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MEMORANDUM

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P.O. Box 4100 ♦ FRISCO, COLORADO 80443

**TO: MAYOR AND TOWN COUNCIL**  
**FROM: JEFF GOBLE, PUBLIC WORKS DIRECTOR**  
**CHRIS MCGINNIS, TOWN ENGINEER**  
**TOM FISHER, TOWN MANAGER**  
**RE: LAKE HILL EXTRA-TERRITORIAL WATER SERVICE APPLICATION**  
**DATE: NOVEMBER 14, 2023**

**Summary and Background:**

On July 13, 2023, the Town received an Extra-Territorial Water Application from Summit County for the Lake Hill Housing project. The request is for 440.8 EQR's. The application indicates a phase II that could require an additional 384.2 EQR's, but this application is only for 440.8 EQR's. Included with the application were payment of the appropriate fees, a project narrative, and a drawing indicating how the proposed development would use the property.

Town staff and legal counsel met on July 25, 2023, to discuss the application and formulate a response to the County requesting more information. A formal response from the Town was sent to the County on July 31, 2023. The County responded to the Town's comments and questions on August 16, 2023. No additional follow-up has occurred since the August 16, 2023, response, as both parties agreed that the next course of action should be a work session with the Council and the County. All documents related to this application are included with this memo.

During the October 10, 2023, work session, Summit County staff presented their water request to the Town Council for extra-territorial water taps for the proposed Lake Hill housing project. The County staff and consultants fielded questions and comments from the Council and helped Town staff understand the areas of concern that the Town Council was indicating.

At the October 24, 2023, work session, Town staff further discussed the application with the Council and started discussing the details of the application that will inform the development of an agreement with Summit County for the Town Council to consider in response to this application. The Council, besides suggesting details for the development of a draft agreement with the County for water provision, asked that staff coordinate a joint work session with the Frisco Sanitation District Board and staff leadership to be held in November 2023.

This staff report is intended to keep the public and the Council informed about a joint work session with the Frisco Sanitation District Board which will occur at the Town Council's regular meeting on November 14, 2023.

**Analysis:**

Recently, Ordinance 23-05 was approved, which modified Chapter 171 of the Town code by adding an application process for Extra-Territorial water taps. The new process requires prospective water users outside the Town of Frisco to submit a written application, dedicate water rights, submit a written will-serve letter from Frisco Sanitation District, and other conditions per the ordinance. Town Council will then grant denial or approval with conditions based on the “best interest of Town residents”. In addition, the ordinance states that the Council will consider whether the request will result in detrimental secondary impacts to Town or its residents. If Council approves a request, the applicant is required to meet all conditions, dedicate water rights, pay all fees and reimbursements, and execute the Extra-Territorial Tap Contract.

It is the intent of Council to meet with the Frisco Sanitation District Board and District staff leadership to make sure that they are coordinated in representing the interests that each entity holds in Frisco. This joint meeting will allow the Town Council to further inform staff in the preparation of a draft agreement for water provision with Summit County.

**Financial Impact:**

Any financial impact to the Town has not yet been quantified.

**Alignment with Strategic Plan:**

The review of this application by the Council and with the Frisco Sanitation District Board will give a more whole-community view from a basic infrastructure and service provision lens.

For the Town of Frisco, the ET process and provision of water under the ordinance follows the Quality Core Services strategic goal in protecting the Towns water sources. As well, provision of water under this process and for this project would support our Inclusivity goals and Thriving Economy goals by providing water to a workforce housing project that would house workforce that are employed at businesses and services in Frisco. The Council also has an opportunity through this application process to mitigate concerns that could result in detrimental secondary impacts to Town or our residents.

**Environmental Sustainability:**

This item aligns with the Council’s environmental sustainability goals in that if approved, the County will dedicate water rights that can be released upstream of Frisco which may help maintain healthy stream flows for riparian and aquatic flora and fauna. The County is also proposing net zero buildings and low water use landscaping in their building proposal.

**Staff Recommendation:**

Staff recommends that the Council discuss this application with the Board of the Frisco Sanitation District to see how the Town's possible water provision would interact with the provision of sanitary sewer to this possible development.

The Council can review the staff's analysis of this application and discuss or ask questions about all the areas of water provision, mitigation, and any other subjects that are important to the future processing and analysis of this application. It is also recommended that a discussion of next steps and expectations of timing of considering a decision on the application be discussed with staff.

**Reviews and Approvals:** This report has been reviewed and approved by:

Tom Fisher, Town Manager  
Diane McBride, Assistant Town Manager  
Leslie Edwards, Finance Director  
Chris McGinnis, Town Engineer  
Thad Renaud, Town Attorney

**Attachments:**

Attachment 1 - PowerPoint Slides - Lake Hill Extra-Territorial Water Service Application  
Attachment 2 - Application - Lake Hill Extra-Territorial Water Service Application  
Attachment 3 - PowerPoint Slides - Lake Hill Extra-Territorial Water Service Application  
Attachment 4 - Project Sketch - Lake Hill Extra-Territorial Water Service Application