



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: JEFF GOBLE, PUBLIC WORKS DIRECTOR
**RE: DISCUSSION OF ORDINANCE 23-05: APPLICATION, APPROVAL AND OPERATION OF
EXTRA-TERRITORIAL WATER TAPS.**
DATE: FEBRUARY 14, 2023

Summary and Background: In the past, there have been several requests from private homeowners that were having problems with their water wells, so they approached the Town to ask about connecting to the Town's water system. Staff believes that this trend will continue in the future with more requests than we have had in the past.

Chapter 171 of the Town Code is rather ambiguous when it comes to these requests as it simply states "the Town Council has sole discretion in approving or denying extra-territorial water service requests". The code as it currently stands has no application process for the public or the Council to follow when these requests are made. With this in mind, Council requested that staff work with our Town Attorney, Water Attorney and Water Engineer to design a process that protects the Town's water rights and ensures that there will be a sufficient supply of water for both in-town and out of town development. This proposed ordinance to amend chapter 171 does just that.

Analysis: The attached draft ordinance creates a process for property owners to formally apply to the Town for extraterritorial water connections and give staff and Council some criteria to either approve or deny such requests. We will dive deeper into the process during the work session, but here are some highlights of what this amendment does:

1. Creates an actual application and process to evaluate said requests.
2. Creates an application fee structure.
3. Defines the amount and seniority of water that an applicant would need to bring to the Town.
4. Creates a cash in lieu of water right dedication process where equitable, reasonable and sufficient fees will be determined by the newly created water planning and fee evaluation tool.

5. Sets certain parameters that must be met for approval of any application (i.e. well abandonment, connection to sanitation sewer system, etc.)
6. Creates several other administrative requirements for Council to consider when evaluating any application.
7. Removes the provisions of charging 1-1/2 times the current in town tap fee and 2 times the quarterly user fees (water bill) as this process ensures that all water users have equitable standing within the system.

Financial Impact: The financial impact to the Town is unknown and will vary as it will depend on how many applications are received and approved. This new application process is designed so that any costs the Town incurs during the application process will be reimbursed by the applicant. These funds will be deposited into the operating fund of the Water Enterprise where they will be used to defray the costs of this process.

The payments of cash in lieu of water right dedication will be deposited into a new fund within the Water Enterprise that will act as a “savings account” to help pay the costs of future water rights purchases or to pay the costs of future water court cases to modify the Town’s augmentation plan as needed.

Alignment with Strategic Plan: This ordinance amendment aligns with the Quality Core Services section of the Strategic Plan, by ensuring the availability of a dependable water supply, both legally and physically, to current and future generations of Frisco area residents and visitors.

Environmental Sustainability: This ordinance amendment aligns with the environmental sustainability goals by ensuring we are being good stewards of the Towns water supply infrastructure.

Staff Recommendation: It is staff’s recommendation that Council review and discuss this amendment with our team to determine any desired changes, deletions, or additions the Council would like to see. Staff will then integrate those Council requests into the code and bring it to Council for first reading at the February 28th meeting. It is staff’s goal to have this application process active starting for the 2023 construction season.

Approved By:

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

Attachments:

Attachment 1: Outline of ordinance to amend Chapter 171 – DRAFT
Attachment 2: Outline of ordinance to amend Chapter 171 – REDLINE
Attachment 3: Water Planning / Cash in Lieu tool – DRAFT