This City Council Workshop meeting is taking place virtually and at Woodbury City Hall in the Ash North and South Conference Room. Members of the public may attend the meeting in person and may also join the meeting using a PC, Mac, iPad, iPhone or Android device.

Public comments will be accepted during the meeting both in person and by using the link to the virtual meeting to join the meeting and then submit your questions via the online Q&A feature within the meeting.

Questions regarding the meeting will be taken between the hours of 8:00 a.m. to 4:30 p.m. at 651-714-3524 or at council@woodburymn.gov. Questions received after 4:30 p.m. will be responded to in the next three to seven business days.

Please note that all agenda times are estimates.

6:00 p.m.  Dinner – Birch Conference Room

Workshop Agenda

6:40 p.m.  1. Water Treatment Plant Legislative Strategy and General Update  22-60

7:40 p.m.  2. Break

7:50 p.m.  3. Roadway and Trail Policy Project Parameters; Workshop No. 2  22-61

8:50 p.m.  4. Administrator Comments and Updates¹

8:55 p.m.  5. Mayor and City Council Comments and Commission Liaison Updates¹

9:00 p.m.  6. Adjournment

¹ Items under comments and updates are intended to be informational or of brief inquiry. More substantial discussion of matters under comments and updates should be scheduled for a future agenda.

The City of Woodbury is subject to Title II of the Americans with Disabilities Act which prohibits discrimination on the basis of disability by public entities. The City is committed to full implementation of the Act to our services, programs, and activities. Information regarding the provision of the Americans with Disabilities Act is available from the City Administrator's office at (651) 714-3523. Auxiliary aids for disabled persons are available upon request at least 72 hours in advance of an event. Please call the ADA Coordinator, Clinton P. Gridley, at (651) 714-3523 (TDD (651) 714-3568)) to make arrangements.
City of Woodbury, Minnesota
Office of City Administrator

Council Workshop Letter 22-60

February 23, 2022

To: The Honorable Mayor and Members of the City Council
From: Clinton P. Gridley, City Administrator
Subject: Water Treatment Plant Legislative Strategy and General Update

Summary

At the Council Workshop on October 20, 2021, Council directed staff to move forward with the inclusion of the East Wellfield (EWF) wells in the Preliminary Engineering Report (PER). Inclusion in the PER allows Council and staff time to define the option of system-wide treatment and identify possible funding sources for its implementation while proceeding with initial Conceptual Drinking Water Supply Plan (CDWSP) project steps.

The CDWSP does not include treatment of the EWF wells. Currently, all three EWF wells have PFAS detections but HI values are below 0.5. There are benefits to treating all of Woodbury’s wells; notably:

- Community confidence.
- Water quality equity: all water across Woodbury would be of the same quality.
- Consistent water quality and treatment chemistry (i.e. taste) community-wide.
- Limits distribution and operational complexity.
- Provides additional PFAS reduction by inclusion of all wells in treatment.
- Improved aquifer flexibility
- Improved operational control
- Protects against PFAS plume migration and lower PFAS limits

Since the EWF wells are not included in the CDWSP, the cost of integrating them into the system could be borne by ratepayers. City staff will not be able to provide detailed information regarding the existing funding gap until the completion of the PER. Eventually when design work is in progress, high-level estimates will be provided for consideration as next steps regarding funding are discussed.

The Primacy Strategy Group (PSG), a partner of Lockridge Grindal Nauen, Woodbury’s legislative counsel, has been contracted to create a lobbying feasibility action plan (see attached December 22, 2021 Council memo). The feasibility plan evaluates the likelihood of securing federal dollars for a system-wide water improvement project. Primacy will attend the February 16 workshop to present the results of its study regarding state and federal funding opportunities for the City to pursue.

Additionally, staff will provide updates on:
- Emerging Issues
- Water Treatment Implementation Schedule
- Well 20 and 21
- Temporary Treatment Expansion
Recommendation

Staff and a representative from Primacy Strategy Group will present to Council and request discussion on level of continued effort to dedicate to securing federal funding.

Governance Mode

Generative - identifying key questions, anticipating future challenges, framing of issues, and development of options.

Fiscal Implications

The entirety of the fiscal impact is still unknown. The Woodbury specific State’s 2021 final CDWSP will pay for: property purchase, the connection of 15 wells to a constructed centralized treatment facility, abandonment of one municipal well, construction of one replacement well, connection of five properties currently not on municipal water, 20 years of treatment plant operation and maintenance costs, and supply 18 other properties with POET systems at a high level estimate of costs at $153,310,000.

The CDWSP plan does not include the connection and treatment of the City’s three EWF wells and does not include costs associated with water softening. Staff continues to work with the State on treatment, production capacity, and water storage costs for the overall state identified CDWSP option for Woodbury. See attached letter to Co-trustees regarding preliminary concerns.

Policy


Public Process

- May 22, 2019, Council authorization of the letter of engagement for Advanced Engineering and Environmental Services, Inc. (AE2S) to complete the Comprehensive Water System Master Plan
- October 9, 2019, Council Resolution on the Development of the State of Minnesota 3M PFC Settlement Conceptual Drinking Water Supply Plan
- November 20, 2019 Council Workshop: Strategic Initiative to Ensure Long-term Drinking Water Sustainability
- February 19, 2020, Council Workshop: Woodbury’s Comprehensive Water System Update
- October 7, 2020, Council Workshop: State of Minnesota Conceptual Drinking Water Supply Plan
- October 21, 2020, Council Workshop: State of Minnesota Conceptual Drinking Water Supply Plan
- June 23, 2021, Council meeting: Engineering and Architectural Services for Expedited Construction of New Municipal Well No. 20 and Pumping Facility Consultant Selection
- June 23, 2021, Council meeting: Additional Emergency Actions to Be Taken to Address Water Treatment Issues in the City Caused by PFAS Contamination
- August 25, 2021, Council Workshop: Update on Strategic Initiative: Drinking Water
- October 13, 2021 Council Workshop: Community Growth and Water Analysis
- October 20, 2021 Council Workshop: Conceptual Drinking Water Supply Plan
• December 22, 2021 Council Memo: Water Treatment Federal Funding Strategy – Next Steps
• Staff attendance at Monthly CDWSP meetings since early 2019.

Background

On August 18, 2021, the Minnesota Pollution Control Agency (MPCA) and the Department of Natural Resources (DNR) Co-Trustee’s Conceptual Drinking Water Supply Plan (CDWSP) was released. The much anticipated plan represents many years of work by state agencies and impacted East Metro communities and takes steps toward supporting the various water-related City Council strategic initiatives since 2015; ensuring a sustainable water supply for the future.

The State of Minnesota’s CDWSP identifies the conceptual project options for each community. The process and final product set a high level general outline for what may and may not be included in project funding for each community recognizing the limitations of the effort and leaving open the possibility for adjustments based on supporting information and further evaluation by each community. The City of Woodbury now has the responsibility of developing implementation plans, designing a water treatment and distribution system, and requesting and managing funds from the State for implementation and construction efforts. The conceptual plan will treat wells with a health index of 0.5 or greater (HI ≥0.5) using the current health index calculation. For Woodbury the CDWSP includes:

• Treatment for 15 of 19 wells (production capacity discussions are ongoing with state)
• Replacement of 1 existing public well with one new public well
• Design and construction of a water treatment plant (treatment capacity and storage discussions are ongoing with state)
• Connect 5 homes to municipal water
• Supply other private wells with POETSSs if over the threshold
• 20 years of operation and maintenance (O&M) for municipal systems
• 30 years of O&M for private wells

The City’s water continues to meet all current state and federal drinking water standards and guidance for PFAS; however, there have been significant operational changes made due to the presence of PFAS in the aquifer. Eight of the City’s 19 wells have levels of PFAS above the Health Based Value (HBV), Health Advisory Values (HA), or the Hazard Index (HI) that require Woodbury to significantly reduce their use; four of which are currently being treated at the temporary water treatment facility. In the next five years, there is general concern that the other wells may experience increased levels of PFAS that may exceed established values. In addition, the regulatory values continue to change as more research is being done and the health impacts are becoming more understood.

Written By: Mary Hurliman, Public Works Director
Approved Through: Clinton P. Gridley, City Administrator
2. February 8, 2022 – Letter to MPCA and DNR Co-Trustees: CDWSP Gap Analysis
4. Possible East Wellfield Project Funding Timelines
As we have briefly discussed with the council at workshops related to the water strategic initiative, there may be a unique opportunity now to obtain federal funding to help pay for system-wide treatment in connection with the Conceptual Drinking Water Supply Plan (CDWSP). System-wide treatment would mean providing equitable water for all residents by building out the proposed treatment plant to include the east well-field and needed water treatment and storage capacity. It’s possible a portion of this work could be funded through:

1. $1.1 trillion Infrastructure Bill - Drinking Water State Revolving Fund Program. Under the bill, based on the traditional state revolving fund formula, Minnesota is expected to receive $680 million over five years to improve water infrastructure across the state
   - State Competitive Grants to implement improvements to water systems
   - Addressing emerging contaminants (with focus on per- and polyfluoroalkyl substances)
   - Ecosystem Restoration Activities
   - Leak Detection and Repair
2. Annual Budget Process and Earmarking
3. Build Back Better (if passed)
4. Various Federal Grant Opportunities


This agreement is the first of what could be two phases. Phase 1 is to create a **Lobbying Feasibility Action Plan** to identify the feasibility of securing federal dollars for a system-wide water improvement plan. During this phase, Primacy will investigate the above federal funding opportunities, and others, for the City to pursue, work with City staff and leadership to vet this plan and build out next steps implementation. The Mayor, City Administrator and Public Works Director will engage the Federal Delegation and appropriate federal agencies at a January, 2022 Washington, D.C. fly-in. This will further identify pathways to funding for the project by
garnering support and “buy-in” from the federal congressional delegation as well as and relevant committee and agency staff. The cost to this exploratory phase is $15,000 (no council action needed) with the goal to present the results at a Q1 Post Council Meeting Workshop.

If the feasibility study supports further action and Council approves at the February 9, 2022 post council workshop, we would engage a second phase of federal work to act on the plan. More details about the opportunities of phase two will be provided upon the completion of the feasibility study.

Written By: Mary Hurliman, Public Works Director
Approved Through: Clinton P. Gridley, City Administrator
February 8, 2022

Minnesota Pollution Control Agency
Attn: Kirk Koudelka, Assistant Commissioner
520 Lafayette Road
St. Paul, MN 55155-4194

Minnesota Department of Natural Resources
Attn: Jess Richards, Assistant Commissioner
500 Lafayette Road
Saint Paul, MN 55155

Re: CDWSP Additional Considerations

Dear Assistant Commissioners Koudelka and Richards:

Following the August 18, 2021 release of the Minnesota Pollution Control Agency (MPCA) and the Department of Natural Resources (DNR) Co-Truster’s Conceptual Drinking Water Supply Plan (CDWSP), Woodbury staff and consultants have been reviewing the plan in detail. Overall, the plan is a significant accomplishment that the co-trustees, municipalities and community representatives involved can be truly proud of creating. Understandably, under the timeline and with the complexity of the work at hand, not all technical details could be perfectly examined.

Since the release of the CDWSP, Woodbury has been able to identify four key challenges that need to be addressed: (1) assumptions related to the use of the Tamarack wellfield, (2) the need for water storage not included in the CDWSP assumptions, (3) insufficient projected timelines for operation and maintenance of the treatment facility and (4) resulting equity and two class water quality concerns with the State’s recommended CDWSP plan for Woodbury.

The co-trustees’ technical staff and Woodbury’s team are in communication about these details; working to refine costs and clarify the assumptions included in the states CDWSP. We would like to be sure you’re aware of a significant gap in identified needs for Woodbury that fit within the expectations of the settlement and the co-trustees’ working group.

We appreciate your commitment to re-evaluation of the following:

1. **Tamarack Well-Field Capacity:** In the CDWSP the estimated capacity (9,600 gpm) of the Tamarack wellfield was based on typical average pumping scenarios utilized by Woodbury not its designed capacity. This information was provided to the State in the early stages of the CDWSP effort, noting that Woodbury, based on distributed system operation, storage capacity, and peaking demand cycle (both daily and hourly), invested in a designed and permitted pumping capacity of approximately 16,000 gpm in the Tamarack wellfield. Recognizing that the State approached this topic in the CDWSP with
a focus on future pumping in the south well field, Woodbury believes there may be a loss on its capital investment in the Tamarack with the current 9,600 gpm assumption. This assumption would result in a cap on transmission line sizing, limited treatment capacity at the facility, lost return on capital investment by Woodbury as only about half the wells in the Tamarack could be used at one time, and an additional cost to the city with the need to construct new wells in the south well field that currently are not covered in the CDWSP.

Woodbury has completed an analysis and technical memo of the Tamarack well field usage and capacity following the 2021 drought where the Woodbury municipal water system was used in line with its designed peaking intent, analysis will be provided to the State’s technical team. The analysis confirms the well field can sustainably produce over 13,200 gpm (or 19 MGD) with three of its wells out of service due to PFAS contamination. Production with two of the three wells back in service is likely in excess of 15,800 gpm. Woodbury requests the CDWSP be revised to include this capacity for transmission line sizing and treatment or the Co-trustees include funds to build new well(s) in the southern wellfield to recuperate this capacity and the subsequent funds for connection of the south well field wells to the long term water treatment facility and the treatment of those wells based on PFAS contamination above a health index of >0.5

2. **Water Storage**: Additional water storage has been identified as a requirement of the centralized treatment put forth in the CDWSP to address PFAS contamination for Woodbury. The CDWSP, however, remains silent on funding for this necessary water storage. The centralized treatment and associated necessary storage would not be needed in Woodbury but for PFAS. Woodbury will further refine the details of the request for storage during the Preliminary Engineering Report (PER) and request that the State ensure that the costs for storage that is required for centralized treatment be included under in the CDWSP for Woodbury.

3. **2050 Planning Horizon**: Water treatment plants often last for 100 or more years and require significant planning to ensure adequate space to accommodate continued growth of a community. The CDWSP is only allocating funding for projects through 2040. Given Woodbury’s additional demand projections beyond 2040, it would be beneficial if the State provided guidance on how to handle the additional cost of planning for and building Woodbury’s infrastructure to meet the 2050 demands. At a minimum, the treatment plant will need to be built to accommodate the additional future demand. Woodbury believes there will be cost savings to the interested parties if planning and implementation of the 2050 target be included with the current effort for structure sizing and spacing.

4. **System-Wide Treatment of Woodbury Municipal Wells**: Due to PFAS contamination, Woodbury is being driven to a two class municipal water system with treatment of only some of its municipal water wells for PFAS. This poses operational issues and equitable water quality and cost disparities across the community. When building a treatment plant that will support the community for 100+ years, resiliency and future flexibility are needed. For example, since the CDWSP draft was released, well 19 has risen above .5 HI; based on other nearby well tests, wells 20 and 21 may also be over .5 HI.

To ensure the initial capital is invested to develop a resilient system to respond to the changes HI and emerging science, Woodbury City Council will be put in a situation where they may need to require rate payers to pay for bringing wells not included in the CDWSP to treatment. This investment would not be needed but for PFAS.
Given the Settlement and the CDWSP were each developed to address the PFAS contamination in the East Metro, Woodbury is seeking the continued partnership of the co-trustees to ensure that the costs associated with implementing the CDWSP, and requirements that arise due to the treatment solutions selected, are borne by the Settlement and not by the residents of Woodbury.

Thank you in advance for addressing these critical issues and helping us to ensure the best long-term solutions for Woodbury and the region.

Sincerely,

[Signature]

Anne Burt
Mayor

cc: Woodbury City Council
    Mike Madigan
    David Filipiak
    Clint Gridley
    Mary Hurliman
    Jim Westerman
    Chris Hartzell
TO: City of Woodbury  
FROM: Primacy Strategy Group  
DATE: February 24, 2022  
RE: Woodbury Federal Lobbying Feasibility Study  

SUMMARY  
This memo has been drafted to outline a research-based federal lobbying feasibility study to assess if there are opportunities to secure funding to build out the City of Woodbury’s municipal drinking water treatment system—not covered by the 3M PFAS settlement—in a way that provides equitable water quality and cost for all 80,000+ residents of Woodbury now and into the future.  

BACKGROUND – WOODBURY & PFAS  
Woodbury is being driven to a two-class municipal water system with treatment of only some of its municipal water wells for PFAS. This poses large operational issues, equitable water quality and cost disparities across the community. Currently, 8 of Woodbury’s 19 wells have been impacted with two additional wells anticipated to receive health advisories in the future, meaning more than 50% of Woodbury’s wells will be impacted by PFAS.  

FEDERAL LOBBYING FEASIBILITY  
Because of the economic impacts of the COVID-19 pandemic and the priorities of current leadership in Washington, D.C., this is truly an unprecedented time in our nation’s history and federal funding for local governments has never been more robustly available.  
In addition to previously passed funding for local governments such as the CARES Act and the American Rescue Plan (ARPA), we are just now seeing the release and guidance for funding from the Infrastructure Investment and Jobs Act (IIJA).  
- The IIJA presents a once-in-a-generation $1.2 trillion infusion of available infrastructure dollars
Throughout 2022, the guidance from the US Department of Transportation and other agencies (US Department of Treasury, US Department of Housing and Urban Development, etc.) will be released for the IIJA and many new funding programs will be available to local governments that did not previously exist.

Additionally, existing programs have been plussed-up which gives an unprecedented ability of federal agencies to invest resources through grants and programmatic funding which is a valuable tool for local governments to secure an ROI.

**Issue Introduction and Strategy Meetings**

To build on initial research and explore details of available funding, PSG and City staff conducted Issue Introduction and Strategy Meetings. These meetings provided valuable insights and advice to pursuing federal funds for Woodbury’s water system. The primary takeaways from our meetings have been identified below.

**Senator Amy Klobuchar (D-MN)**

- Woodbury Mayor Anne Burt, City Administrator Clint Gridley and Public Works Director Mary Hurliman met with senior staff from the Office Senator Klobuchar (D-MN). This included Legislative Director Jonathan Sclarsic and Environmental Legislative Assistant Brian Werner.

- Brian Werner led the meeting as the Senator’s most senior environmental staffer. His feedback was candid and he noted during and after the meetings that putting the project’s financing on congressional staff’s “radar” to explore every available option for Woodbury residents was welcomed.

- Though Mr. Werner did articulate the reality that no “silver bullet” solution currently exists that could fund the entirety of the project in a single grant award or federal funding allocation—he noted that opportunities existed and they would be partners with the City to identify, secure and support federal funding for the project.

- Mr. Werner also offered that he was hopeful that Woodbury’s project would qualify for funding through the state Safe Drinking Water Revolving Fund—but after follow-up from PSG staff that the City’s eligibility for that funding was not as strong as previously thought, Mr. Werner again offered to partner with the City as they looked for alternative federal funding for this critical project.

**Senator Tina Smith (D-MN)**

- The group met with Senator Smith’s local government legislative assistant Anna McKloskey as well as Sarah Alexander, the Senator’s Environmental staffer with a background in water resources.
• The meeting was very positive and Ms. Alexander noted that there was funding available for projects and with her background, she would be thrilled to partner with the City.

• Ms. McKloskey noted ahead of the meeting that given Woodbury’s size and prominence in the state, it would be good for the Senator to track their priorities moving forward. She also offered to be engaged as the City moves forward and to be a partner in securing federal funds.

**Congresswoman Betty McCollum (D-MN04)**

• City Administrator Gridley and Public Works Director Hurliman met with Congresswoman McCollum’s District Director Josh Straka. Josh has tracked the City’s water issues closely and shared the City’s concerns regarding securing all of the funding in the State Revolving Drinking Fund.

**Environmental Protection Agency**

• The meeting with EPA staff was attended by multiple divisions and provided useful context, background advice on possible paths forsecuring federal water infrastructure funding.

  1. EPA Office of Water
  2. EPA Office of Ground & Drinking Water (PFAS-focused staff)
  3. EPA Drinking Water State Revolving Fund
  4. EPA Office of Congressional & Intergovernmental Relations
  5. EPA Office of General Counsel.
  6. EPA Region 5 Office
  7. Water Infrastructure Finance and Innovation Act Division (WIFIA)
  8. Water Infrastructure & Resiliency Finance Center
  9. EPA Municipal Ombudsman

• During the meeting, staff from each of the above offices offered input and insights. The EPA offered to be at the City’s disposal to assist in funding this project.

• Specifically, the EPA’s Municipal Ombudsman offered to do a follow-up meeting to stay coordinated and be a point of contact for the City. PSG is working with the Ombudsman, Jamie Piziali, to schedule follow up meetings and review next steps.

**Additional Pending Meetings:**

Based on feedback from the above meetings and additional research, PSG is also scheduling staff-level meetings with the US Department of Treasury and the US Department of Transportation to explore further funding options for the project.
Federal Political Landscape

The confluence of the 2020 elections and the impacts of the pandemic have made this two-year cycle of Congress an unprecedented time to engage with the federal government—but the current landscape is not likely to last. As you are aware, the U.S. House and Senate (though narrowly) as well as the White House are all under democrat’s control.

The political landscape is likely to change after the 2022 elections looking ahead and it is clear that suburban areas like Woodbury are the battlegrounds for the 2022 elections and beyond. Given these dynamics, it may be wise to include a political narrative in an advocacy strategy that accounts Woodbury’s location and demographics and how those factors may enhance and shape federal advocacy.

Another consideration is Congressional 2022 redistricting. Though the Minnesota legislature must come out with proposed maps for the federal congressional districts by February 15th, that deadline will likely not be met. Draft maps have the city of Woodbury moving to or being split with the second Congressional District. The second CD, though currently represented by Angie Craig (D), is a purple district and could flip. If any of these changes occur, Woodbury would have the opportunity to educated and engage with additional congressional offices to gain support for the project.

Conclusion

After initial research and fact finding, PSG recommends that the City of Woodbury would be well-served by engaging in a targeted federal advocacy plan to advance your goals. Based on our experience, municipalities with a consistent and strategic advocacy presence at the federal level are far more likely to be awarded federal dollars than those without intentional federal advocacy efforts. With the old Wayne Gretzky adage, “You miss 100% of the shots you don’t take” and while acknowledging the still competitive environment, we believe that securing federal funding for Woodbury’s water system construction project will require consistent and targeted advocacy at the federal level. We would recommend a multi-faceted approach that aims to secure funding for priority components of the overall project need.

RECOMMENDED NEXT STEPS & CONSIDERATIONS

Drawing on the insights and feedback from initial Issue Introduction Meetings with administrative and congressional staff, we believe that if the City of Woodbury wishes to pursue a federal advocacy plan, the strategies and tactics described below could be employed to advance construction improvements to Woodbury’s water treatment system.

1. **Identify optimal federal funding mechanisms**
   a. Utilize technical expertise to navigate the complex appropriations, grant, programmatic and formula funding processes to identify potential funding opportunities.
Below, are highlights of potential funding mechanisms already identified from outreach and research.

b. Congressionally Directed Spending - Earmarks
   i. In 2021, congress reintroduced the Congressionally directed spending request process for local governments and non-profits, commonly referred to as “earmark” requests. This process, which occurs during each fiscal year, is a direct request through your Senators and Member of Congress that can fund capital projects as well as programming. Though earmarked amounts tend to be smaller (between $1.5-$3 million), this process is an excellent way for cities to put forward portions of their project for funding as well as raise awareness around the larger need.

c. Capital Projects Fund (Department of Treasury) - $10 billion
   i. The Department of Treasury Capitol Projects Fund aims to enable investments in capital assets designed to address inequities in access to critical services and contribute to the Biden administration’s goal of providing every American with the modern infrastructure necessary to access critical services.

d. Infrastructure Investment and Jobs Act (IIJA) Guidebook
   i. This guidebook is a roadmap to the funding available under the Infrastructure Investment and Jobs Act. It explains, in as much detail as currently available, how much funding is available at the program level. The primary goal is to help our partners across the country know what to apply for, who to contact for help, and how to get ready to rebuild.

e. Water Infrastructure Finance and Innovation Program (EPA – WIFIA Division)
   i. The WIFIA program accelerates investment in our nation’s water infrastructure by providing long-term, low-cost supplemental loans for regionally and nationally significant projects.

f. Water Infrastructure Resiliency Finance Center (EPA – Region V)
   i. The Water Finance Center provides financing information to help local decision makers make informed decisions for drinking water, wastewater, and stormwater infrastructure to protect human health and the environment.

g. Water Finance Clearinghouse (EPA)
   i. The Water Finance Clearinghouse is a resource provided by the EPA to help communities locate information and financial resources that will assist them in making informed decisions for their drinking water, wastewater, and stormwater infrastructure needs.
h. Corps Water Infrastructure Financing Program (DOD – Army Corps of Engineers) - $75 million
   i. The U.S. Army Corps of Engineers through the Corps Water Infrastructure Financing Program (CWIFP), as authorized by the Water Infrastructure Finance and Innovation Act (WIFIA), enables local investment in infrastructure projects that address community water resource needs, promote economic prosperity, and improve environmental quality.

i. Water-Related Environmental Infrastructure Assistance Program (DOD – Army Corps of Engineers) - $200 million
   i. Congress has authorized and provided for U.S. Army Corps of Engineers assistance with planning, design, and construction of municipal drinking water projects in specified communities, counties, and states. This assistance supports publicly owned and operated facilities, such as distribution and collection works, stormwater collection and recycled water distribution, and surface water protection and development projects.

j. Water & Groundwater Storage, And Conveyance Program (Department of Interior) - $1 billion
   i. This $1 billion program at the Department of Interior provides funding for water storage projects with capacity between 2,000 and 30,000 acre-feet as well as projects that convey water to or from surface water or groundwater storage.

k. EPA Compendium
   i. After the initial meetings with various EPA staff, they offered to put together comprehensive compendium of potential funding opportunities. This compendium is likely to be complete during the month of February to be incorporated into the above funding opportunities outline

2. Coordinate ‘Cadence of Conversations” with relevant congressional offices, Members of Congress, and administrative agencies
   a. Schedule meetings between city staff and congressional offices and administrative agencies.
   b. Draft materials for meetings including talking points, agendas, and issue briefing memos to give federal partners.

3. Grant Writing & Application Navigation
   a. Carefully review grant proposal guidelines, requirements, and deadlines.
   b. Track grant application process and coordinate letters of support from appropriate Members of Congress.
   c. Draft compelling narrative and fact-pattern to maximize strength of grant application.

4. Directly advocate before Congress and federal agencies in support of the City’s designated goals and priorities
a. Regularly meet with Members and staff in both formal and informal settings to continuously advocate project and keep it at the top of mind for congressional offices.
b. Provide project-specific materials to congressional, committee, and administrative staff including project background, draft legislation, and one-pager issue summaries.

5. **Provide real-time analysis of administrative & legislative developments**
   a. Analyze and update the City on developments in the Administration and Congress that may impact the City including regulatory changes, executive actions, rulemaking, and leadership changes. These include the Department of Transportation, Department of Treasury, and the EPA, among others.
   b. Analyze and update the City on pertinent actions in Congress including the introduction of legislation, hearing announcements, budget process developments, and caucus actions.

6. **Conduct ongoing strategy sessions with City staff and leadership**
   a. Regularly meet with City staff and leadership to assess and reevaluate advocacy efforts and adapt strategy as needed.

7. **State and federal coordination**
   a. Recommend coordination between federal agencies and stakeholders with state departments and funding opportunities to leverage support

8. **Woodbury Staff Investment**
   a. The primary investment and cost for city staff, in terms of time and tasks, would be in the form of general guidance and decision-making based on recommendations presented by outside federal lobbyist support. City staff will also need to play a leading role in providing subject matter expertise (project/PFAS background, etc.), though drafting and production of materials should be augmented by third-party advocacy support as much as possible. Apart from these primary staff investments/costs – general guidance, decision making, subject matter expertise – the city and its staff would be best served by utilizing outside federal lobbyists to execute the day-to-day advocacy operations as well as the bulk of any compliance work that may arise as the project progresses. In fact, an outside subject matter expert can reduce staff investment by targeting advocacy, recommending best practices and doing much of the leg work and background for implementing a federal advocacy strategy.
East Well Field Project Funding Timelines

**DWSRF LOAN**
- DWRF PPA Letter Due
- JUP Letter Due
- Finalize Loan Application, Plans & Specs
- Project Certification

**MIN BONDING**
- Letter of Interest Due
- Application Submission
- Legislative Session
  - Deadline for Local Funding Requests
  - MMB Staff Review
  - MMB Submits All Requests to Legislature
- Final Funding Distributed

**WIFIA PROGRAM**
- Project Selected to Apply
- WIFIA Loan Closing

**FEDERAL EARMARK**
- Deadline for Requests
- Meet with Congressional Offices
- Project Selections
- Process Repeated Annually

**FEDERAL PFAS FUNDING**
- $4 billion in federal funding through DWSRF to address PFAS
  - Final Vote and Passage of Federal Infrastructure Bill

**Timeline**

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Strategic Initiative: Drinking Water
Treatment Plant Legislative Strategy and General Update
February 23, 2022
Council Workshop
Agenda

• Conceptual Drinking Water Supply Plan (CDWSP) Refresh
• Preliminary Engineering Report (PER)
• Funding Gap
• Federal Funding Efforts / Feasibility
• Project Timeline
• Updates: White Bear Lake, Well 20, Well 21, Temp Treatment Expansion
Council Direction

• Discussion:
  • *Level of continued effort to secure federal funding."

• Discussion: East Wellfield Options
  • *Design plant to accommodate future connection, leave East Wellfield for future phasing/decision.*
  • *Bring to central treatment and blend; design for future treatment expansion*
  • *System-wide treatment*
Planned Treatment of Wells
LONG-TERM WATER TREATMENT PLANT
Preliminary Engineering Report Goals

- Pipeline Analysis and Alignment Selection
- Conceptual WTP Layout and Treatment Selection
- Define the Non-Treatment Infrastructure Needs
- Critical Path Items
- Matrix of All Projects

PER GOALS
Potential Gaps

• Capacity

• Storage

• Build for 2040 or 2050 Demand
  • Impacts Treatment Plant Sizing and Pipe Sizing

• Sustainability/Education/Other Components
STATE SETTLEMENT
Option No. 1

14 MGD  $151.3M
Capacity

- 14mgd WTP for Tamarack Wells
- Tamarack Well Modification
- Raw Water Pipelines from Tamarack to WTP
- Finished Water Pipelines for Centralized WTP
- Relocated Well 1 to South Wellfield (Untreated)
- Other Misc. Items (all costs related to the developed projects will be covered by the settlement)

**+ Treatment for Well 19 not included in CDWSP but recently exceeded a HI of 0.5 and qualifies for funding.**
STATE SETTLEMENT
Option No. 1

14 MGD
Capacity
$151.3M

- 14mgd WTP for Tamarack Wells
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- Finished Water Pipelines for Centralized WTP
- Relocated Well 1 to South Wellfield (Untreated)
- Other Misc. Items
  (all costs related to the developed projects will be covered by the settlement)

2040 Planning
TAMARACK AND SOUTH WELLFIELD TREATMENT
(Proposed to State Co-Trustees)

26 MGD
Capacity
+$43M-$50M

- WTP UPGRADE
  Additional 6 MGD to treat Tamarack Wells and increase pipe size to transport water.
  = $21M - $25M
- Additional 6 MGD to treat South Wellfield (Assuming wells eventually over the 0.5 HI)
  = $11M - $13M

- STORAGE
  4MG (Related to Centralized Treatment)
  = $11M - $12M

+ Treatment for Well 19 not included in CDWSP but recently exceeded a HI of 0.5 and qualifies for funding.
System-Wide Treatment

KEY BENEFITS:

- Equity
- Limit Distribution Complexity
- Improved Aquifer Flexibility
- Consistent Water Quality & Treatment Chemistry
- Further Reduction of PFAS Contamination
- Improved Operational Control
<table>
<thead>
<tr>
<th>STATE SETTLEMENT</th>
<th>Tamarack AND SOUTH WELLFIELD TREATMENT</th>
<th>SYSTEM-WIDE TREATMENT</th>
</tr>
</thead>
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<tr>
<td><strong>Option No. 1</strong></td>
<td><strong>Proposed to State Co-Trustees</strong></td>
<td><strong>(Long-term Need)</strong></td>
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<td><strong>14 MGD</strong></td>
<td><strong>26 MGD</strong></td>
<td><strong>32 MGD</strong></td>
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<tr>
<td>Capacity</td>
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<td><strong>+$22M-$38M</strong></td>
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- **WTP UPGRADE**
  - Additional 6 MGD to treat Tamarack Wells and increase pipe size to transport water.
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- **WTP UPGRADE**
  - Additional 6 MGD to treat South Wellfield (Assuming wells eventually over the 0.5 HI)
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- **STORAGE**
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**Treatments**
- 14mgd WTP for Tamarack Wells
- Tamarack Well Modification
- Raw Water Pipelines from Tamarack to WTP
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- Relocated Well 1 to South Wellfield (Untreated)
- Other Misc. Items
  - (all costs related to the developed projects will be covered by the settlement)
- Treatment for Well 19 not included in CDWSP but recently exceeded a HI of 0.5 and qualifies for funding.

**PIPELINE & WELL**
- Modifications to East Wellfield
  - = $22M - $25M

**BLENDING or SYSTEM-WIDE TREATMENT**
- = $3M - $4M
- = $11M - $13M
Additional Funding Efforts and Feasibility
Funding Feasibility - State

• State
  • Drinking Water Revolving Funds (DWSRF)
  • State Bonding (2024)
  • American Rescue Act (ARA)
    • Allocation going towards supporting water infrastructure (non-treatment related)
    • Additional grant funding
Funding Feasibility - Federal

• Federal
  • Community Directed Spending (earmarks)
  • WIFIA – loans, no known forgiveness
  • EPA grants for sustainability, stormwater, emerging contaminants
  • Department of Defense (?)
  • Department of Treasury (?)
  • Department of Interior (?)

• Other
  • Rule Making
Council Direction

• Discussion:
  • *Level of continued effort to secure federal funding.*

• Discussion: East Wellfield Options
  • *Design plant to accommodate future connection, leave East Wellfield for future phasing/decision.*
  • *Bring to central treatment and blend; design for future expansion*
  • *System-wide treatment*
PROJECT TIMELINE

COUNCIL MEETINGS AND WORKSHOPS
- Feb 16 Water Strategic Initiative
- Mar 30 Cottage Grove Joint Meeting
- Jun 23 Water Strategic Initiative
- Oct 19 Water Strategic Initiative

PRIMACY STUDY
- Preliminary Engineering Report
- Pilot Study Phase 1
- Well 20 Construction
- Well 21 Design
- TWTP Expansion

RATE STUDY
- Pilot Study Phase 2

LAKE ROAD/PIONEER DRIVE INTERSECTION RECONSTRUCTION

CIP PROJECT PLANNING & COORDINATION
- PFA - DWRF Loan Applications
  - RFP Application Due: May 6
  - RFP IUP Letter Due: June 3

COMMUNICATIONS
Emerging Issues and Updates

• White Bear Lake Court Decisions
• Well 20 and Well 21
• Temporary Treatment Expansion
The purpose of this workshop item is to continue roadway and pedestrian policy discussions following the January 19, 2022 workshop. This council workshop agenda item is the second stage of an anticipated three-part discussion seeking to align our policies with the Council’s intent.

On January 19, 2022, Council directed staff to modify the existing policy guidance language to provide more design flexibility and prioritization within the Roadway Corridor Design Principles. At the March 23, 2022 workshop, staff is proposing to review future roadway rehabilitation project schedules and implications of Council directed policy guidance changes. At the April 20, 2022 workshop, Council will discuss the annual capital improvement plan. Lastly, it is anticipated that a draft Community Engagement Strategy that outlines how the public engagement for roadway rehabilitation projects and other public input processes can be best managed will be presented to Council in the second or third quarter of 2022.

Staff has prepared three options for Council consideration at the February 16, 2022, City Council Workshop as detailed below.

**Options and Considerations**

Philosophically, it is important to define a policy that is not overly constrained or too ambiguous. An overly constrained policy does not provide staff the ability to respond to unique circumstances, while an ambiguous policy can be difficult to communicate and implement. Council-directed clarity on major policy parameters for roadway improvement projects will help with the successful delivery of projects by allowing the City to build credibility with the public, create more focused public engagement efforts and increase process efficiencies.

Several policy guidance language options have been identified for the Council to consider as it relates to trails and sidewalks in residential roadway reconstruction projects:
1. **Option No. 1: Modify Policy Language to Prioritize Neighborhood Support:**

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<th>Pedestrian Improvements Guidance</th>
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<tr>
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<td>5’ sidewalk or 8 – 10’ trail on one side and 28’ wide road (26’ on cul-de-sacs) depending on context sensitivity, logical connectivity, engineering and economic feasibility; <strong>and</strong> only by majority petition after a resident engagement process.</td>
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**Considerations:**
This would require moderate modifications to the current Roadway Corridor Design Principles, draft Bicycle and Pedestrian Plan, and 2040 Comprehensive Plan. It would not meet the City’s current goals related to safety, transportation equity or prioritization of pedestrian facility considerations and it may result in an inconsistent network of trails and sidewalks. However, it puts the burden on individual property owners to petition for pedestrian enhancement improvements and may improve acceptance and support from the neighborhood.

2. **Option No. 2: Flexible Language Regarding Retrofitting of Sidewalks and Trails:**

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**Considerations:**
This would require minor modifications to the current Roadway Corridor Design Principles and moderate changes to the draft Bicycle and Pedestrian Plan. This could be difficult for staff to implement and deliver with neighborhood reconstruction projects due to design ambiguity and late decisions by the Chapter 429 Statutory process for Council decisions. It increases design flexibility but may not achieve desired support from residents with additional impacts, costs, changes to neighborhood character, and burdens of snow removal. Prioritizing the often competing context sensitive design solutions with guiding policies aligning with safety, transportation equity and connectivity goals has resulted in concerns with this approach. Functionally, this is how the current design principles have been applied and it has resulted in a lack of resident support, and occasional active opposition. This approach could result in trail and sidewalk network inconsistency.
3. **Option No. 3:** Prioritize trails or sidewalks on neighborhood collectors and select roadways:

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**Considerations:**
This would require minor modifications to the current Roadway Corridor Design Principles and draft Bicycle and Pedestrian Plan. It would provide increased flexibility and network consistency on residential reconstruction roadway design, but it still may require easement acquisitions, acceptance of neighborhood character changes, and support from residents for additional impacts, costs, and changes to neighborhood character, and burden of snow removal.

**Recommendation**
Staff recommends Option No. 3 based on previous City Council discussions and the ability to have greater design flexibility and reduced ambiguity. Option No. 3 allows for trails based on guidance from previous planning documents without applying strict policy language to all residential neighborhood reconstruction projects.

Residents would also have the opportunity to petition for sidewalks if desired, but sidewalks on all streets would not be the starting point for residential road reconstructions without a defined measure of support through a petition process. Staff would recommend a minimum level of support of 60 percent by petition consistent with the City’s Neighborhood Traffic Calming Policy petition requirements.

The recommendation applies to full reconstruction projects only. Rehabilitation projects would not include neighborhood roadway sidewalk construction, unless they are requested through a previous traffic calming petition, petitioned for during project planning, or critical to the connectivity of the trail and sidewalk network such as Neighborhood Collector roadways. This is consistent with the current project process.
Governance Mode

- Generative – Identifying key questions, anticipating future challenges, framing of issues, development of options. Problem-framing. What to pay attention to, what it means, and what to do about it. How does it fit with our mission, vision and values?

Fiscal Implications

There are no immediate budget impacts or future cost obligations based on the policy review. Any budget impacts or future cost obligations based on considerations for policy revisions will be prepared as appropriate based on Council direction.

Policy

The main policies providing guidance for roadway design for rehabilitation, reconstruction and construction projects are:

<table>
<thead>
<tr>
<th>Main Policies</th>
<th>Roadway and Pedestrian Facilities Guidance</th>
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<tr>
<td>2040 Comprehensive Plan</td>
<td>Safety, transportation, equity, health, active living, economic, environmental, safe routes to school goals</td>
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<tr>
<td>Roadway Corridor Design Principles</td>
<td>Identifies key design aspects and standards</td>
</tr>
<tr>
<td>Bicycle and Pedestrian Plan - Draft</td>
<td>Pedestrian network priorities and retrofit goals</td>
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Policy details can be found on the City’s website at:

2040 Comprehensive Plan
https://www.woodburymn.gov/487/2040-Comprehensive-Plan

Draft Bicycle and Pedestrian Plan
https://www.woodburymn.gov/233/Bicycle-and-Pedestrian-Plan

If the Council provides direction at the February 16th City Council Workshop, recommendations for modification of the existing policy guidance language will be provided at the March 23, 2022 City Council Workshop.

Public Process

Significant public process occurred with the development of each of the City’s existing policies in 2009 and 2015 (Roadway Corridor Design Principles), 2019 (2040 Comprehensive Plan), and most recently 2020 and 2021 (Bicycle and Pedestrian Plan – Draft).

Background

Staff prepared the scope of the 2022 Roadway Rehabilitation Project in the Royal Oaks neighborhood following guidance from existing policies and direction from City Council. Following the Public Improvement Hearing at the City Council meeting on November 10, 2021, Council voted to cancel the project to review existing policies related to residential projects with
full reconstruction. Specific concerns from the City Council were related to sidewalk construction and tree impacts. Resident opposition was also heard regarding trail and sidewalk construction during the public engagement and hearing process. Following the Public Improvement Hearing, City Council discussed potential policy modifications at the Workshop on January 19, 2022, and provided majority direction to staff for a follow-up Workshop Meeting on February 16, 2022.

Written By: Tony Kutzke, City Engineer
Approved Through: Christopher Hartzell, Engineering Director
Attachment: None
Roadway and Trail Policy
Project Parameters

Council Workshop
February 23, 2022
**Option 1**

**Modify Policy Language to Prioritize Neighborhood Support**

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Option 1 – Proposed Trails
Option 2

**Flexible Language Regarding Retrofitting of Sidewalks and Trails**

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Option 2 – Proposed Trails
Option 3

Prioritize trails or sidewalks on neighborhood collectors and select roadways

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Option 3 - Proposed Trails
Royal Oaks Roadway Rehabilitation Project – Existing Policy
2024 Roadway Rehabilitation Project – Salem Meadows
2025 Roadway Rehabilitation Project
2027 Roadway Rehabilitation Project – Woodbury Heights
<table>
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<th>Policy Discussion Item</th>
<th>Date</th>
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<tr>
<td>Policy focus</td>
<td>Jan. 19, 2022</td>
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<td>Policy language direction</td>
<td>Feb. 23, 2022</td>
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<tr>
<td>Project schedules and implications</td>
<td>March 23, 2022</td>
</tr>
<tr>
<td>Capital Improvement Plan</td>
<td>April 20, 2022</td>
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Pedestrian and Bicycle Plan (Draft)
Background