

RESOLUTION NO. 2756-10

**A RESOLUTION OF THE TOWN COUNCIL
OF THE TOWN OF WINDSOR
MERIT RANKING THE WINDSOR MILL (REVISED) PROJECT
AND TABLING FURTHER CONSIDERATION OF
ALLOCATION RESERVATIONS FOR ONE YEAR**

WHEREAS, the Town Council established through adoption of the Growth Control Ordinance requirements that all residential development are subject to the provisions of the Growth Control as it relates to allocations and that residential development, with certain identified exceptions, requires participation in a merit review process; and

WHEREAS, the purpose of the Growth Control Ordinances is to accommodate growth anticipated under the General Plan, and to manage new development so that it occurs concurrently with necessary public services, facilities, and infrastructure; and

WHEREAS, the Growth Control Ordinance is necessary to promote public health, safety, and welfare and is based on accommodating General Plan build out to assure that housing opportunities are not reduced; and

WHEREAS, where housing opportunities are reduced, those reductions are justified to protect the quality of life for existing and future residents by managing and balancing new residential units so as not to exceed available resources in public services, facilities and infrastructure capacity; and

WHEREAS, the Growth Control Ordinance defines an allocation as a unit representing a potential residential dwelling unit, as reserved for in a specific year in accordance with the Growth Control Ordinance, where reserved allocations are released upon final discretionary approval of the project that is subject to a Residential Development application; and

WHEREAS, the Town Council initiated a merit review process known as "Merit Presentations" in which representatives of potential development projects are provided an opportunity to present the merits of their proposed projects in a comparative forum. The purpose of the forum is to provide the Council with a view of potential projects within the Town, and to provide applicants with potential projects an opportunity to present the merits of the project in an effort to receive a ranking of their project and obtain reservation of allocations; and

WHEREAS, the Windsor Mill Project received entitlement approvals for a 201 unit planned development on 20 acres on December 7, 2005 and as contained in Town Council Resolution Nos. 1839-05 and 1840-05; and

WHEREAS, these entitlements were further secured in the form of a Development Agreement, approved on January 18, 2006 as Ordinance 2005-203, in which the Town Council agreed to reserve 201 Growth Control Allocations for the Windsor Mill Project in return for certain commitments of the property owner. These commitments include major infrastructure improvements, roadway and bridge connections, affordable housing, and creek side and rail side trails all to be provided at no cost to the Town, plus park dedication and improvement; and

WHEREAS, the Development Agreement was amended on July 15, 2009 in Ordinance 2009-254 to extend the terms of the Agreement for an additional three years; and

WHEREAS, in February 2010 the property owners requested consideration of revisions to the approved plans, including change to product types, increasing the number of residential units from 201 to 270, incorporation of up to 150 low income units, and other site planning modifications. This new project design is identified as Windsor Mill Project (Revised); and

WHEREAS, Planning staff determined, and the Town Council concurs, that the nature of these changes constitutes a new project for purposes of the existing Development Agreement and the Growth Control Allocations committed within it. In order for the proposed revisions to go forward, and since Growth Control Allocations cannot be transferred to new projects, Growth Control Allocations would either need to be newly approved or, at the discretion of the Town Council, retained for the revised project through action of the Town Council; and

WHEREAS, Planning staff identified the Merit Presentation Process, as established by the Town Council, as the appropriate venue for consideration of the revised project merits and the discretionary action of the Town Council to either grant new or retain prior allocation reservations. The Merit Presentation Process provides for comparative evaluation of competing projects and their relative benefits to the Town. Use of the Merit Presentation Process and its interconnection with the annual review of the Growth Control Ordinance further allows the Town Council to consider requests for new allocations, or re-assignment of previously assigned allocations, in light of the current status of the Town's infrastructure and capacities to support current allocation requests; and

WHEREAS, at a duly noticed public hearing on May 19, 2010 the property owners presented plans for the Windsor Mill Project (Revised) to a joint meeting of the Town Council and Planning Commission conducted as the Merit Presentation Forum; and

WHEREAS, the Planning Commission further considered the Merit Presentation Projects at its August 24, 2010 meeting at which time it forwarded recommendations to the Town Council regarding relative ranking of the participating Merit Presentation Projects as well as major features and issues to be retained or resolved should the Council determine that these projects should move forward; and

WHEREAS, the Town Council considered the recommendations of the Planning Commission regarding the Merit Presentation Projects at a duly noticed public hearing on November 3, 2010. The Council determined that the Windsor Mill (Revised) Project merited ranking for further consideration of allocations based on the following:

1. The project is located within 700 feet of the Town's Transit Station.
2. The project will include 150 housing units affordable to low income senior and family households.
3. The proximity of the project will provide residential support to the Downtown – a priority development area identified by the Council.
4. The project will provide desired connections, including a vehicular, pedestrian, and bicycle bridge completing Bell Road and its linkage to the Downtown. A pedestrian bridge will connect the project to the Windsor Creek Elementary School site and a creek side trail system, and a rail side trail will extend bicycle access in this area of the community.
5. Site plan and product revisions are superior to the currently approved project.

WHEREAS, the Growth Control Ordinance requires the preparation of an Annual Growth Control Report which provides the Council with a status of local infrastructure, specifying existing infrastructure, public facilities, service capacity, approved expansion of capacity, and related financing mechanisms; and

WHEREAS, the Growth Control Ordinance states that reservation of allocations shall be based on consideration of the findings and determinations of the Annual Growth Control Report, and;

WHEREAS, the Annual Growth Control Report is presented to the Town Council for the purposes of providing information on infrastructure, public facilities, and service capacity , which is used by the Town Council in determining what, if any, increment of new development can be adequately served; and

WHEREAS, the Merit Presentations are considered during the annual review of the Annual Growth Control Report and the Council may reserve allocations based on the infrastructure information provided in the report and the Town's ability to adequately serve new development; and

WHEREAS, in the 2010 Annual Growth Control Report staff identified an issue as it relates to water service capacity and the Town's ability to adequately serve development; and

WHEREAS, staff identified uncertainties that are faced this year with water entitlements from the Sonoma County Water Agency (SCWA) and the allocation of available water supply to the Town of Windsor Water District service areas; and

WHEREAS, based on the information in the 2010 Annual Growth Control Report, Council expressed concerns based on the uncertainties of the Town's water entitlements that there could be insufficient water available to serve development, which could result in the Town's need to accelerate additional water supply sources through an accelerated off-river ground water well program; and

WHEREAS, staff identified milestones related to the preparation of the 2010 Urban Water Management Plan that is to be submitted to the State by July 1, 2010 and the Water Master Plan environmental document certification anticipated in September 2011 that may result in a better understanding of the Town's water entitlements and for additional water supply sources; and

WHEREAS, Town Council determined that based on the uncertainty of the Town's water supply entitlements that additional time is needed to complete the required plans to determine the state of the Town's water supply and to address the ability of the Town to adequately serve new development; and

WHEREAS, at the November 3, 2010 Town Council meeting the Annual Growth Control Report prepared by staff was reviewed and accepted by the Town Council.

WHEREAS, the Town Council makes the following additional findings as further supported in the analysis from Town Consultant RMC dated October 13, 2010 and incorporated into this Resolution as Exhibit "A":

1. The Town has recently completed its Draft Water Master Plan Update. This Update estimates that, based on the Town's water supply allotment from the Sonoma County Water Agency (SCWA) contained in the Restructured Agreement, the Town has remaining capacity to serve 1,349 ESDs (Equivalent Single Family Dwellings) based on average annual supply calculations. More critical, however, is the ability of the Town to serve peak summertime demand, where available capacity is limited to 732 ESDs. These figures (1,349 ESDs and 732 ESDs) represent "net" available capacity following accounting for all development projects which are currently in application or have received entitlement approvals.
2. The SCWA, in September 2009, decided to drop its long term water supply planning effort and withdraw its pending water rights application. This has created a condition of uncertainty as to how much of its full entitlement the Town may be able to depend on for future water supply planning. In the event that the SCWA proportionately curtails contractor shares to its currently authorized 75,000 acre-feet per year or water supply, the Town of Windsor would be limited to approximately its current supply. Should this occur, the Town would be able to serve its existing customers, but would be unable to serve un-built projects including those which are permitted, entitled, and in application stage (known as the "pipeline").
3. The Town, in compliance with the State Water Code, is in preparation of its 2010 Update to its Urban Water Management Plan, which is due to the State Department of Water Resources by July 1, 2011. This Plan ensures that water supplies are available to meet projected demand based on contractual arrangements, planned capital improvements, conservation, and recycled water. This Plan will be coordinated with that of the SCWA to accurately reflect water supply available to the Town from the SCWA.
4. The Town is currently preparing a Programmatic Environmental Impact Report (PEIR) to analyze the impacts of the Draft Water Master Plan. The PEIR is anticipated to be ready for consideration in mid-2011, and will be a key document to enable further capital improvements to potentially expand water supply.

NOW, THEREFORE, BE IT RESOLVED that the Town Council of the Town of Windsor hereby ranks the Windsor Mill (Revised) project for further consideration of Growth Control allocation reservations.

BE IT FURTHER RESOLVED that the Town Council hereby tables further consideration of allocation reservations for one year based on the findings contained herein.

BE IT FURTHER RESOLVED that the Town Council of the Town of Windsor may reconsider reservation of allocations for the Revised Windsor Mill project prior to the end of the one year period if Public Works makes additional capacity determinations based on the current supply, future supply, or if additional capacity is created through changes in the development pipeline.

PASSED, APPROVED AND ADOPTED this 1st day of December 2010, by the following vote:

**AYES: COUNCILMEMBERS FUDGE, GOBLE, SALMON, SCHOLAR AND
MAYOR ALLEN**

NOES: NONE

ABSTAIN: NONE

ABSENT: NONE



STEVE ALLEN, MAYOR

ATTEST



MARIA DE LA O, TOWN CLERK

Attached: Exhibit "A"



Technical Memorandum

Town of Windsor Growth Control Report

Subject: Water Infrastructure Capacity
Prepared For: Craig Scott/Town of Windsor
Prepared by: Leslie Dumas/RMC
Reviewed by: Dave Richardson/RMC
Date: October 13, 2010

1 Water System

The Town of Windsor (Town) currently receives its water supplies under agreements with the Sonoma County Water Agency (SCWA), receiving a total annual maximum amount of 5,625 acre-feet (AF) to be delivered/withdrawn at an average daily flow rate of 8.7 million gallons per day (mgd) during any month. The agreements entitle the Town to divert water directly from the Russian River underflow, via its Russian River Well Field, in the amounts of 4,725 AF annually and at an average daily flow rate of 7.2 mgd in any given month. The remainder of the supply, 900 AF per year (AFY) at an average daily flow rate of 1.5 mgd in a month, is delivered to the Airport Industrial Service Area through the Agency's Santa Rosa Aqueduct. The Town also has two wells in emergency standby status.

The Town recently completed its Draft Water Master Plan Update (Plan). This Plan identified adequate annual water supply under the current water supply agreements with SCWA to meet future growth to approximately the year 2019, assuming a three percent annual growth rate. However, the water system must also meet peak summertime demands and remain within its peak water supply entitlements and infrastructure capacities to store, pump, and move the water. Under the peak summertime demand conditions, the Draft Water Master Plan Update identifies that peak daily demands would reach the 8.7 million gallons per day entitlement limit by about the year 2014.

Looking more closely at the peak demand condition, there are a couple factors that may result in extending the constraint to several years beyond 2014:

- 1) Recent residential developments constructed have been found to have a lower peak daily demand than the existing Town average. This is primarily due to a combination of higher-density housing development and requirements for water-efficient landscape. If this lower peak demand is applied to future development, then the 8.7 mgd diversion limit would not be reached until approximately the year 2016.
- 2) The Draft Water Master Plan Update, for planning purposes, conservatively assumes that peak summertime demands extend for a full month when, in fact, these periods typically last no more than a few days to a week or so at most. While the Town's Russian River Well Field is used at maximum capacity during periods of peak demand, additional peak capacity currently exists at the Aqueduct connection. If used for a limited time, this additional peak capacity at the Aqueduct connection can serve a portion of the entire service area, providing some capacity over the 8.7 mgd value.

In addition to the Draft Water Master Plan Update, the Town prepares an Urban Water Management Plan (UWMP) every five years, as required by the State Water Code. The State Water Code thus ensures water suppliers and retailers conduct adequate water supply planning for a 20-year planning horizon. The UWMP includes a demand and supply balance considering existing and potential future supply sources, conservation, and recycled water. The Town is currently preparing the 2010 Update of the UWMP which is due to the State Department of Water Resources by July 1, 2011.

Preparation of the Town's 2010 UWMP is to be coordinated with the preparation of the SCWA's 2010 Urban Water Management Plan and will provide an indication of how much supply will be available from SCWA. As with the Draft Water Master Plan Update, the UWMP includes a determination of current and projected water demands. A key element of the 2010 Urban Water Management Plan is the incorporation of per capita water use targets as required by the recently-passed Senate Bill 7X_7. It will become clearer during the preparation of the 2010 UWMP whether the conservation measures prescribed for its Contractors by SCWA or complying with SBx7_7 requirements will be the more stringent demand constraint.

2 Future Development Potential

As determined in the Draft Water Master Plan Update, one equivalent single family dwelling unit (ESD) is equivalent to 319 gallons per day of potable water use. The estimated current demand (as calculated in the Draft Water Master Plan Update) is 4,581 AFY (or 12,819 ESDs); this total is within the water supply allocated to the Town by SCWA in the *Restructured Agreement*. At present, the Town's current development applications that have been permitted and entitled total 848 ESDs (or 303 AFY), and those that are in the application process total 725 ESDs (or 259 AFY). Assuming that this development occurs as planned, an additional annual supply capacity would still exist, equivalent to 1,349 ESDs (or 482 AFY).

Regarding peak summertime demands for future development, the peak demand entitlements can also accommodate the current development applications and an approximate average of 730 additional ESDs, assuming that these new developments have a lower peak demand than the existing housing stock. This number of additional ESDs will vary, however, depending on the type of future development that occurs and future conservation efforts, both of which will directly affect future peaking factors. Therefore, assuming a $\pm 30\%$ uncertainty factor, additional future ESDs can range from 510 to 950 under peak summertime conditions.

Table 1: Equivalent Single Family Dwelling (ESD) Summary

	Average Annual		Peak	
	ESDs	Demand (acre-feet per yr)	ESDs*	Demand (million gallons per day)
Total Available with Full Entitlements	15,741	5,625	14,597	8.7
Existing Customers	12,819	4,581	12,292	7.45
Available	2,922	1044	2,305	1.25
Permitted, Entitled, in Application	1,573	562	1,573	0.95
Net Available	1,349	482	732	0.3

* Existing customer ESD equivalents calculated using 1.9 peaking factor on average daily demand whereas future available ESDs calculated using 1.7 peaking factor on average daily demand.

3 Sonoma County Water Agency

SCWA decision in September 2009 to drop its long term water supply planning effort and withdraw its pending water rights application has made it uncertain whether the Town will be allowed to use its full entitlement of water from the Russian River and aqueduct supplies. If the Town were held to proportionate shares of the 75,000 acre-feet per year, the Town would be limited to approximately its current supply and would not be able to meet the water demands associated with its permitted, entitled and planned developments. Under this reduced supply scenario, the Town would need to accelerate its plans to install off-river wells, increase water conservation efforts, and expand its recycled water system. The benefits of developing its own future water supply include lessening the summertime water use restrictions on existing users while accommodating development consistent with the General Plan.

SCWA's new water supply direction reflects constraints on the operation of its water supply system from a reduction in flows from the Potter Valley Project and the requirements of the Biological Opinion released by the National Marine Fisheries Service in September 2008. These constraints have resulted in the ability to divert less water under specified conditions, and therefore reduces deliveries to SCWA's (and the Town's) customers during the summer months when the demand is highest. According to SCWA staff, a continued 'ratcheting down' of the available water supplies through further regulation will result in summer use restrictions similar to those imposed over three of the past four summers, occurring every summer for at least the next ten years. The summer of 2010 was unusually cool and followed a winter that left the SCWA reservoirs full or near full well into the irrigation season. However, with the return of more normal weather conditions, summer use restrictions can be expected.

The SCWA's Water Supply Action Plan, adopted by the Board of Directors on September 21, 2010, reflects these water supply constraints and change of direction. Most notably for the contractors, including the Town, the Action Plan calls for lowering summertime flows in both the Russian River and Dry Creek and subsequently reducing the water supply available for peak summer demands.

4 Capital Improvements

The Town recently completed a Draft Water Master Plan Update and has begun preparation of the Draft Water Master Plan Programmatic EIR (PEIR). The PEIR is expected to be complete and ready for certification in mid-2011. The Draft Water Master Plan Update relies upon the remainder of its contractual supply and developing off-river water supply to meet growth. During the next five years, the Draft Water Master Plan Update calls for installing off-river wells, supplemented by increased conservation and recycled water off-sets, to meet continued growth. If held to current water supplies, the Town would need to accelerate its plans to provide future water supply immediately. Table 2, below, presents the short-term (1-5 years) and long-term (6-10 year) water supply recommendations from the Draft Water Master Plan Update.

Table 2: Short-term and Long-term Water Supply Recommendations

Short-Term Recommendations
<ul style="list-style-type: none"> • Continue well exploration program • Install replacement wells (Bluebird & Esposti Park) • Explore groundwater potential in North/Hiram Lewis Park Area • Research water rights for storage of winter flows • Evaluate a more aggressive water conservation program • Evaluate urban recycled water program expansion
Long-Term Recommendations (6-10 years)
<ul style="list-style-type: none"> • Develop third well field (North/Hiram Lewis area) • Develop local managed groundwater storage program • Participate in regional groundwater storage program • Implement expanded Conservation Program • Implement expanded Urban recycled water program

The Town has recently completed its well installation project at the Bluebird and Esposti Park well sites. Additional testing and design of piping and treatment facilities are needed to complete replacement wells at one or both of these sites. Although it is uncertain if the Bluebird replacement well has sufficient capacity to justify pursuing further, the Esposti Park replacement well showed its capacity exceeded 400 gallons per minute.

Table 3, below, presents a summary of the Draft Water Master Plan Update's Capital Improvement Program and lists the type of water system facility, the timeframe, project description, and estimated cost.

Table 3: Draft Water Master Plan Capital Improvement Program Summary

Water System Facility	Timeframe	Project Description	Estimated Cost (Million \$)
Water Supply Projects	2010 to 2015 and beyond	Replacement and new wells, evaluation of groundwater storage and recharge	\$16.3
Water Storage Projects	2010 to 2015 and 2020 to 2025	4.5 million gallons of water tank capacity	\$7.9
Water Distribution Projects	2010 to 2035, phased	Water mains throughout distribution system, including interconnecting piping at well field and storage sites	\$9.9
Total			\$34.1

Table 4 shows the phasing of the projects listed in Table 3.

Table 4: Capital Improvement Program Phasing

Phase	Timeframe	Estimated Budget (Million \$)
1	2010-2015	\$14.9
2	2015-2020	\$12.5
3	2020-2025	\$4.8
4	2025-2035	\$2.0
Total		\$34.1

Of these projects identified in the Draft Water Master Plan Update, funds are only sufficient for the development of a portion of the water supply projects. Additional funding is needed to complete the remainder of the CIP projects. A rate review was completed and new rates were enacted in late 2009 and early 2010 to support funding the plan projects. A review of the capacity fee has been completed and plans are to increase these developer paid fees in the near future.