

**ADJUSTMENT IN ANNUAL ASSOCIATION ISD FEES FOR ALL HOMEOWNERS**

July 1, 2023

Dear Homeowner,

Your Rafter J Improvement and Service District (ISD) is a non-profit Wyoming Special District to support the infrastructure needs within the Rafter J Ranch subdivision, including the potable water system, the sewer system, and roads and pathways.

Annually the Board evaluates expenses, projects, capital reserves, services, and the revenue needed to address them. This coming year we have determined the need to adjust our assessment again to meet our current and long range financial needs to avoid any future special assessments. The following details describe our plan going forward.

The ISD incurs annual operating expenses (staffing, outsourced services, equipment maintenance, and other routine costs) as well as special/capital (non-routine) projects which vary from year to year. Annual operating expenses are budgeted at \$307,908 for 2023/24. This includes increases primarily for crack sealing of collector and local roads, additional lift generator repairs, replacement of all remaining expiring water meters, CPA review costs (DOA requirement), legal and water operator services. Overall, our pathways and roads continue to be in good shape; based on their condition, the decision was made to defer the surface treatment of collector and local roads to FY2024-25. Detail budgeted expenses for 2023/24 are available on the Rafter J website.

In 2021, the ISD contracted with Meridian Engineering to update the detailed study of future special/capital projects, originally prepared in 2013, with current costs. In addition, as part of our annual budget process, a thorough review of other major expenditure requirements is also performed by the ISD.

Projects include:

- Surface treatment of collector and local roads
- Asphalt overlay of collector and local roads
- Pathway sealing
- Pathway replacement
- Culvert repair/replacement
- Equipment replacement (Sander, Truck (dump) & Sander, Truck (plow), and Skidsteer)
- Water Main repair/replacement
- Sewer repair/replacement

We have factored in current costs, inflation rates, and standard project lives. Over the next ten years, there are three periods where significant expenditures are anticipated:

2023/24	\$ 313,995
2028/29	\$3,140,711
2030/31	\$ 486,885

The estimated ISD reserve balance as of 6/30/23 is \$1,836,033. At a minimum, to have funds available in 2028/29 for anticipated expenditures, we plan to increase reserves by \$313,995 for fiscal 2023/24.

ISD revenue sources are primarily from the annual assessment and water usage fees. To support 2023/24 annual operating expenses and provide the minimum reserve contribution, the annual assessment will increase by 4.8%:

	2022/23	2023/24
Single Family/Commercial Lot	\$744.28	\$780.01
Walden Pond	\$719.29	\$753.82
King Eider	\$719.29	\$753.82
End of Trails	\$719.29	\$753.82
Cedarwoods	\$719.29	\$753.82
Northeast 40 Townhomes	\$719.29	\$753.82
Southeast 40 Townhomes	\$719.29	\$753.82

As a reminder, there was no increase to the annual assessment from 2021/22 to 2022/23.

Water Usage per gallon will remain the same for 2023/24; however, a minimum quarterly usage charge will be implemented, and meter rental rates are being adjusted to current costs effective 7/1/23:

	2022/23	2023/24
Water Usage	\$2.60/1,000 gal	\$2.60/1,000 gal
Minimum Quarterly Usage Charge		\$15.00/qtr
Meter Fee		
¾"	\$9.00/qtr	\$10.00/qtr
1"	\$12.75/qtr	\$16.00/qtr
1 ½"	\$22.05/qtr	\$22.00/qtr
2"	\$31.98/qtr	\$30.00/qtr
4"	\$109.14/qtr	\$109.00/qtr
6"	\$200.76/qtr	\$200.76/qtr

Reserve and homeowner contribution requirements will be reviewed and adjusted each year as part of our annual budget process. The Board is currently reviewing alternate methods for the annual assessment. Specifically, commercial properties vs residential as well as the various types of residential properties within Rafter J. The purpose of identifying an alternate method is to improve the 'fairness' that each property contributes for the services provided.

The ISD will also actively pursue grants and other revenue sources to minimize required homeowner contributions; until these sources are identified and secured, we support these fee adjustments as fiduciary responsible requirements to potentially avoid future special assessments.

Sincerely,

Rafter J ISD Board; Brian Schilling, President Eileen Mosman, Treasurer Steve Foster, Secretary