



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: CHRIS MCGINNIS, PUBLIC WORKS DIRECTOR/TOWN ENGINEER
RE: RESOLUTION 24-19: A RESOLUTION OF THE TOWN OF FRISCO, COLORADO, APPROVING AN INTERGOVERNMENTAL AGREEMENT FOR WATER SERVICE AT LAKE HILL
DATE: MARCH 26, 2024

Summary and Background:

In 2023, the approval of Ordinance 23-05 modified Chapter 171 of the Town code, introducing an application process for extraterritorial water taps. The revised process mandates that potential water users outside the Town of Frisco submit a written application, commit to water rights dedication, furnish a written will-serve letter from Frisco Sanitation District, and adhere to other conditions stipulated in the ordinance. The Town Council has the authority to approve or deny the application, or to approve the application with conditions, in each instance guided by the "best interest of Town residents". Additionally, the ordinance states that the Council will consider whether the request will result in detrimental secondary impacts to Town or its residents.

During recent meetings, Council and Staff discussed the extraterritorial water application for Lake Hill, impacts from the development, and potential conditions for a Lake Hill water service intergovernmental agreement (IGA).

Analysis: An intergovernmental agreement for water service at Lake Hill has been drafted and attached. The proposed IGA will provide water taps (EQRs) for 436 deed restricted workforce units on Lake Hill. The agreement does not obligate the Town for any EQRs above the 436 units. The IGA requires many conditions regarding the water extension and mitigation of determinantal and secondary impacts in accordance with Chapter 171 of the Town Code. Conditions are required at different stages of the development (prior to issuance of any EQRs, at a certain percentage of EQR issuance, and post-construction ownership/maintenance conditions) to ensure Town requirements are satisfied and Town impacts are mitigated.

Financial Impact: The IGA requires the County to be responsible for expenses associated with construction/upgrading of infrastructure, transfer of water rights, and mitigation of impacts in accordance with Chapter 171. The increased operating costs of the water treatment/supply will be covered by increased revenue from the water billing. The new population, increased traffic, and increased demand on Town services will increase Town operating costs regarding emergency services, road maintenance, parks, recreation facilities, and other Town amenities. The County's impact studies state that the increased tax revenue from the development will exceed the financial impacts to the Town services and facilities. However, it is difficult to accurately estimate the impacts and revenues from the development and whether there would be

a negative impact to the Town's budget.

With the above in mind, the Town Council has included mitigation measures in the agreement around traffic volumes, walkability, operations agreements, timing of amenities at the Lake Hill site, and some recreation amenities to anticipate future needs. They have also included a future impact study, conducted by Summit County, that will measure the true impact of the development at the issuance of 90% of the requested EQRs.

Alignment with Strategic Plan: The provision of water service to Lake Hill 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 conditions included in the IGA are provided to mitigate impacts to Town Core Services.

In its most basic form, the process of obtaining extraterritorial water service from Frisco protects the Quality Core Service of water provision and protecting the Town's water resources for future expected growth within the Town boundaries of Frisco.

Staff Recommendation: Staff recommends that the Town Council approve Resolution 24-19 and authorize the Mayor to sign the intergovernmental agreement for Lake Hill Water Service.

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:

Resolution 24-19: A Resolution of the Town of Frisco, Colorado, approving an intergovernmental agreement for water service at lake hill

Intergovernmental Agreement for Water Service at Lake Hill