



**City Council Workshop Meeting
June 28, 2023 | Ash North and South Conference Rooms**

**Following City Council Meeting
Approximately 8:05 p.m.**

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 computer, tablet or smartphone and accessing the virtual meeting link at woodburymn.gov/VirtualMeetings

[Watch the Live Meeting](#)

Public comments will be accepted during the meeting both in person and virtually. Virtual questions should be submitted via the online Q&A feature within the virtual meeting link.

Questions regarding the meeting will be also 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.

Workshop Agenda

- | | | | |
|-----------|----|---|--------|
| 8:05 p.m. | 1. | Water Supply and Growth Management | 23-152 |
| 9:20 p.m. | 2. | Administrator Comments and Updates ¹ | |
| 9:25 p.m. | 3. | Mayor and City Council Comments and Commission Liaison Updates ¹ | |
| 9:30 p.m. | 4. | 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 23-152

June 28, 2023

To: The Honorable Mayor and Members of the City Council

From: Clinton P. Gridley, City Administrator

Subject: Water Supply and Growth Management

Summary

The Woodbury City Council is committed to ensuring water quality and quantity that is necessary to serve Woodbury residents, businesses and visitors. To that end, water quality and quantity have been Council strategic priorities for close to a decade, and Woodbury is currently designing what will be one of the largest per-and polyfluoroalkyl substances (PFAS) treatment plant in the nation. With increasing State of Minnesota Department of Health well advisories, limitations in water production capacity to meet demand under current and future conditions have been occurring.

All the while, growth continues to be a fundamental part of the history and future of Woodbury. From our early days as a city, local officials anticipated growth and implemented long-term planning strategies that have allowed us to carefully manage growth. Recent residential growth is consistent with our long-term planning goals and strategies; and in particular, the level of residential development activity in the Phase 2 growth area was anticipated and is being managed through the City's comprehensive plan, development phasing and master planning processes.

Questions have been percolating on how does the City best balance and manage these two key aspects – water supply and community growth - recognizing the presence of PFAS chemicals has had an impact on water supply within the community. As PFAS science and understanding continues to evolve, additional attention to the relationship between community growth and water supply is necessary. Staff is proposing the attached resolution, which establishes the historical context of the City's commitment to managed growth, memorializes a summary of significant actions taken to date related to water infrastructure, growth, and delivers tangible policy direction related to the timing and conditions for future Phase 2 development activity.

Recommendation

Staff requests Council discussion on the attached proposed resolution and provide amendments as necessary.

Governance Mode

- Fiduciary - Stewardship of tangible assets, oversees operations and ensures efficient and appropriate use of resources, legal compliance, and fiscal accountability.
- Generative - identifying key questions, anticipating future challenges, framing of issues, and development of options.

Fiscal Implications

Modifying our growth plans will likely:

1. Reduce development fees and permits revenues which cover operational costs related to inspection services, that could leave a future funding gap to be covered by property taxes.
2. Delay property valuation growth in these areas, which has tax rate implications.

Pros and Cons

Adopting the attached resolution has the following benefits and detriments:

Pros

- Recognizes times and conditions have changed, and that an adjustment to our growth management policies is necessary.
- Good risk management in case conditions worsen.
- Provides some modicum of future reduced water use demand.
- Provides policy clarity to staff as we receive and review development applications.
- Signals to the community the basis of past water and growth policy and actions, and the new expectations.
- Reemphasizes the practice for development phases to be master planned prior to being opened up.
- Lower growth has time management benefits for staff during period of intense infrastructure construction activity.

Cons

- Growth planned between now and completion of the long-term water permanent treatment plant is not a significant driver in the overall community water use.
- Discretionary use of water through irrigation of property by existing households, businesses, and homeowners' associations is the main driver of our water quantity issues.
- Woodbury property owners in the phased development areas being restricted from growth will be negatively impacted.
- Changes in the future supply of new houses could affect affordability (i.e. supply and demand pricing).
- Does not impact development within Metropolitan Urban Service Areas (MUSA).
- Delaying the development of 2C will impact the extension of infrastructure to the Glacial Valley Park and development of the SWWD trailhead and pavilion.
https://www.swwdmn.org/wp-content/uploads/2018/09/170469-20180223-SWWD-Summary-Report_FINAL.pdf
- Has fiscal implications (see above).

Policy

Aligns with the 2019-2021 Strategic Initiative 19-01, Ensure Long-term Drinking Water Sustainability and 2022-2024 Strategic Initiative 22-01 Drinking Water Treatment Implementation.

Public Process

- August 2019, the Council adopted the 2040 Comprehensive Plan.
- October 2021, the Council modified the Phase 2 Growth Management Policy.

Due to the extensive length of public process items associated with water topics, only 2023 process are noted below. A list of previous public process can be found in past years' Council Workshop letters.

- February 8, 2023, Council Resolution Authorizing Acceptance of City of Woodbury Water Treatment Plant Design and Partial Pipeline Design Grant from MPCA in the amount of \$12,500,000 and Approval of Budget Amendment to the Water and Sewer Utility Fund.
- March 22, 2023, Council Resolution Authorizing Acceptance of City of Woodbury Water Treatment Plant and Pipeline Design Project Grant Amendment #1, from Minnesota Pollution Control Agency in the Amount of \$3,888,543 and Approval of Budget Amendment to the Water and Sewer Utility Fund.
- April 12, 2023, Council Resolutions Authorizing the Mayor and City Administrator to Execute a Letter of Engagement with Advanced Engineering and Environmental Services, LLC (AE2S) as the City's Consultant and Engineering Firm for Wellhead Temporary Water Treatment.
- April 12, 2023, Council Resolution Authorizing Acceptance of City of Woodbury Wellhead Temporary Water Treatment Grant Amendment from Minnesota Pollution Control Agency and approval of Budget Amendment to the Water Sewer Utility Fund.
- April 19, 2023, Council workshop: Drinking Water Strategic Initiative. Lawn and Landscape Watering Policy and Water and Sanitary Sewer Utility Capital Asset Funding and Reserve Policy.

Background

The vision summary of the 2040 Comprehensive Plan identifies Woodbury to be "A model of carefully managed growth, Woodbury will be known for its vibrant residential neighborhoods, thriving business community, diverse employment opportunities and exceptional; municipal services." This vision effectively frames the relationship between managed growth and the need to provide municipal services to the highest levels. The city's growth also makes us an attractive place to do business. These businesses bring jobs to the community, bring services for residents to enjoy and help to diversify and strengthen the city's tax base, making the city less dependent on residential property taxes.

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The most significant driver of water demand within the community is the discretionary use of water through irrigation of property by existing households, businesses, and homeowners' associations. For example, in 2022, the City of Woodbury distributed 2.96 billion gallons of water. The cumulative impact from the approximately 1,400 units approved over the past several years throughout sub-phase 2C represents an increase in water demand of just more than 6.2% as home building continues through 2029. It is important to note that this data is based on using peak day demand data collected during the odd/even watering approach. Additional reductions in water usage based on the modifications made to the Lawn and Landscaping Policy in April 2023 are expected to be experienced by all irrigators.

Without a full irrigation ban, which staff is not proposing, wells with health advisories will need to be used from time to time, in summer months, to meet discretionary community water demand. The City Council has taken a variety of steps to reduce the possible use of these wells, and wells with health advisories will be actively monitored and managed by staff to limit their use whenever operationally feasible.

Written By: Eric Searles, Assistant Community Development Director/City Planner
Approved Through: Mary Hurliman, Public Works Director
Janelle Schmitz, Community Development Director
Attachments: 1. Draft Resolution
2. Map of Phased Development Area

Resolution 23-

Resolution of the City of Woodbury Washington County, Minnesota

Water Supply and Growth Management

Section 1

WHEREAS, the presence of per- and polyfluoroalkyl substances (PFAS) has had an impact on water supply within the community, which requires additional analysis of the relationship between community growth and water supply; and

WHEREAS, the Woodbury City Council is committed to ensuring water quality and quantity necessary to serve Woodbury residents, businesses and visitors; and

WHEREAS, water quantity and quality have been City Council strategic priorities for nearly a decade, and Woodbury is currently designing what will be one of the largest PFAS treatment plant in the nation; and

WHEREAS, water system modeling work has been commissioned by the City, which is utilized to evaluate the impacts of future growth on the water distribution system. The outputs from the modeling has informed, and will continue to inform, the findings of fact related to adequate public facilities availability within conditional use permit resolutions and planned unit developments; and

WHEREAS, the Woodbury City Council has reviewed and approved contingency planning options, including adding temporary water treatment; changing lawn watering restrictions; managing wells to limit use of contaminated wells; modeling an additional water tower for storage; reviewing development phasing; continuing to educate and communicate, and implementing other water efficiency measures; and

WHEREAS, consistent with the past community growth and capital infrastructure investment and planning, staff have identified limitations in water production capacity to meet demand under current and future conditions without continued infrastructure investment; and

WHEREAS, significant actions have been taken to increase the resiliency of Woodbury's water capacity as PFAS science continues to evolve. Actions taken before the Environmental Protection Agency's (EPA) proposed maximum contaminate levels (MCLs) were released include:

- Advocacy for treatment to non-detect in the Conceptual Drinking Water Supply Plan (CDWSP); successful commitment to 0.5 health index in the final plan.
- Construction and operation of Well 20.
- Construction and operation of Well 21 (in process).
- Construction of temporary water treatment plant (TWTP) and expansion to include six wells.
- Phase 2 Growth Management Policy, splitting the area previously approved as sub-phase 2C phase into two (2) sub-phases known as sub-phase 2C and sub-phase 2D.

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- Requiring subdivision-level phasing plans that spread the allocation of lots over multiple years.
- Continued monitoring of annual water use.
- Continued development and implementation of water efficiency programs and improvements.
- Ongoing resident communication and education on PFAS and water; and

WHEREAS, in June 2022, the EPA proposed a drastic decrease to federal PFAS standards with proposed MCLs that are anticipated to be in draft format until 2026-2028. The City of Woodbury took swift and measurable action in advance of the official regulations becoming enforceable; and

WHEREAS, the Woodbury City Council quickly responded to the proposed change by discussing contingency planning options for Woodbury water capacity, until permanent water treatment is online, including:

- Directing staff to order three additional temporary treatment vessel skids.
- Revising the Lawn and Landscape Watering Policy to restrict water for lawn irrigation to two days per week, which effectively and measurably reduces demand; and

WHEREAS, the revisions to the City's Lawn and Landscape Watering Policy were implemented for the following reasons:

- Woodbury is a leader in environmental sustainability.
- The Policy better manages water system operations.
- The Policy reduces the impact of per- and polyfluoroalkyl substances (PFAS).
- Irrigating fewer days, but applying a deeper soaking on designated days, is better for lawns; and

WHEREAS, the City has developed and implemented operational plans to limit the use of PFAS impacted wells, whenever operationally feasible; and

WHEREAS, the proactive actions and investments made to date by the City of Woodbury have reduced the exposure to PFAS chemicals for Woodbury residents, businesses and visitors; and

WHEREAS, the City Council has identified the following issues related to the continued management of water:

- The most significant driver of water demand within the community is the discretionary use of water through irrigation of property by existing households, businesses and homeowners' associations.
- Irrigation restrictions established in May 2023 provided a significant positive impact on balancing the aesthetic wants of irrigation versus demand on the system during the peak lawn watering season.
- Water savings from significantly slowed or halted new development would not provide impactful benefits on the water systems and, if adopted, would not have eliminated the need to implement the May 2023 irrigation restrictions.
- Contingency planning regarding potential impacts of PFAS on the City's water systems will continue allowing the City to remain proactive on mitigating impacts.
- The water system will continue to be operated to limit use of PFAS impacted wells, when operationally feasible.

Section 2

WHEREAS, growth has been a part of the history and future of Woodbury, and the recent growth is consistent with the City's long-term planning goals and strategies. The level of development activity was anticipated and is being managed through the Met Council's Metropolitan Urban Service Area (MUSA), as well as the City's comprehensive plan, development phasing and master planning processes; and

WHEREAS, Woodbury's long-standing strategic philosophy of welcoming growth makes it an attractive place to "live, work and thrive" per the City's mission statement; and

WHEREAS, added residential and business development bring jobs to the community, bring services for residents to enjoy and help to diversify and strengthen the City's tax base, making the City less dependent on residential property taxes; and

WHEREAS, the 1976 Metropolitan Land Planning Act requires communities within the Twin Cities Metropolitan Area to adopt and update local comprehensive plans that include elements such as land use, management of public infrastructure and implementation strategies; and

WHEREAS, since the early 1970s, the City has developed and implemented several decennial comprehensive plans which have served as the blueprint for future development. The comprehensive plan provides the basic framework for development and considers the impacts of the planned growth on the City's infrastructure system, including streets, utilities and parks; and

WHEREAS, the City of Woodbury has been identified as a model for planned growth with the first implemented growth management strategy occurring in 2001. Over the two decades since, the City has adopted and amended its growth management policies to further manage and control both the timing and volume of growth within the City's expansion areas; and

WHEREAS, in August 2019, the City of Woodbury adopted the 2040 Comprehensive Plan, which establishes the vision and goals for the community, guides the use of property, establishes timing of development and mitigates impacts of the planned growth on the City's infrastructure system; and

WHEREAS, the City Council has implemented further growth management tools within Phase 2 through the establishment of a sub-phasing plan via the Phase 2 Growth Management Policy, by completing the South of Dale Master Plan, and by requiring subdivision level phasing plans; and

WHEREAS, the Phase 2 Growth Management Policy was modified in October 2021 to include a strategic growth management tactic to split the area previously approved as sub-phase 2C into two (2) sub-phases known as sub-phase 2C and sub-phase 2D. The tactic established additional development control and review opportunities as it relates to water supply, housing demand and construction of necessary roadway improvements; and

WHEREAS, the 2040 Comprehensive Plan projects development in Phase 2 to occur from 2012-2029 with land planned for development to accommodate approximately 400 housing units per year within the phase.; and

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WHEREAS, the average housing growth rate in Phase 2 between 2011 and the end of 2022 was 328 units per year; and

WHEREAS, the Woodbury City Council has discretion on the timing of opening of sub-phase 2D and timing of master planning efforts in advance of development activity; and

WHEREAS, Woodbury has seen significant growth outside of the staged growth areas known as the existing Metropolitan Urban Service Area (MUSA) and this growth was not subject to the phasing plan within the 2040 Comprehensive Plan; and

WHEREAS, additional commercial and residential development is anticipated within the existing MUSA in the future. The City does not own the land that may be developed; it is privately owned, and property owners have the right to develop their property in accordance with the City's comprehensive plan.

Section 3

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Woodbury, Washington County, Minnesota that the City of Woodbury has directed the following actions related to the continued management of growth during the period until a permanent water treatment plant is fully operational:

1. On an annual basis, until the opening of the permanent water treatment plant, the City Council shall review the status of community growth, its impacts on water supply, water availability and quality, and the regulatory environment.
2. Utilization of subdivision level phasing to provide measurable growth management on future residential developments.
3. Opening of sub-phase 2D shall occur no earlier than 24 months prior to the anticipated commencement of operation of the permanent water treatment plant.
4. Prior to the opening of sub-phase 2D, a master plan shall be adopted by the City Council with the master plan including, but not limited to, the following:
 - Transportation (roads, trails, greenways)
 - Stormwater management
 - Trunk utility planning (sanitary sewer, water)
 - Parks and open space
 - Role of planned unit developments
 - Desired lot widths and sizes
 - Housing types (apartment, townhomes, single-family)
 - Opportunities for affordable housing
5. Staff is directed to provide a revision to the Council Directive regarding the Phase 2 Growth Management Strategy to move all remaining non-entitled properties currently located in sub-phase 2B or sub-phase 2C into sub-phase 2D.

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This Resolution was declared duly passed and adopted and was signed by the Mayor and attested to by the City Administrator this ___ day of ___, 2023.

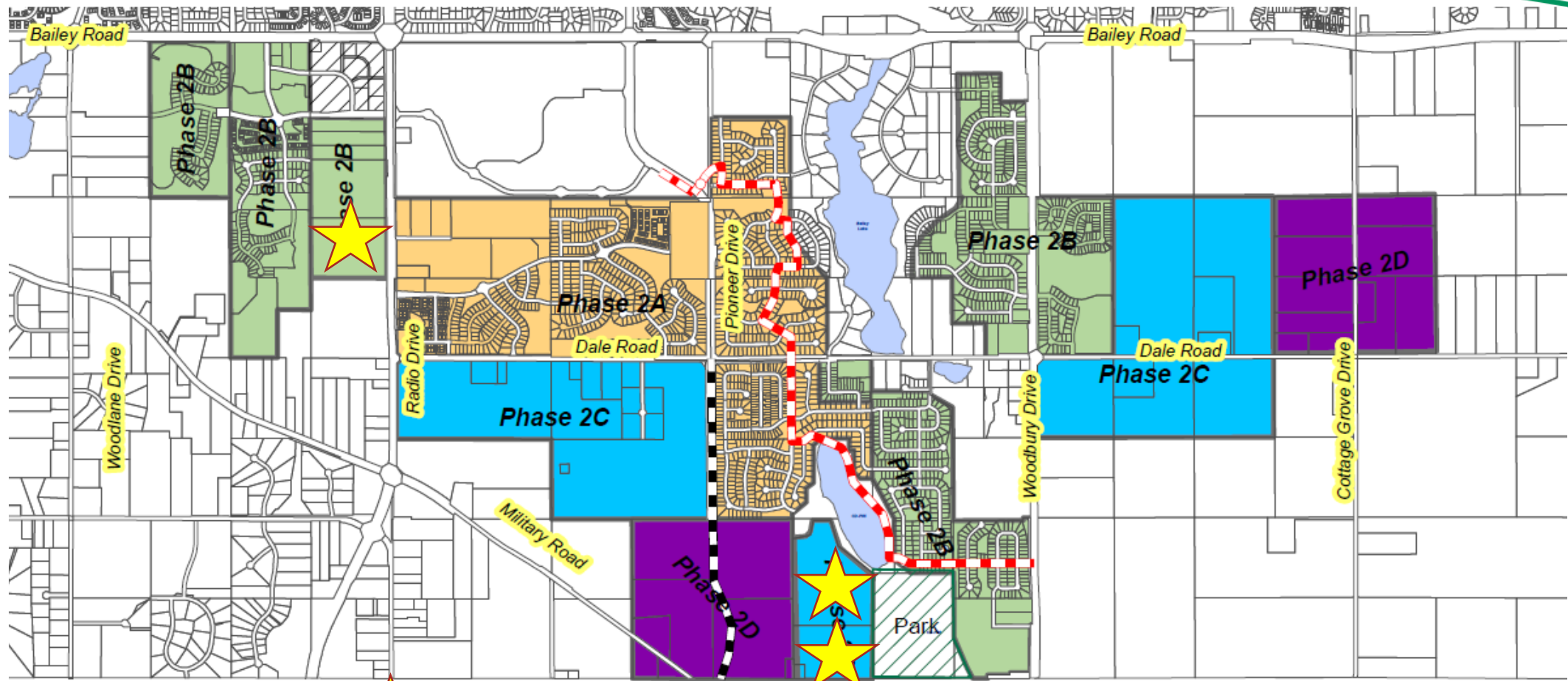
Attest:

Anne Burt, Mayor

Clinton P. Gridley, City Administrator

(SEAL)

Map of Phased Development Area



★ Non-entitled development parcels