

October 5, 2017

Re: Rural Improvement Maintenance District  
Lazy TH Estates Subdivision Road Maintenance

Lazy TH Estates Owners,

As you are probably aware, the roads in Lazy TH Estates Subdivision are beginning to show some signs of aging, though they are generally in good shape. Asphalt pavement typically requires some surface treatment in 16 to 24 years after the original construction. The Lazy TH roads were constructed in 1994, 23 years ago. Our understanding is the HOA is considering completing a chip seal on the roads in 2018. This, along with the asphalt road patching completed this year, would postpone the need for a pavement overlay for eight or nine years. Based on an onsite evaluation, we believe that a pavement overlay will be necessary in 2026 or 2027.

Pavement overlays can be expensive. It is helpful to reserve funds for this type of road maintenance project to minimize or eliminate any interest expense. Road maintenance can be funded through your HOA dues, though another popular option is to fund the project through the *Gallatin County Rural Improvement Maintenance District (RID) program*. Gallatin County currently sustains approximately 65 ongoing Maintenance RIDs. A maintenance district accrues funds through an annual assessment which is included in your property tax notice. As the funds in the RID account accumulate, they are used for annual maintenance, as well as long term pavement overlay projects. There are many reasons that make a Maintenance RID an attractive option, including reduced construction cost (due to volume bidding through the County) and potential tax write-offs. This is further discussed on the attached information sheet.

At this year's annual HOA meeting, the topic of exploring the use of a Maintenance RID for funding road improvements was discussed. We recently met again with the HOA Board, who continue to proactively find the best options to fund future road maintenance. The general feeling of the group was to continue the process by getting input from owners to see if they were in support of creating a Maintenance RID to fund future road maintenance.

Preliminary estimated annual assessment for your potential Maintenance RID to fund future road maintenance is estimated at \$530.00 per lot in the initial year, increasing at 3.1% annually for approximately eight or nine years or until overlay is completed. At that time, the annual assessment is estimated to be reduced to approximately \$340.00, increasing approximately 2% per year. The first assessment would be due in November 2019. This estimated assessment does not consider snow removal in the RID, but if that is included, the assessment would increase to include that cost.

Our intent is to give you good information so you can determine if a Maintenance RID is a good option for your subdivision to fund maintenance on your roads. We have included some further information (FAQs) regarding Maintenance RIDs, as well as a preliminary budget assessment and maintenance schedule.

**Please review the enclosed materials and respond by returning the postcard ballot noting your support or opposition of creating a Maintenance RID.** Responses must be received by October 16, 2017.

Sincerely,

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Jack Schunke PE.  
Bozeman Operations Manager

Enclosures (3)

*We create solutions that build better communities.*