

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

TUESDAY, SEPTEMBER 2, 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 Harvart
Heather Gage
Sean Gibson
Oryan Taylor

Also, present were:

Colin B. Mielke and Courtney P. Intara of Seter, Vander Wall & Mielke, P.C.; Nickie Holder of NMHolder Financial, Inc. via Zoom; Kyle Higgins; Eli Kruger; 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 the August 7th, 2025, organizational meeting. After review, and upon motion made, seconded and unanimously carried, the Board approved the minutes as presented.

PUBLIC COMMENT

The Board opened the meeting for public comment.

Jason Hill addressed the Board, stating that he would ask that the Board uses due diligence on future spending, for the Board to get several quotes on work to be done with the District and included that the Board only spends funds necessary needs versus what the Board wants. There being no other public comments, but the public comment period was closed.

INSUARNCE MATTERS

Mr. Mielke asked the board to look at the property schedule and ensure all assets are covered. In addition, Mr. Mielke presented the Board with a proposal to join the Special District Association, which also allows that District to obtain insurance through the Colorado Special District Property & Liability Pool. After review and discussion, and upon motion made, seconded and unanimously carried, the Board ratified its SDA membership.

Next, Mr. Mielke informed the Board that the SDA conference is in September and Mr. Mielke encouraged board members to reach out to his office for dates if any board members would like to attend.

FINANCIAL MATTERS

Mr. Mielke discussed the budget process for the District, including preliminary budget due October 15 each year and adoption and certification of mill levies by December 15 of each year. The budget should be completed in the time frame around November to help the State and county certify levies for the following year. The same process is followed every year. A

preliminary budget will be completed in advance in anticipation of additional financing from 1st Farm Bank.

The Board discussed adopting a cap for Expenditures by District consultants to allow them to make purchases and perform work in emergency situations. The Board discussed a cap of \$5,000.00 for parts and \$10,000.00 total to include parts and labor in case of an emergency. The Board discussed designating emergency contacts as Heather Gage and Sean Gibson. After discussion, and upon motion made, seconded and unanimously carried, the Board adopted the emergency expenditure cap and emergency contact designees as discussed.

RCAC Presentation

Eliza Fink with RCAC gave a presentation which started with MHI survey showing that Sage Pointe falls well below the Median Household Income of \$103K. The estimated outlook for Sage Pointe looks to be in the \$80K to \$85K Median Household Income range. The study is not yet complete, once the study is complete a copy will be sent to the District.

Ms. Fink went on to discuss the debt service and expenses compared to the operational income at rates set at \$400.00 per month will prove that the district will be insolvent in 3-4 months. This will require the district to consider higher rates for the utility users. This increase will include \$1600.00 for commercial properties and an additional \$290.00 increase for the residential properties in the District. This increase will provide payment for operational expenses, debt services, and administrative expenses.

Lenders will require the District to be solvent before any grants or loans are given. Ms. Fink's presentation ended.

KV Engineering Presentation

Ms. Kana-Veydovec also presented information regarding the CDPHE's Cease and Desist/Notice of Violation and the pathway toward regaining compliance. She agreed with the RCAC numbers. Ms. Kana-Veydovec expressed the importance of the District to stay solvent in order to be qualified to receive state and federal grants and loans. Ms. Kana-Veydovec also asked that the HOA and the District work together on the transfer of assets from the HOA to the district. This is also a step that must be taken to ensure the state and federal grants and loans can be accessed. She stated that there may be up to 1.5 million dollars of loan assistance and loan forgiveness if the district qualifies for said assistance. She went on to state an economic reasonable case may also be opened by DOLA and SRF. This is a complicated path but may prove to be an option in the future.

Ms. Kana-Veydovec continued to explain what occurs if the District does not regain compliance, including the possibility of receivership. This is a process by which the state or federal

government would take over the water and/or wastewater facilities and appoint a receiver to manage the facilities. In this situation, the receiver will likely make the changes it deems necessary and satisfactory to regain compliance and then bill the utility customers whatever the total cost is and what shall remain to be moving forward with little-to-no input from the community. The utility consumer could possibly be charged to cover court costs and attorney fees for this as well.

Ms. Kaka-Veydovec's presentation ended

HOA Accounts Payable

Vernon Harbart – the HOA treasurer got up to state there are 11 homes behind on bills; six of those homes have attempted partial payment. 5 homes are not paying at all.

Mr. Mielke explained the possibility of the District certifying delinquent accounts to the County Treasurer for collection. Mr. Mielke noted that this can apply to accounts that are at least 6 months past due and at least \$150 delinquent. Delinquent fees are then collected by the County Treasurer with taxes for the property, and the property is responsible for the collection costs incurred by the District and the County Treasurer. This process generally occurs during the fall/early winter timeframe and is based on the County's certification schedule.

Asset Transfer vote from HOA to Sage Pointe Metropolitan District

It was noted that the HOA scheduled a meeting simultaneously with the District's meeting so a vote could be held on the transfer of water and wastewater property and assets from the HOA to the District. Ms. Gage took roll of the public that attended the meeting, all of whom were homeowners in the Sage Pointe Homeowners Association. Proxies were also disbursed and the requirement of 2/3 of the homeowner's voted to transfer the infrastructure assets to Sage Pointe Metropolitan District. 33 homeowners were present, and 29 proxies were turned over to Karl Raff for vote. This included 62 homeowners represented thus reaching the required 2/3 vote. A vote to transfer the water and wastewater property and assets from the HOA to the District was motioned, seconded and carried unanimously. Ms. Gage will provide Michaels Lamb with the information so he can start the deed process for transference.

Additional ORC Employees

Mr. Mielke went on to address new employees for the District. Kyle Higgins and Eli Kruger gave a summary of the ORC licenses and experience.

A motion was made, seconded, and unanimously carried, to approve both Kyle and Eli as part time employees with the District.

Pay rates were also approved for \$75.00 for wastewater ORC services and \$50.00 per hour for water ORC services.

NMHolder Financial LLC

Consideration of the following Bank accounts should be completed once the infrastructure assets are moved from the HOA to the District.

1. General fund – local checking account
2. Enterprise fund - local checking account
3. Reserve fund – COTRUST

Signors were also considered Karl Raff, Marianne Harbart, and Heather Gage. A motion was made, seconded, and unanimously passed.

Mr. Meilke and Nickie Holder also confirmed that the District can make payments to the HOA loan using the enterprise account. This was clarified for TABOR purposes. A motion was made to open the above accounts for the District, seconded and carried unanimously.

HVAC

HVAC for WWTF was discussed a cost of \$198K has been quoted for this process, this meets code for the requirements for the WWTF. Engineering was performed by Matsue on behalf of Better Electric. Better Electric was approved to complete the HVAC and electrical for the WWTF in June of 2025 at the monthly HOA board meeting. The vote to move forward has been tabled until more information is available.

RULES AND REGULATIONS

Mr. Mielke's office provided a new set of Rules and Regulations for the District. A motion to adopt the rules was made, seconded and passed unanimously.

Mr. Mielke also verified that the EIN# and the PDPA applications have been completed by his office. The District will be contacted when this information is available.

Mr. Mielke also verified that adoption of the Rate Changes be posted on the SDA website 30 days prior to the Board considering the adoption of rates. Mr. Mielke confirmed that the District is authorized to provide additional notice of rate increases as well.

ADJOURNMENT

There being no further business to come before the Board, and upon a duly made, seconded and unanimously carried, the meeting was adjourned at approximately 8:30 p.m.

/s/ Heather Gage
Secretary to the Board

4912-1717-9248, v. 1