



Business Item 2025-303 SW:

2025 Municipal Inflow and Infiltration Grant Program Guidelines



Management Committee: December 17, 2025

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Municipal Inflow and Infiltration Grant Program



Public Inflow and Infiltration (I/I) mitigation is a key capital strategy for Environmental Services (ES)

15+ year partnership between ES and the region's cities

Billions of gallons of clear water prevented from entering the regional sewer system

\$100s of millions of prevented capital expansion since we do not have to treat clear water

Significant operating and debt service savings

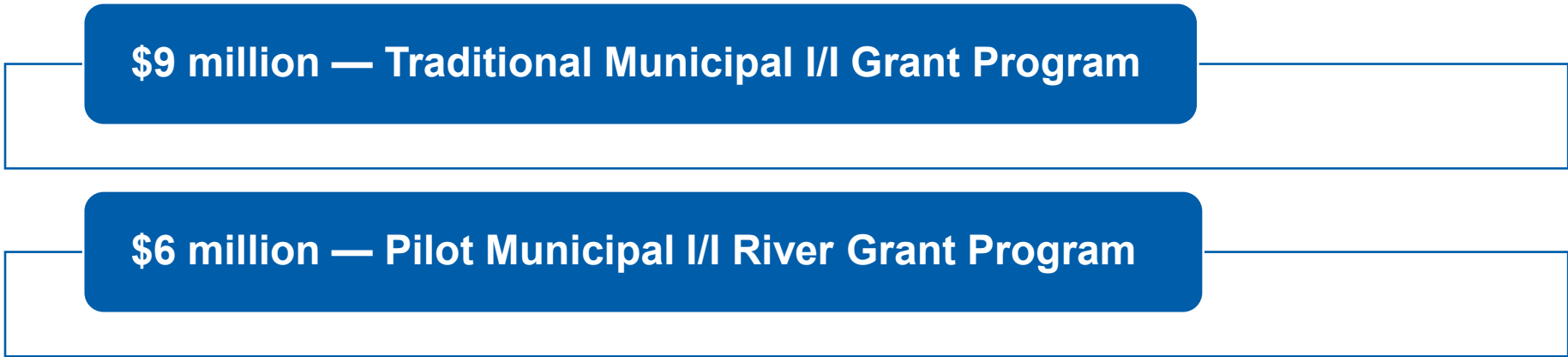
Grants Invested Across The Region

Year of Appropriation	Amount Appropriated
2010	\$3,000,000
2012	\$4,000,000
2014	\$2,000,000
2015	\$1,500,000
2017	\$5,000,000
2018	\$3,739,000
2020	\$5,000,000
2023	\$12,000,000
2025	\$15,000,000
Total	\$51,239,000

2025 I/I Grant Program Funding

Minnesota Session Law 2025, Ch. 15, Article 1, Sec. 15, Subd. 2 appropriated **\$15 million** for inflow and infiltration grants under Minn. Stat. § 473.5491

Proposed Allocation:



Statutory Requirements



Minn. Stat. § 473.5491: Metropolitan Cities Inflow and Infiltration Grants

Grants: The Council shall make grants to cities for capital improvements that reduce I/I into the regional wastewater system

Grant Awards: Up to 50% of eligible I/I mitigation costs, or 100% of eligible I/I mitigation costs if the application meets statutory affordability criteria

Eligibility: City must be designated by Council as an excessive I/I contributor or have a measured flow rate within 20% of the allowable council-determined I/I limit

Other Applicable Statutes: Grants funded work must comply with:

- Responsible Contractor Requirement [[Minn. Stat. §16C.281](#)], and
- State Bond Financed Property requirements [[Minn. Stat. §16A.695](#)]

Council Guidelines: Grant awards are made in accordance with guidelines approved by the council

Affordability Criteria

The Council may award a grant up to 100% of the cost to mitigate I/I if the project meets affordability criteria.

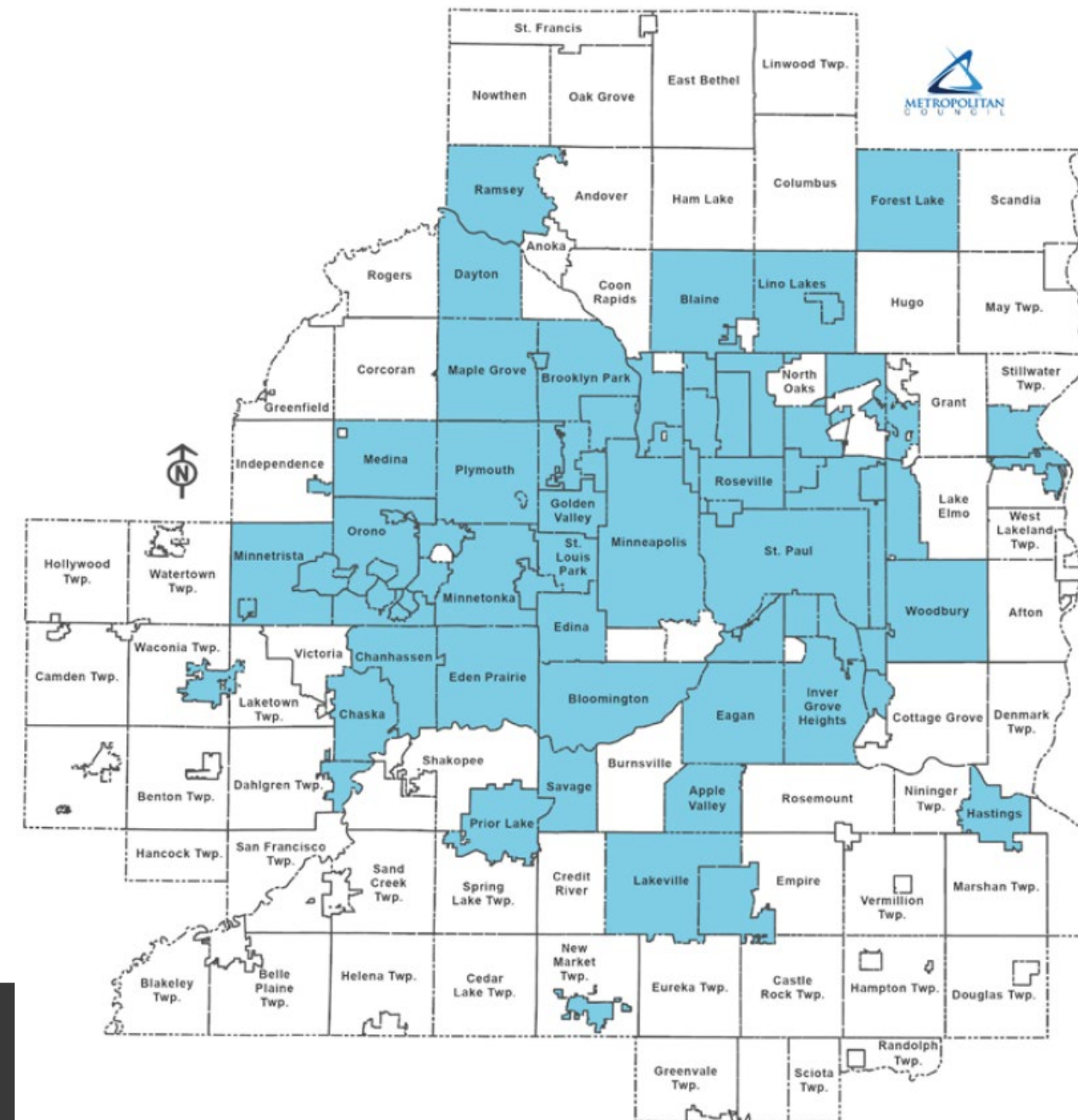
"Affordability criteria" defined as an inflow and infiltration project service area that is located, in whole or in part, in a census tract where at least three of the following apply as determined using the most recently published data from the Census Bureau or Centers for Disease Control and Prevention:

- 1) 20 percent or more of the residents have income below the federal poverty thresholds;
- 2) the tract has a United States Centers for Disease Control and Prevention Social Vulnerability Index greater than 0.80;
- 3) the upper limit of the lowest quintile of household income is less than the state upper limit of the lowest quintile;
- 4) the housing vacancy rate is greater than the state average; or
- 5) the percent of the population receiving Supplemental Nutrition Assistance Program (SNAP) benefits is greater than the state average.

81 Cities Eligible

Apple Valley	Falcon Heights	Medicine Lake	Robbinsdale
Arden Hills	Farmington	Medina	Roseville
Bayport	Forest Lake	Mendota	Savage
Birchwood	Fridley	Mendota Heights	Shoreview
Blaine	Golden Valley	Minneapolis	Shorewood
Bloomington	Greenwood	Minnetonka	South St. Paul
Brooklyn Center	Hastings	Minnetonka Beach	Spring Park
Brooklyn Park	Hopkins	Minnetrista	St. Anthony
Carver	Inver Grove Heights	Mound	St. Bonifacius
Centerville	Lakeville	Mounds View	St. Louis Park
Chanhassen	Lauderdale	New Brighton	St. Paul
Chaska	Lexington	New Hope	St. Paul Park
Columbia Heights	Lilydale	Newport	Stillwater
Crystal	Lino Lakes	North St. Paul	Spring Park
Dayton	Little Canada	Oak Park Heights	Tonka Bay
Deephaven	Long Lake	Oakdale	Vadnais Heights
Eagan	Mahtomedi	Orono	Waconia
Eden Prairie	Maple Grove	Osseo	Wayzata
Edina	Maple Plain	Plymouth	West St. Paul
Elko New Market	Maplewood	Ramsey	
Excelsior			

- 81 Cities identified as excessive I/I contributors, or that have measurable flow rates within 20 percent of the permitted flow limit
- 58 cities participated in the 2020 I/I Grant Program, with each city receiving an average of \$86,000
- 57 cities have submitted applications for the 2023 I/I Grant Program



Proposed Council Guidelines

Eligible Cities: Cities identified as excessive I/I contributors, or that have measurable flow rates within 20% of the permitted flow limit

Eligible I/I Mitigation Work: Covers construction costs completed solely to mitigate I/I. Costs of studies, engineering, planning, or work done on privately operated service lines are ineligible



Eligible Percentage: Grant awards shall be for a percentage of actual, reasonable, and verifiable I/I mitigation construction costs. Eligible Percentages are outlined in the [ongoing I/I program procedure manual](#)

Amount Eligible for Funding: Up to 50% (or up to 100% for affordability criteria eligible applications) of the eligible project costs.

Qualified spending Dates: Projects occurring January 1, 2026, and December 31, 2027

Eligible and Non-Eligible I/I Work

Eligible:

Description	% Eligible for Reimbursement
1. Pipe Lining and Replacement	50%
2. Pipe Joint Sealing	100%
3. Manholes - Lining/replacement	50%
4. Chimney seals, MH sealing/joints/castings/covers	100%
5. Flood Mitigation	10%
6. Cross Connection Elimination	100%
7. Repair or replace lateral tee, wye, or tap connections owned by municipality (not including any portion of a lateral)	100%

Non-Eligible:

- Studies, investigations, or inspections
- Engineering costs
- Any improvements to privately owned infrastructure or private service lines

Proposed Council Guidelines

Funding Allocation to participating cities

Part 1: Each participating city will receive the lesser of \$50,000 or 50% (100% for affordability criteria eligible project areas) of the submitted eligible project costs

Part 2: Any remaining funds would be applied proportionately to cities' remaining eligible expenses until all available funds are allocated

Final Reimbursement Awards: Reduced, where necessary, to ensure that the total of the two parts does not exceed the statutory maximum limit.

Unused Funds: Redistributed evenly to participants



Grant Award Example

Determining the Amount Eligible for Funding

City	Type of Work	Total I/I Project Costs	Percent Eligible	I/I Project Costs Eligible for Funding	Meets Affordability Criteria (473.5491)	Percent Covered	Total Eligible for Funding
City A	1. Pipe Lining and Replacement	\$4,000,000	50%	\$2,000,000	Yes	100%	\$2,000,000
City A	1. Pipe Lining and Replacement	\$1,000,000	50%	\$500,000	No	50%	\$250,000
City A Total		\$5,000,000		\$2,500,000			\$2,250,000
City B	2. Pipe Joint Sealing	\$1,000,000	100%	\$1,000,000	Yes	100%	\$1,000,000
City B	2. Pipe Joint Sealing	\$500,000	100%	\$500,000	No	50%	\$250,000
City B Total		\$1,500,000		\$1,500,000			\$1,250,000
City C	5. Flood Mitigation	\$400,000	10%	\$40,000	Yes	100%	\$40,000
City C	6. Cross Connection Elimination	\$200,000	100%	\$200,000	Yes	100%	\$200,000
City C	7. Lateral tap connection Replacement	\$2,000,000	100%	\$2,000,000	Yes	100%	\$2,000,000
City C Total		\$2,600,000		\$2,240,000			\$2,240,000
City D	1. Pipe Lining and Replacement	\$200,000	50%	\$100,000	No	50%	\$50,000
City D	4. Chimney seals, MH sealing	\$1,500,000	100%	\$1,500,000	No	50%	\$750,000
City D	3. Manholes - Lining/replacement	\$500,000	50%	\$250,000	No	50%	\$125,000
City D Total		\$2,200,000		\$1,850,000			\$925,000
City E	1. Pipe Lining and Replacement	\$150,000	50%	\$75,000	Yes	100%	\$75,000
City E Total		\$150,000		\$75,000			\$75,000
Total		\$11,450,000		\$8,165,000			\$6,740,000

*Cities to keep track of the type of work, and project service area to determine affordability criteria eligibility

Grant Award Example – Final Reimbursement Amount

City	Type of Work	Total Eligible for Funding	Part 1 Funding	Remaining Eligible Balance	Part 2 Allocation %	Part 2 Funding	Final Reimbursement	% of I/I Eligible Project Cost Covered
City A	1. Pipe Lining and Replacement	\$2,000,000	\$25,000	\$1,975,000	12%	\$228,236	\$253,236	13%
City A	1. Pipe Lining and Replacement	\$250,000	\$25,000	\$225,000	12%	\$26,002	\$51,002	20%
City A Total		\$2,250,000	\$50,000	\$2,200,000		\$254,237	\$304,237	
City B	2. Pipe Joint Sealing	\$1,000,000	\$25,000	\$975,000	12%	\$112,673	\$137,673	14%
City B	2. Pipe Joint Sealing	\$250,000	\$25,000	\$225,000	12%	\$26,002	\$51,002	20%
City B Total		\$1,250,000	\$50,000	\$1,200,000		\$138,675	\$188,675	
City C	5. Flood Mitigation	\$40,000	\$16,667	\$23,333	12%	\$2,696	\$19,363	48%
City C	6. Cross Connection Elimination	\$200,000	\$16,667	\$183,333	12%	\$21,186	\$37,853	19%
City C	7. Lateral Tap Connection Replacement	\$2,000,000	\$16,667	\$1,983,333	12%	\$229,199	\$245,865	12%
City C Total		\$2,240,000	\$50,000	\$2,190,000		\$253,082	\$303,082	
City D	1. Pipe Lining and Replacement	\$50,000	\$16,667	\$33,333	12%	\$3,852	\$20,519	41%
City D	4. Chimney seals, MH sealing	\$750,000	\$16,667	\$733,333	12%	\$84,746	\$101,412	14%
City D	3. Manholes - Lining/replacement	\$125,000	\$16,667	\$108,333	12%	\$12,519	\$29,186	23%
City D Total		\$925,000	\$50,000	\$875,000		\$101,117	\$151,117	
City E	1. Pipe Lining and Replacement	\$75,000	\$50,000	\$25,000	12%	\$2,889	\$52,889	71%
City E Total		\$75,000	\$50,000	\$25,000		\$2,889	\$52,889	
Total		\$6,740,000	\$250,000	\$6,490,000		\$750,000	\$1,000,000	

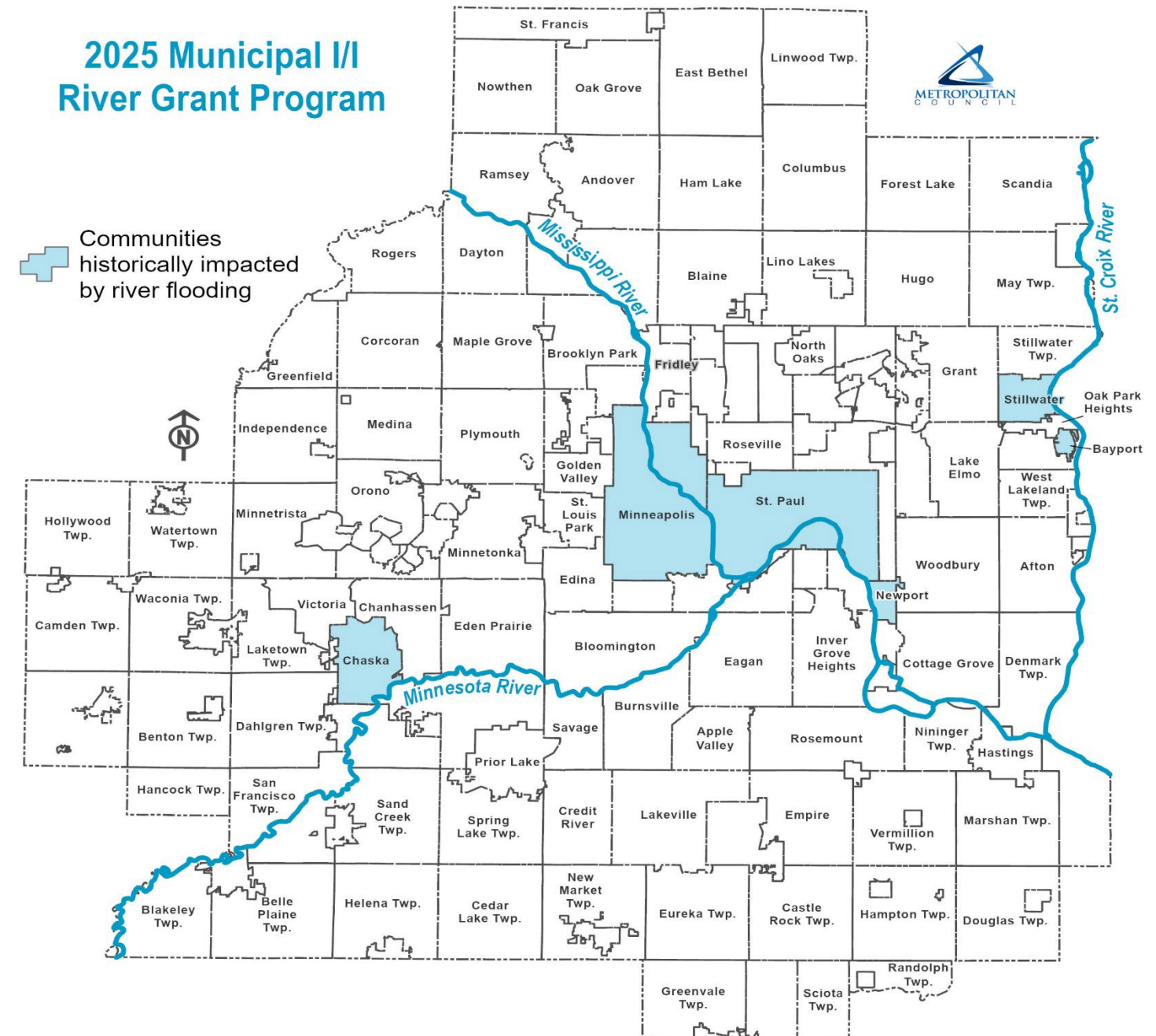
Part 2 Allocation %

Total Grant Funding	\$1,000,000
-Part 1 Funding	\$250,000
Remaining Funds for Part 2	\$750,000
÷ Remaining Eligible Balance	\$6,490,000
% Allocation for Part 2	12%

*2020 Municipal I/I Grant had 50+ participants and covered 13.4% in part 2 funding

Pilot River Grant Program

- \$6 million of total appropriation earmarked for pilot river grant program.
- Municipal I/I grant eligible cities that have shown a historic correlation between high river elevation and high monthly flow rates.
 - Bayport
 - Chaska
 - Minneapolis
 - Newport
 - St. Paul
 - Stillwater



Proposed Guidelines



- Grant awards and grant funded work will comply with all state requirements and Council guidelines applicable to the municipal I/I grant program.
 - Applications that meet the affordability criteria are eligible for 100% reimbursement of eligible I/I mitigation project work. Otherwise, a 50% project match is the maximum grant funding amount.
- Unused funds will be re-allocated to other participating cities in the river grant program so that all funds are distributed. Re-allocation will prioritize the pilot grant program.
 - If the pilot grant program is unable to utilize all \$6M, the funds will be transferred to the traditional municipal I/I grant program.

Maximum I/I River Grant Awards

Community	I/I Grant ⁽¹⁾	Population ⁽²⁾	Grant per capita	River	Meets Affordability Criteria [Y/N] ⁽⁴⁾	Maximum Grant Award
Newport ⁽³⁾	\$282,489	3,797	\$74.40	Mississippi	Y	\$2,000,000
Bayport	\$137,437	4,044	\$34.15	St. Croix	N	\$1,000,000
Minneapolis	\$4,119,065	429,954	\$9.58	Mississippi	Y	\$1,000,000
Chaska	\$264,507	27,810	\$9.51	Minnesota	Y	\$1,000,000
Stillwater	\$151,510	19,394	\$7.81	St. Croix	N	\$500,000
St. Paul	\$665,129	311,527	\$2.14	Mississippi	Y	\$500,000

1) Grant amounts for municipal Inflow and Infiltration (I/I) work requiring a local match and work completed through 2022.

2) 2020 population as per the federal census

3) Newport grant amount excludes the 2023 legislative bonding bill \$2.75 million grant.

4) Bayport and Stillwater do not have affordability eligible census tracts. Only I/I mitigation projects completed within a service area that is located within an affordability-eligible census tract will receive up to 100 percent funding.

Tentative Program Calendar

Event	Date
Pilot River Grant Information Session	October 28, 2025
Municipal I/I Grant Information Session	November 6, 2025
ES presents grant guidelines to Management Committee	December 17, 2025
ES presents grant guidelines to Council	December 17, 2025
Grant Applications Sent to Eligible Cities	By December 31, 2025
Start Date for Eligible Work	January 1, 2026
Grant Applications due from cities	January 30, 2026
ES sends Letter of Intent notifying cities of preliminary grant awards	By February 26, 2026
End Date for Eligible Work	December 31, 2027
End Grant Documentation due from cities	March 31, 2028
ES sends grant agreements, including final reimbursement amounts	May 1, 2028
ES processes reimbursements	Upon receipt of signed agreement

Proposed Action

That the Metropolitan Council (Met Council) approve the 2025 Municipal Inflow and Infiltration (I/I) Grant Program guidelines and authorize the Regional Administrator to award and execute grants and grant agreements pursuant to the guidelines outlined in Attachments A and B.



Thank you

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