

Timber Ridge Lot Owners,

In the spirit of transparency here is some information(probably more than you want to see) on Timber Ridge roads maintenance cost and cash flow projections.

This email is to provide a some detail history and data on our Timber Ridge Roads. We will follow this email up with a shorter executive summary after our road inspection meeting.

Also, to provide information with an effort to educate Timber Ridge lot owners on the cost to maintain asphalt roads in Archuleta County, our financial condition and choices in types of road maintenance. Our roads are a great asset to Timber Ridge and its lot owners. Subdivisions with paved roads in Archuleta County is the exception not the norm. Maintaining our roads is our biggest cost by far and our most important.

In other words "Everything you wanted know about Timber Ridge Roads but were afraid to Ask" 😊

Colorado Timber Ridge Metro District(CTRMD) Board will be meeting with Richard Bechtolt, Bechtolt Engineering, Bob Perry Archuleta County Road and Bridge Manager and Kip Strohecker, Strohecker Asphalt & Paving on Wednesday, July 22, 2020 at 1:00pm at Clubhouse to do a road inspection. The purpose is to get their comments on the status of the condition of our roads and what maintenance changes need to be made in order to maintain our roads and get the most bang for our bucks. The plan is for them to inspect our roads each year and give us guidance on our road maintenance. This is important since we are not experts in maintaining asphalt roads. We will then update the 15 year plan and prepare an updated reserve cash flow spreadsheet to see how much funds it takes to maintain our roads.

We will be looking for input from the lot owners on road condition expectations and funds willing to spend on our Timber Ridge roads.

Questions that need to be answered soon:

1. Is \$135,000 a year the correct amount to budget each year to maintain our roads in good shape?
2. Do we need a mill levy increase?
3. What does good shape mean and are our roads in good shape?
4. What are the expectations of lot owners on Timber Ridge road condition? The better the roads higher the cost. Do we want Timber Ridge roads to be similar to other Archuleta County paved roads in Condition or Better or Worse. Archuleta County maintains 40 miles of paved roads.
5. How much road reserve funds do we need to be 100% funded for the long term 25 - 30 years?
6. How much are lot owners wanting to pay for roads?
7. Should we prioritize maintenance of each road based on traffic. ADT.

We hope to answer these questions in coming weeks.

Please feel free to give us your comments. Email to [bobmilford@ctrmd.org](mailto:bobmilford@ctrmd.org)

A Quick History:

Timber Ridge has 8.16 miles of roads which are paved except for the 2 short emergency roads and a 700 ft section on the east end of Bristlecone. These roads were built approximately between 2000 and 2002. Timber Ridge roads are dedicated to the public. They were built with 3 inches of asphalt and not much shoulders in areas. So they are now 18 to 20 years old. Since inception, Timber Ridge has been responsible for its road maintenance. In 2005 CTRHOA was formed and assumed the responsibility of maintaining the roads from Developer. A Reserve Study was done in 2006 and 2011. The first costs were in 2007 for crack filling roads. In 2008 CTRHOA started a plan to seal coat the roads. The Plan was to seal coat roads every 5 years and fill cracks in roads with crack sealant every year. Then do asphalt overlays on roads as needed. This was the plan used for the 2011 Reserve Study. The plan was followed somewhat as you can see from the spreadsheet of road maintenance 2007-2020.

In 2012 Timber Ridge set up a Metro District which started funding and directing the road maintenance cost in 2013. The Metro District was able to share in the Highway Use Tax Funds and Specific Ownership tax funds. This brought in extra revenues to CTRMD. In 2013 a 10 mill levy was approved by lot owners(Colorado Electorates) which started in

2014. So for example you have \$600,000 county assessor value valued lot with house you pay \$429 annually for the CTRMD 10 mil levy. ( $\$600,000 \times .0715 \times .01$ ) Previously, the CTRHOA had annual dues per lot owner of \$600. This got reduced to \$40 per lot owner in 2014(now \$140?) , since CTRHOA stopped funding road maintenance cost.

CTRHOA purchased lots and transferred lots to CTRMD. The proceeds from those lot sales have gone into the CTRMD Reserve Account. Since CTRMD is a Metro District it is tax exempt for Federal State and County tax. This tax exempt status has saved us over \$400,000 in taxes. As you can see from the cash flow spreadsheet attached these funds from lot sales(tax exempt) and others puts us in a much better financial situation than would have been. The extra \$1,300,000 from past and future lots sales has greatly helped our financial situation. As have the extra HUT Funds and SOT funds. If not our mill levy would be much higher or our roads would be in worse condition.

In February 2015 a representative, Robert Turner from CDOT inspected our roads informally and suggested we repair all the alligator cracks which were mostly on Bristlecone by asphalt patching and chip seal our roads.

In 2017 CTRMD hired Bechtolt Engineering in Durango to devise a maintenance plan for Timber Ridge roads. The plan called for asphalt patching bad areas(alligator cracks), chip sealing the roads and asphalt overlays. The plan did not include seal coating roads. The cost of this original 5 year plan was very expensive. They then had Bechtolt Engineering to devise a 15 year plan using \$135,000 per year as the Budget. This plan was somewhat followed from 2018-2020 as you can see from the attached spreadsheet. The seal coating of roads stopped in 2016 and asphalt patching sections of roads started in 2018. The filling of cracks continued. The chip seal of roads has not been done. A 900 ft section on the east side of Bristlecone has been rebuilt.

Timber Ridge has spent about \$885,670 on our roads from 2007 thru 2020.

Please see attached files with the Road maintenance information on Timber Ridge Roads. Spreadsheets are in Excel format. If you need another format please let me know.

1. The CTRMD Road Maint files shows all the cost we have spent on our roads, plus other details.

The tabs are as follows:

1. Total Road Maintenance Cost - Cost from 2007 - 2020
2. Chart - Line Chart by year of road maintenance cost.
3. Bechtolt 15 Year Plan- 15 year plan and estimated cost for Timber Ridge Roads using a \$135,000 year Budget from Bechtolt 15 year plan.
4. Difference between Bechtolt Plan Vs Actual 2017 - 2020.
5. Bechtolt Cost- Estimated Cost per road to maintain road in Timber Ridge per 2017 Bechtolt Report
6. Bechtolt Road Priorities - Road Priorities per 2017 Bechtolt Report
7. Bechtolt Quantities- Details size and quantities for each road from the 2017 Bechtolt Report
8. Detail Cost by Invoice and year of all cost to Timber Ridge roads 2007-2020.
9. Old Road Maintenance Plan- Plan used from Reserve Study 2011 to 2016.

The other files are PDF copies of Bechtolt Engineering reports to CTRMD. The Original plan and 15 year Assumptions.

I have also attached a CTRMD Cash Flow spreadsheet which I prepared which shows actual Revenues and Cost for 2013-2019 and Projected for 2020-2030 based on a \$135,000 road maintenance budget and estimated revenues and other cost. CTRMD has revenues of estimated \$144,400 and operating and admin expenses of \$29,000 which leaves \$114,400 operating income less the \$135,000 road maint for (\$19,600) cash shortfall annually. CTRMD has \$911,000 in the reserve account and \$35,000 in checking account for a total of \$946,000. It also owns Lots 7 & 8 valued at \$450,000 which needs to be sold as soon as possible so funds can go into CTRMD's Reserve account and earn interest income. At the present CTRMD's ColoTrustPlus account is only earning about .5% annually on its funds.

CTRMD is funded through a 10 mil levy, Shared Highway Use Tax Funds and Shared County Specific Ownership taxes and interest earned.

### Breakdown of projected cash flow

#### Revenue:

Property Tax:	\$85,000
HUT Funds:	\$45,000
SOT Funds:	\$ 8,800
Misc.	<u>\$ 600</u>
Total	\$ 139,400

Interest \$5,000 ( Hopefully increases)

Total \$144,400

#### Cost:

Snow Plowing	\$14,000 ( Varies a lot by year)
Treasure's Fee (state law)	\$3,000 ( CTRMD pays a 3% fee to Archuleta Treasurer for all property tax collected.)
Utilities	\$2,500 ( propane, electric and water clubhouse)
Insurance	\$ 2,500
Common Property Maint	\$ 3,000 ( mowing, weed control, cleanup etc.)
Accounting and Prof Fees few years)	\$2,000 ( CTRMD is required a compilation report by CPA each about \$1,000 last
Misc	<u>\$2,000</u>

Total \$29,000

Net Operating \$ 115,400

Road Maintenance Cost \$ 135,000

Net Cash (\$ 19,600)

#### Types of Asphalt Road Maintenance.

Timber Ridge has 8.16 miles of paved roads with roads being about 24.50 feet wide. This is about 1,004,000 square feet or 111,500 square yards.

Here is link that describes some of the different asphalt maintenance methods.

<https://www.a-1chipseal.com/services>

#### Types of Road Maintenance Terms:

Crack Filling - Fills cracks in asphalt to stop water getting into the roads. Cost \$1. 90 per pound Needs to be done annually. We are spending about \$15,000 to \$20,000 annually for crack filling.

Seal Coat - Protects against oxidation and water sippage in roads. Its good for driveways and low traffic roads. Last 4 to 5 years. (Least Expensive) Cost about 20 cents per square foot

Chip Seal - A chip seal is a two-step process which includes first an application of asphalt emulsion and then a layer of crushed rock to an existing asphalt pavement surface. A chip seal gets its name from the "chips" or small crushed rock placed on the surface. Protects against oxidation and weather(water). (More Expensive) but can increase the life of the road. It also reduces cracks in asphalt. Last about 5 to 8 years. You can also do a double chip seal for more protection at double the cost. Cost single chip seal about 40 cents per square foot.

Asphalt Patching - Dig out sections of road with alligator cracks and replace with new asphalt. (Even more Expensive) \$6.25 per square foot. Only done in bad sections with alligator cracks. Alligator cracks(Fatigue Cracking) are caused by subsurface failure, poor drainage, or repeat overload. We have now more alligator cracking on our roads.

Asphalt Overlay - Can add 1 inch - 2 inch - 3 inch layers to existing asphalt (Very Expensive) 1 inch is about 80 cents per square feet. 2 inch \$1.60 per s.f. 3 inch \$2.40 per s.f. Overlays are good but you still have the same subsurface.

FDR - Full Depth Reclamation: - Full-depth reclamation (FDR) rebuilds worn out asphalt pavements by recycling the existing roadway. The old asphalt and base materials are pulverized, mixed with cement and water, and compacted to produce a strong, durable base for either an asphalt or concrete surface. Similar to what was done on the 900 ft section of the east side of Bristlecone with 4 inches of asphalt. About \$4.00 per square foot. This method re enforces the subsurface.

The important thing IMO is to maintain roads so they don't fall apart and have to be rebuilt. Rebuilding asphalt roads is very very expensive.

New Technology

Lithified Technologies- New technology from a company out of Santa Fe, NM that cost 25% of traditional asphalt. Archuleta County has used on a few it roads recently. Website Link <https://www.lithifiedtechus.com/home.html>

Also here is some information obtained from Archuleta County ADT (Average Daily Traffic) studies on Bristlecone done in the past. These counts were done mostly in summer months. So I would think numbers are lower in off seasons. Timber Ridge has about 125 houses now.

A new ADT is being performed in the next few weeks. The new one should have more details(% of trucks) since County has new and improved software.

This counts the vehicles for a 48 hour period. So any vehicle traveling is counted on both sides of road. So if TR lot owner drives to City Market and drives home that is counted as 2 ADT. One counter was at Capricho/Bristlecone and another at CR500(Trujillo)/Bristlecone. So if a driver down Bristlecone from CR500 to Capricho it is counted on both ADT counts. Bob Perry, Archuleta County Road Manager estimates(not scientific) about 5% of traffic on Bristlecone is thru traffic.

Other ADT roads in Pagosa Springs per County and CDOT: North Pagosa Blvd about 7,400 ADT and Highway 160 in June/July 2018 between 9,000 and 16,000 ADT depending on location.

These are the results:

<b>Bristlecone Dr ADT - Average Daily Traffic</b>
<b>June 2018</b>
By Capricho Cir 725
CR 500 202
<b>August 2017</b>
By CR 500 178
<b>July 2013</b>
By Capricho Cir 683
By CR 500 123

<b>July 2010</b>
By Capricho Cir 648
By CR 500 188
<b>April 2007</b>
By Capricho Cir 429
By CR 500 135

Please let me know if you have any questions or comments on this information. If you need spreadsheets in different format please let me know.

We will be communicating to the lot owners after our scheduled meetings to provide information on future road maintenance and cash flow.

Thanks,

Bob Milford  
President, CTRMD  
[bobmilford@ctrmd.org](mailto:bobmilford@ctrmd.org)  
281-467-2379