

# Business Item

Environment Committee



Committee Meeting Date: May 13, 2025

For the Metropolitan Council: May 14, 2025

## Business Item: 2025-116 SW

Approval of Awards for Equity-Focused Water Efficiency Grant Pilot Program

<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	Minnesota Session Law 2023, Chapter 40, Article 2, Section 8(b)
<b>Staff Prepared/Presented:</b>	Henry McCarthy, Senior Environmental Scientist, Water Resources (651-602-1946) Jennifer Kostrzewski, Assistant Manager, Water Resources (651-602-1078)
<b>Division/Department:</b>	Environmental Services / Water Resources

### Proposed Action

That the Metropolitan Council approves Business Item 2025-116 SW, which:

1. authorizes its Regional Administrator to award and execute the Equity-Focused Water Efficiency Grant Pilot Program awards in the total amount of \$209,720,
2. and releases the remaining \$190,280 to be used for either the Equity-Focused Pilot Program or the Water Efficiency Grant Program if additional funding is requested by participating municipalities.

### Background

The Metropolitan Council (Met Council) will implement an Equity-Focused Water Efficiency Grant Pilot Program effective July 1, 2025, to June 30, 2026. This pilot program, which incorporates equity as a requirement for funding, is based on the “traditional” Water Efficiency Grant Program offered by the Met Council since 2016. The goal of the Equity-Focused Water Efficiency Grant Pilot Program is to support technical and behavioral changes in underserved and disproportionately burdened communities that improve municipal water use efficiency in the seven-county metropolitan area.

Grants of up to \$100,000 will be awarded on a competitive basis to municipalities that are served by a municipal water supply system. Unlike the traditional Water Efficiency Grant Program, there is no requirement for municipalities to contribute a local match, and grant programs will operate at no cost to residents. Grantees will be required to provide estimated water savings achieved through this program for Clean Water, Land & Legacy Amendment reporting purposes. Grant monies not used by municipalities can be transferred to other municipalities.

### Rationale

Water demand in the Twin Cities metropolitan area is increasing in concert with population increase. This increase in water demand is placing greater stress on the aquifers and surface water supplies that provide potable water to the residents of the metropolitan area and contributing to the need for additional water supply infrastructure. The Equity-Focused Water Efficiency Grant

Pilot Program will provide financial aid to communities to replace old and inefficient toilets with more efficient replacements. This will help reduce stress on our water supplies and potentially reduce the amount of new water supply infrastructure needed in the future.

As the regional policy-making body, planning agency, and provider of essential services for the seven-county metropolitan area, the Met Council has a role in advancing equity. The Water Equity Policy in the Imagine 2050 Water Policy Plan includes a commitment to “incorporate environmental justice and water equity considerations into funding and grant applications to address past barriers faced by historically disproportionately burdened groups.” This pilot program aims to reach residents of the region for whom the traditional program may be challenging to participate in.

### **Thrive Lens Analysis**

On February 12, 2025, the Council adopted Imagine 2050, which builds on policy direction in Thrive MSP 2040. Under the Thrive lens, this action supports the stewardship and sustainability outcomes and the water sustainability goal of the Water Resources Policy Plan. Increased water efficiency will help protect our water supplies and save money for both residents and utilities.

### **Funding**

The Water Efficiency Grant Pilot Program is funded by Minnesota Session Law 2023, Chapter 40, Article 2, Section 8(b): \$750,000 the first year and \$750,000 the second year are for the water demand reduction grants to assist municipalities in the metropolitan area with implementing water demand reduction measures to ensure the reliability and protection of drinking water supplies. Fiscal year 2024 appropriations are available until June 30, 2025, and fiscal year 2025 appropriations are available until June 30, 2026.

Of this award, \$1,100,000 was allocated to the traditional Water Efficiency Grant Program (2024-2026), which began operation in July 2024. The remaining \$400,000 was set aside for this pilot program.

### **Small Business Inclusion**

There are no direct impacts to small business contracting with the proposed action.



<b>Applicant</b>	<b>Amount Requested</b>	<b>Amount Awarded</b>
Bloomington	\$40,000	\$40,000
Brooklyn Park	\$10,000	\$10,000
Fridley	\$15,720	\$15,720
Minneapolis	\$50,000	\$50,000
Plymouth	\$10,000	\$10,000
Roseville	\$9,000	\$9,000
Saint Paul Regional Water Services	\$75,000	\$75,000

