

ADJUSTMENT IN ANNUAL ASSOCIATION ISD FEES FOR ALL HOMEOWNERS

July 1, 2024

Dear Homeowner,

The 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.

Annual operating expenses are budgeted at \$301,651 for 2024/25. This includes increases primarily for road maintenance and repairs, TV inspection/cleaning of sewer lines and general administration. Our pathways and roads continue to be in good shape; based on their condition, we will again defer the surface treatment of collector and local roads another year to FY2025-26. Detail budgeted expenses for 2024/25 are available on the Rafter J website.

The ISD continues to use data provided by Meridian Engineering to update the detailed study of future special/capital projects. 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 (Plow, Sander, Trucks, 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:

| | |
|---------|-------------|
| 2024/25 | \$ 421,366 |
| 2028/29 | \$3,140,711 |
| 2030/31 | \$ 486,885 |

The estimated ISD reserve balance as of 6/30/24 is \$2,162,814. At a minimum, to have funds available in 2028/29 for anticipated expenditures, we plan to increase reserves by \$309,800 for fiscal 2024/25.

ISD revenue sources are primarily from the annual assessment and water usage fees. The ISD has been collecting trip data to understand the difference, if any, between commercial and residential properties so that the distribution of the annual assessment is fairly allocated between the different properties within Rafter J. This is an on-going project; we anticipate having this analysis completed in the near future. The ISD also reviewed the distribution of costs between townhomes/duplexes (Walden Pond, King Eider, End of Trails, Cedarwoods, Northeast 40 Townhomes and Southeast 40 Townhomes) and single family, specifically for secondary road costs. Since the ISD does not support the secondary roads within the townhomes/duplexes, the decision was made to adjust the assessment difference for those property owners to \$120.00.

Annual Assessments:

| | 2022/23 | 2023/24 | 2024/25 |
|------------------------------|----------|----------|----------|
| Single Family/Commercial Lot | \$744.28 | \$780.01 | \$946.00 |
| Walden Pond | \$719.29 | \$753.82 | \$826.00 |
| King Eider | \$719.29 | \$753.82 | \$826.00 |
| End of Trails | \$719.29 | \$753.82 | \$826.00 |
| Cedarwoods | \$719.29 | \$753.82 | \$826.00 |
| Northeast 40 Townhomes | \$719.29 | \$753.82 | \$826.00 |
| Southeast 40 Townhomes | \$719.29 | \$753.82 | \$826.00 |

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

Water Usage per gallon and meter rental rates will remain the same for 2024/25; however, the minimum quarterly usage charge will be adjusted to \$15.60 per quarter.

Reserve and homeowner contribution requirements will be reviewed and adjusted each year as part of our annual budget process. The ISD will also actively pursue 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