



To: Mayor and Town Council
From: Clint Kinney, Town Manager *ONK*
Date: February 5, 2016
Re: Info Update--- GO BRONCOS EDITION---

PLOW WE MUST FOR A BETTER VILLAGE

Three feet of snow is awesome!! It is even more fantastic when guest and residents can get to the ski hill to enjoy it. When the snow was dumping earlier this week, the men and ladies in public works were knocking it dead by clearing the streets and making it safe to go out. But the effort didn't stop there; it was a total team effort from the PD, to Transportation, and everywhere in between. Plows don't run without mechanics and mechanics receive help from facilities, transportation is getting everyone to work in the first place, and the leg bone is connected to the hip bone..... you get my point! Anyhow, let's hope we get another storm cycle like this soon. We are ready for it.

THE AUDITORS ARE COMING, THE AUDITORS ARE COMING

While it is not the most wonderful time of the of the year for the Finance Department, that is clearly budget season, everyone always looks forward to our annual visitation time with EideBaily - the Town's auditing firm. Their ever so riveting engagement letter is attached for your review. For those of you that are already married, don't worry—it's not that kind of engagement letter. The letter just details what the Council can expect and the scope of work that will be undertaken.

SNOWMASS WATER AND SANITATION DISTRICT

As everyone is aware, the Snowmass Water and Sanitation District is a standalone government that provides obviously critical services to the community. The Town and the District work closely together on a number of issues to ensure we are jointly planning projects and coordinating as needed. Earlier this week, we received the attached letter from the District informing us, and all of their residents, about an upcoming \$20,000,000 project they will be undertaking to meet new wastewater (sewer) requirements. The primary issue being put forth for discussion at this point is how to pay for the improvements. Two proposals are presented; either pay for the improvements through an increased property tax or a sewer rate increase. At this point, the District is seeking input on the options. Although this project does not affect the town government directly (yet), it is one of several community issues that our residents will be faced with in the near future.

CCP, YEAH BABY YOU KNOW ME

In case you weren't able to make last week's CCP open house, I have gone ahead and attached a few of the images, ideas, and potential projects we asked folks to comment on. Sidewalks, crossing signals, and some lighting in key places came out with considerable support. In the past, I am aware that some folks raised the concern that these types of improvements were "too urban;" but with the feedback we have been receiving there appears to be growing

support for these concepts as long as they are designed well and in the correct location. The public can still view all of these concepts and comment on them online at tosv.com/CCP

Rectangular Rapid Flashing Beacon (RRFB)	Lighting	Sidewalks
		
Support?	Support?	Support?

Brush Creek Road Crossings: Proposed Designs



Brush Creek Road and Clubhouse Drive at Town Park Station



Brush Creek Road and Owl Creek Road



Brush Creek Road and Faraway Road



Brush Creek Road and Sinclair Road

Trail and Walkway Recommendations: Prioritizing the Locations

Segment Number	Segment Name	Priority <i>(Place a sticker on each of your top 3 choices)</i>
1	From Mall to top of Village along Fanny Hill (Summer/Fall only)	
2	From Mall to Tom Blake Trail (Summer/Fall only)	
3	Along Brush Creek from Mall to Divide Road	
4	From Mountain View to Mall	
5	From Mountain View to South Rim Trailhead	
6	From Base Village to Mall under existing Skittles (Summer/Fall only)	
7	Along Brush Creek Road from Upper Kearns Rd to Mountain View	
8	Along Upper Kearns Rd from Brush Creek Rd to Snowmass Center	
9	Along Brush Creek Road from Faraway Road to Upper Kearns Rd	
10	From Brush Creek Trail to Melton Ranch Trail	
11	Rim Trail connection	
12	Facility along Highline Road	
13	Brush Creek Trail to Rodeo Subdivision	
14	Connection through Recreation Center to Community Park	

DID I ALREADY MENTION?; GO BRONCOS!!!!

CC: Department Directors



January 20, 2016

To the Members of Town Council
Town of Snowmass Village, Colorado

We are engaged to audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Town of Snowmass Village for the year ended December 31, 2015. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated December 23, 2015, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our audit on approximately February 22, 2016 and issue our report no later than June 30, 2016. Please contact your audit team if you have any questions or concerns: Dave DeZutter at 303.986.2454 and Sara Kurtz or Brent Millsbaugh at 303.770.5700

This information is intended solely for the use of Town Council and management of Town of Snowmass Village and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Golden Colorado

www.eidebailly.com

January 2016

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Dear Residents and Property Owners:

Because of new environmental regulations, Snowmass Water and Sanitation District needs to upgrade its wastewater (sewage) treatment plant. The estimated cost of the required upgrades is \$19,850,000.

Snowmass Water and Sanitation District (SWSD) is not alone. Numerous sewage treatment plants throughout Colorado and the nation need to be upgraded to meet new Environmental Protection Agency (EPA) regulations.

The EPA has mandated nitrogen and phosphorus control in public waterways in an effort to limit contamination and adverse ecological impacts, including negative effects on aquatic life and downstream drinking water supplies. In response, the Colorado Water Quality Control Commission adopted Nutrient Management Control Regulation 85. This regulation affects all new sewage treatment plants as well as all existing treatment facilities that process more than one million gallons per year.

To maintain its discharge permit, SWSD must comply with Regulation 85 by April 2020.

What types of upgrades need to be addressed?

Significant upgrades to SWSD's sewage treatment plant are needed to incorporate both biological and physical treatment process changes.

What percentage of SWSD's existing plant would be repurposed?

The upgrades do not require replacing the entire sewage treatment plant, but rather strategically replacing certain equipment. In fact, about 75 percent of the existing plant structures will be repurposed which will lower the total project cost. The timing of these upgrades is also beneficial since some of the old plant equipment needs to be replaced as it is already at the end, or nearing the end, of its useful life.

What are the two primary funding options to address SWSD's required sewage treatment plant upgrades?

SWSD has two options to fund the required plant upgrades:

Option 1: A voter-approved bond measure

Option 2: An increase in the District's sewer service fees by approximately twice their existing amount.

SWSD's staff and board are committed to keeping the District's sewer service fees as low as possible. They also believe that pursuing a bond measure (Option 1) makes more economic sense since there are

no tax benefits associated with the District's sewer service fees. For most homeowners, property taxes can be an itemized deduction on federal income tax filings.

If a bond measure is pursued, what is the projected tax impact?

The estimated monthly tax impact is \$2.06 per \$100,000 of a home's market value, based on a \$19,850,000 twenty-year bond issue.

What is the timeline for the facility's upgrades?

The construction of a project of this magnitude typically takes 18 to 24 months. SWSD needs to complete the sewage treatment plant upgrades by April 2019. This will provide sufficient time to condition the new process biology, address any construction issues that might arise, and train plant operations staff on the new equipment and procedures before Regulation 85's deadline of April 2020.

What's next?

A comprehensive engineering study and a conceptual design for SWSD's sewage treatment plant upgrades have been completed and peer-reviewed by a third-party engineer to provide an added level of quality and cost control. The soonest that a bond ballot measure could appear on the ballot is May 2016.

The District will keep residents informed regarding additional planning efforts, future findings and key board decisions.

If you would like to discuss the planning efforts completed to date, please contact us at your convenience at 970.923.2056 or KHambly@swsd.org.

Thank you in advance for your thoughts and recommendations.

Sincerely,

**SNOWMASS WATER AND SANITATION DISTRICT
BOARD OF DIRECTORS**

Joe Farrell
President

Willard Humphrey
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