ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT

MINUES OF SPECIAL MEETING HELD MAY 6, 2026

A Special Meeting of the Board of Directors ("Board") of the Alpine Mountain Ranch Metropolitan District ("District") was held on May 6, 2026 at 1:00 p.m. at 33105 Meadow Creek Drive, Steamboat Springs, Colorado. The meeting was also held via Zoom.

ATTENDANCE

Directors in Attendance Were:
Andrew Daly via Zoom
Robert H. Dapper, Jr.
Ken Hiltz
Steven Speer

Also in Attendance:
Leslie Monroe of Accounting Associates, LLC via zoom
Audrey Williams of Alpine Mountain Ranch
Travis Kenworthy of Sunrise Engineering, via zoom
Thessaly Startzell, Lot 13 owner via zoom

NOTICE

It was noted that Notice of the meeting had been properly posted and distributed at least twenty-four (24) hours prior to the meeting at the designated posting location.

CONFLICTS OF INTEREST

Chair Andy Daly disclosed a conflict of interest as a partner in Alpine Mountain Ranch with Bill Butler. No other conflicts were disclosed.

MINUTES

Chair Daly noted one follow-up item from the December minutes regarding late fees. It was confirmed by the Leslie Monroe, Accounting Associates, that late fees on late fees are not permissible. The outstanding late fee balance, now totaling approximately $8,000 due to the structure of the assessment (whereby the entire remaining 30-year assessment becomes due upon non-payment, triggering late fees on the full balance), will continue to accrue. The lien already in place on the property will capture these amounts upon sale. The board discussed whether late fees should

also be applied to the first-half assessment (due February 15) beginning immediately rather than waiting until the full assessment is past due in July. The board agreed that the accountant should begin applying monthly late fees of 1.5% on the unpaid first-half assessment going forward, keeping pressure on the non-paying property owner.

Motion to approve the minutes of the December 9, 2025 Board Meeting as presented was made by Steve Speer and seconded by Bob Dapper. The motion carried unanimously.

ACCOUNTANT REPORT

The accountant reported that the 2025 year-end financials had been previously reviewed in detail at the December meeting. The audit is scheduled to begin May 24, with all materials submitted and ready. For the first quarter of 2026, property tax and assessment collections are on track, and expenditures are running slightly favorable to budget. No significant concerns were noted, as Q1 is historically the slowest quarter of the year.

The board also ratified expenditures at the close of this agenda item after it was noted the formal approval had not yet been taken.

Motion to approve and ratify expenditures as presented was made by Bob Dapper and seconded by Steve Speer. The motion carried unanimously.

WATER PLANT

Travis Kenworthy of Sunrise Engineering provided an update on the ongoing effort to obtain state approval to increase water flow through the existing filtration system. A test plan approved by the state in 2024 requires incrementally increasing filter flow over four months, ideally beginning during spring runoff conditions (April–May). However, the operator, Bruce, has been unable to complete the test over the past two years due to equipment issues with the turbidity monitoring sensors, which intermittently give inaccurate readings due to air bubbles introduced by the intermittent surging of well water.

Sunrise Engineering recently submitted a letter to the state requesting relaxed test criteria to account for the equipment unreliability. The state indicated it would respond in three to four months—too late for this spring's testing window, effectively pushing any state-approved test to next year if that route is pursued.

Travis outlined three paths forward:

1. **Attempt the test this spring as written** — Travis indicated he would meet with Bruce to explore whether a low-cost automated flushing solution (e.g., a sprinkler valve and timer from a hardware store, estimated at $100–$200) could resolve the sensor issue in time.
2. **Wait for state approval of relaxed criteria and test next year** — The less expensive option in terms of capital, as approval would allow filters to run at higher flow rates, reducing the number of additional filters required.
3. **Abandon the test and move forward with a full plant upgrade** — This would require purchasing more filters and approximately doubling the size of the plant building, at a significantly higher cost estimated by Chair Daly at roughly $250,000–$300,000, including potential expansion of the chlorine contact basin.

The board agreed that the first priority is to work with Bruce immediately to determine whether the test can be conducted this spring. Chair Daly committed to continuing close coordination with Bruce and offered to help fund additional daily assistance — whether from a family member or another person — to flush and reset the turbidity meter during the test period. Steve Speer and Audrey Williams offered to visit the plant with Bruce to better understand the issue firsthand.

Bob Dapper raised the broader concern of long-term operator redundancy, noting Bruce's critical and hard-to-replace role. Chair Daly acknowledged this and indicated he would set up a call with Travis Kenworthy and Aaron from Sunrise Engineering's Vernal office to explore whether additional or backup operator support could be identified, noting that qualified operators in mountain communities represent a limited pool.

Chair Daly committed to checking in with Bruce within 30 days and reporting progress to the board.

NOVEMBER ELECTION Chair Daly provided background on the need for a voter-authorized mill levy increase. He explained that while the metro district has been de-Bruced, Colorado legislation passed in 2004 imposed limitations on mill levy increases even for de-Bruced districts, and the board's attorney has advised that a positive voter authorization would significantly strengthen the district's position when seeking county approval to raise the mill levy cap established in the district's service plan.

Chair Daly expressed some hesitation about going to voters this year, citing the number of capital projects still in flux and his preference to

present voters with specific, costed projects rather than an open-ended request. He also noted, however, that a potential downside of waiting is that as more property owners join the district, building consensus for a mill levy increase may become more difficult.

Steve Speer advocated for moving forward, emphasizing the need for a long-term road repaving program as a costly driver of the request. Andy Daly noted that a mill levy increase is likely inevitable and that waiting one year is not unreasonable, while also noting that financing options could help offset assessment impacts. Bob Dapper stressed the importance of having hard numbers across all capital projects before approaching voters.

The board agreed that preparation should begin immediately. The following action items were established:

- **Steve Speer** to obtain paving cost estimates within the next month or two, including a potential phased annual repaving program.
- **Andy Daly** to engage Sunrise Engineering to update and formalize capital cost estimates for water system improvements (storage, mains, fire flow capacity) based on the strategic plan already in place.
- **Leslie (Accountant)** to confirm with Micki Mills, legal, the deadline by which the board must act to place the mill levy question on the November ballot — estimated to be approximately end of August.

The board also noted that the mill levy cap itself will be determined based on capital requirements, and that voter approval is a prerequisite to approaching the county for a formal cap increase.

WATER RESTRICTIONS Audrey Williams reported that water usage among property owners remains low, as most have not yet turned on irrigation systems. A community communication had already been sent asking residents to refrain from activating water features and to adhere to the established three-days-per-week irrigation schedule.

The overriding concern raised by multiple board members was fire preparedness — ensuring water tanks remain full throughout the summer. Audrey Williams confirmed she is monitoring water usage data and is in regular communication with the Priest Creek Ranch residents regarding compliance.

ROAD MAINTENANCE AND PAVING

The board briefly discussed the gravel turnaround near Lot 1 at Meadow Creek, which sees use by trash trucks and heavy equipment, particularly in heavy snow years. Audrey Williams noted this could potentially be coordinated with paving work associated with an upcoming driveway installation. Steve Speer agreed to walk the road with a contractor to assess conditions and obtain paving cost estimates, noting that oil prices may make road work more expensive this season. Funds have been budgeted for this work. No formal action was taken.

NEXT MEETING

Chair Daly announced a follow-up meeting would be scheduled for late July, prior to the July 31 audit deadline. Before that meeting, the board expects to have paving cost estimates, updated water system capital cost estimates from Sunrise Engineering, and a confirmed deadline for placing the mill levy question on the November ballot.

ADJOURNMENT

There being no further business to come before the board, the meeting was adjourned.