Vander Wall & Mielke stated that the District could charge both. Mr. Mielke stated that section 29-1-1102 states that up to \$15.00 or 5% monthly per invoice up to 25% of the total invoice. The District would be allowed to charge the late fee once it is at least 5 days past due.

Ms. Holder noted that she has seen that a late/interest fee has incentivized utility users to be more prompt in payment.

Director Gage asked if the Board had to pass a resolution to charge interest and issue a late payment. Mr. Mielke went on to state that we had passed resolutions at the first District meeting. Although, Mr. Mielke stated that a resolution stating the late payment and interest fees would be a very good idea. Director Gage motioned for Mr. Mielke to provide a resolution at the next regular meeting. Mr. Mielke agreed that he would prepare a resolution.

A pay portal was discussed. The Board agreed that the District should use the SIPA portal on the Sage Pointe Metropolitan District's web page. This will make it easier for utility customers to

make payments. There will be a fee for utility customers to use this but many places charge for a credit card payment. The Board asked Ms. Holder to help Mr. Mielke's office set up the payment portal and Ms. Holder stated she would facilitate this for the District.

A motion was made to place add a payment page to the SIPA portal on the sagepointmetro.colorado.gov website, the motion was seconded and unanimously carried.

Engineering and Operations Matters

Presentation given by Ms. Kana-Veydovec

Ms. Kana-Veydovec started her presentation by going over the income brought in by the District in the first full month of operations that was roughly 70%. Based on the District's budget, this is running short of the 80% that was projected. Broken down Accounts Receivable should be \$71,000.00 every month, in November the District revenue fell short of that number by roughly \$20,000.00. Ms. Kana-Veydovec went on to state that it is going to take the entire community to make their monthly payments, shortfalls make the Board dip into reserves, at this ratio the District will be insolvent by March of 2026. If funding is not achieved for the new Cloacina Unit.

Cloacina has been in negotiations with Director Gage and Ms. Kana-Veydovec. Cloacina has agreed to provide a cut in the \$27,900.00 per month rental fee and is allowing billing on an as-used basis. They are charging for how much influent input the temporary plant processes, this is expected to run around \$11,000-\$15,000 per month. They will accept structured payments in the future for the remaining balance of the rental unit. This benefits the District greatly in the short term.

Ms. Kana-Veydovec covered the three options that the District has moving forward. First choice is keeping the rental unit. Which may become the only option if utility payments do not reach 80%. This means that the District will pay for a plant that has not been accepted in the permitting process, in turn it may buy time but ultimately the community would have to spend more money on an alternative. The second choice would purchase the X-unit. This lowers the payment; it can be purchased on a 7–10-year loan and construction costs would also have to be included in this loan. Based on conversations that Director Gage and Ms. Kana-Veydovec had with the CDPHE, permitting, engineering and compliance officers, it seems that the new X-unit would allow Sage Pointe time and phase out the construction time frame and allow the District to keep the same permitting schedules it has now and take those into the future without change. The third option would be to do nothing and wait for CDPHE to start issuing fines. Those fine are expected to be in a range that the community would be unable to afford.

Ms. Kana-Veydovec went on to state that the work the RCAC and Ms. Fink have done has been instrumental in the CDPHE getting everyone on the same page and allows better backing for future funding/grants.

Ms. Kana-Veydovec is seeking DOLA grants for Tier 1 (Engineering) and Tier 2 (Construction) grants. These grants may cover half of the costs that the District needs to proceed. As the District moves through the financial stages of this project the CDPHE has agreed that the pre-selection process will be easier to achieve on the Cloancia X-unit. The X-unit is being used with another consumer in Colorado, and it has reached pilot status. The District may be able to retroactively go through the design approval based on this information, which in turn will save money.

If the District is able to change out to the X-unit the CDPHE has offered that under a business case the District would be able to get an extended compliance schedule that would allow for the closeout of the NOV/CDO. The only fallback may be that the District would have to use monitoring wells and possibly have to have a vigorous water study done that would be very expensive. Communication with the CDPHE Permitting Dept., Engineering Dept., and Compliance officers will be ongoing.

SRF does require full design approval before they offer funding/grants.

Ms. Kana-Veydovec and Director Gage are actively applying for every grant/loan opportunity as they become available. Unfortunately, submittal of an application doesn't necessarily mean that the District will be awarded them. Ms. Kana-Veydovec, Ms. Fink and Director Gage have engaged with 7 lenders.

All of the above-mentioned needs will take 9 to 12 months to complete; therefore, it is very important that the community commits to making payments for utilities.

Ms. Kana-Veydovec went on to update that the HVAC is moving forward. Extra sampling will be provided by Cloacina to help with performance evaluations for the CDPHE. Cloacina will pay for this sampling.

The PER and PNA reporting is moving forward. Data gathering reached its one-year anniversary in October. The District has proven to the CDPHE that it does not need to increase the size of the wastewater treatment facility.

RCAC and Ms. Fink is providing newsletters for the community. Ms. Fink has helped with the MHI study and the rate study. She has negotiated communication with the CDPHE and is still attempting to reach out to Greg Etl, the District's DOLA representative. She will also be

involved in the business case and work on GIS asset management design for the District all free of charge.

Ms. Kana-Veydovec also spoke about the debt that the HOA now holds. The price of the account receivable is roughly \$55k. The HOA has put a new collection policy in place and will proceed to recover these receivables. Mr. Lamb has stated that he will be more than happy to refer the collection matters to his office if necessary. His cost would be tapped onto the amounts recovered from the homeowner that is in arrears.

Ms. Kana-Veydovec also stated that this receivable collection would be very helpful for the District, but it will take time to achieve.

Ms. Kana-Veydovec ended her presentation and turned over the meeting to Mr. Mielke.

Legal Matters

Water and Wastewater Enterprise Resolutions

Mr. Mielke presented the Board with resolutions for the Adoption of a Water Enterprise and Adoption of a Wastewater Enterprise. These resolutions can be set up by metropolitan districts that operate water and wastewater utilities and are helpful when seeking bond funding. The Board reviewed the resolutions, and upon motion made, seconded and unanimously carried, the Board adopted the resolutions as presented.

Annual Administrative Resolution (2026)

Mr. Mielke presented a draft Annual Administrative Resolution for the Year 2026, explaining that the resolution establishes the Districts' meeting schedule, publication for notices, and other designations of the Boards, and it directs the performance of action items required of the District through its consultants.

The Board reviewed the resolution, and confirmed the *South Platte Sentinel* as the designated publication for legal notices; designated the Districts' 24-hour posting places for meeting notices as the District's website located at <https://sagepointemetro.colorado.gov>, and the community bulletin at the water tower located at 13384 County Road 31.5, Sterling, Colorado 80751, within the boundaries of the District, in the event notices are not otherwise posted on the District's website. The Board further set the Districts' regular meeting time, date, and place as 6:00 p.m. the first Tuesday of each month at the CSU Northeast Regional Engagement Center, located at 304 Main Street, Sterling, Colorado 80751 and by telephone/video conferencing.

The board determined to set its Annual Meeting for the same date, time, and location as the regular meeting in June.

Following discussion, the Board elected the officers of the Board as follows:

President – Karl Raff

Secretary – O’Ryan Taylor

Treasurer – Heather Gage

Assistant Secretary – Sean Gibson

Assistant Secretary – James Thatcher

The Board appointed Robin Navant of the law firm Seter, Vander Wall & Mielke, P.C. to serve as the Designated Election Official for the District for election activities.

The Board reviewed and determined to renew the consultants Seter, Vander Wall, & Mielke, P.C. serving as the District’s legal counsel, and NMHolder Financial, Inc. serving as the District’s accountant.

Finally, the Board reviewed the proposed form of resolution presented by Mr. Mielke, which memorializes the above determinations in addition to certain other annual administrative actions providing direction from the Board regarding actions to be taken by consultants on the Board’s behalf. Upon motion, second and unanimous vote, the Board approved the Annual Administrative Resolution as discussed.

Other Business

Commercial property utility rate complaints have been received by Director Raff and Director Gage. Ms. Kana-Veydovec stated that the Commercial business are in a plat that is zoned Industrial, so they have been given a break on billing, the District could charge more. The commercial properties are reserved industrial capacities in the District’s system. This capacity allows for future development for such businesses.

Directors have received complaints about water. The District would like to state that it has passed all regulatory requirements and is meeting CDPHE compliance requirements.

PUBLIC COMMENT

The Board opened the meeting for public comment. There being no public comment, the public comment period was closed.

ADJOURNMENT

There being no further business, Director Raff called for adjournment for the meeting at approximately 7:25 p.m.

O'Ryan Taylor

Secretary for the Meeting