

Business Item

Environment Committee



For the Metropolitan Council: March 11, 2026

Business Item: 2026-10

2026-2028 Water Efficiency Grant Program Application Process

District(s), member(s):	All
Policy/legal reference:	Minnesota Session Law 2025, Chapter 36, Article 1, Section 2
Staff prepared/presented:	Jennifer Kostrzewski, Assistant Manager, Water Resources (651-602-1078) Henry McCarthy, Senior Environmental Scientist, Water Resources (651-602-1946)
Division/department:	Environmental Services / Water Resources

Proposed action

That the Metropolitan Council approves Business Item 2026-10 on the process for the 2026-2028 Water Efficiency Grant Program described in Attachment A and authorizes staff to advertise the availability of grant funding and solicit applications.

Background

The Metropolitan Council (Met Council) will implement a Water Efficiency Grant Program (WEGP) effective July 1, 2026 to June 30, 2028. Grants will be awarded on a competitive basis to municipalities that operate or are served by a municipal public water supply system.

In this program, municipalities design and operate their own rebate or grant programs, which are funded by the Met Council with pass-through funds from the Clean Water Land & Legacy Amendment. The Met Council will provide 80% of the program cost; the municipality must provide the remaining 20% of the program cost.

The WEGP focuses on grant activities that reduce existing water use at residential, commercial, and municipal properties. Met Council-approved grant activities include the replacement of specific water-using devices with more efficient alternatives, irrigation system audits, and the conversion of turfgrass to low-input, drought-tolerant landscapes at municipal properties. Additionally, municipalities operating a residential-facing rebate or grant program may elect to include a low-income cost assistance option in their program. Residents or households who meet a certain income threshold are eligible to receive full cost coverage* for the replacement of one approved indoor water-using device with a WaterSense or Energy Star alternative. Residents and businesses participating in a municipality's program must be connected to municipal water.

Grants will be made available in amounts with a minimum of \$5,000 and a maximum of \$75,000. In the event that there are unused or returned funds, municipalities may apply for a grant amendment to increase their award beyond \$75,000 (at the discretion of Met Council). If a municipality decides to offer the low-income cost assistance option, they can apply for an additional \$10,000 (max grant

amount of \$85,000). Grantees will be required to submit quarterly reimbursement requests and provide actual or estimated water savings achieved through this program for Clean Water, Land & Legacy Amendment reporting purposes.

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 that provide potable water to 75% of the residents in the metropolitan area and contributing to the need for additional water supply wells. The Water Efficiency Grant Program will provide financial aid to communities to replace old and inefficient toilets, clothes washers, showerheads, faucets and faucet accessories, irrigation controllers, irrigation spray sprinkler bodies, and dishwashers with more efficient WaterSense and Energy Star-labeled replacements. The Water Efficiency Grant Program will also provide financial aid to communities to fund irrigation system audits by an Irrigation Professional certified by a US EPA WaterSense program. The Water Efficiency Grant Program will also provide financial aid to communities to fund turfgrass conversion to low-input planting on municipal properties. This suite of grant activities will help reduce stress on our aquifers and potentially reduce the number of new water supply wells needed in the future.

Thrive lens analysis

On Feb. 12, 2025, the Council adopted Imagine 2050, which builds on policy direction in Thrive MSP 2040. Under the Thrive 2040 lens, this action supports the stewardship and sustainability outcomes and the water sustainability goal of the Water Resources Policy Plan. Under the Imagine 2050 lens, this action supports the regional goals of an equitable and inclusive region, a dynamic and resilient region, leadership on addressing climate change, and protection and restoration of natural systems. Increased water efficiency will help protect our aquifers and save money for both residents and utilities.

Funding

The Water Efficiency Grant Program is funded by Minnesota Session Law 2025, Chapter 36, Article 1, Section 2: \$650,000 the first year and \$750,000 the second year are for grants that implement water demand reduction measures. The grants are to assist municipalities in the metropolitan area with implementing water demand reduction measures to ensure the reliability and protection of drinking water supplies.

Small business inclusion

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

