



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL

FROM: CHRIS MCGINNIS, PUBLIC WORKS DIRECTOR/TOWN ENGINEER

RE: RESOLUTION 24-20: A RESOLUTION OF THE TOWN OF FRISCO, COLORADO, APPROVING AN INTERGOVERNMENTAL AGREEMENT FOR WATER SERVICE AT NELLIE'S NEIGHBORHOOD

DATE: APRIL 9, 2024

Summary and Background: At the February 28, 2023 Council meeting, Town Council considered a request from Summit County for a "will serve" letter for water service at its proposed workforce housing development within the Bill's Ranch Subdivision, named the Nellie's Neighborhood Development. The application for extra-territorial water service was submitted in July 2023. Summit County proposed that the water service be provided in accordance with the 2001 Water Service Intergovernmental Agreement and its 2018 First Amendment between the Town of Frisco and Summit County. However, the existing agreement did not allow for water service outside of the County Commons. Therefore, the Town Council directed staff to negotiate an amendment to the Water Service Agreement to permit water service in the Bill's Ranch Subdivision while aligning with the town's water use requirements. The Second Amendment to the Intergovernmental Agreement for Water Services addressed these objectives and was passed during the February 27, 2024 Council meeting. The second amendment allows up to 15 EQRs to be used for Nellie's Neighborhood, requires the Clinton Ditch and Reservoir Company shares to be transferred to the Town prior to issuance of the tap, and prohibits the outdoor use of water, except for limited hand-watering and vegetation-establishment exceptions.

Following the recent approval of the second amendment to the County Commons IGA, the Town is now able to provide a water service agreement for Nellie's Neighborhood in accordance with the IGA and the extra-territorial water requirements of the Town Code.

Analysis: An intergovernmental agreement for water service at Nellie's Neighborhood is attached. The proposed IGA will provide 15 residential water tap equivalents (EQRs) for 15 workforce housing units at Nellie's Neighborhood.

The IGA requires the following water service pre-conditions from the County:

- Transfer 3.9 Class A, Series 1, shares of the Clinton Ditch and Reservoir Company to the Town
- Provide written confirmation from the Frisco Sanitation District that the property is connected to and served by the Sanitation District
- Establish a restrictive covenant binding Nellie's Neighborhood to restrictions on the outdoor use of water

Financial Impact: The IGA and associated water service to 15 units will increase annual operating expenses for the Town's Water Fund. However, the additional expenses will be offset from the tap fees and annual water revenue associated from the water billing to these units, and therefore, there is not an expected financial impact.

Alignment with Strategic Plan: The provision of water service to Nellie's Neighborhood through the extraterritorial water process and associated IGA would support the Strategic Plan's goals of Inclusivity and Thriving Economy by providing water to a workforce housing project that would provide employees to Frisco businesses and services.

The water service provision also adds to the Quality Core Service of water provision and protecting the Town's water resources.

Staff Recommendation: Staff recommends that the Town Council approve Resolution 24-20 and authorize the Mayor to sign the intergovernmental agreement for water service at Nellie's Neighborhood.

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

Tom Fisher, Town Manager
Diane McBride, Assistant Town Manager
Leslie Edwards, Finance Director

Attachments:

Intergovernmental Agreement for Water Service at Nellie's Neighborhood

Resolution 24-20: A Resolution of the Town of Frisco, Colorado, approving an Intergovernmental Agreement for Water Service at Nellie's Neighborhood

Application for Approval of Extra-Territorial Water Taps