

## Committee Report

*Business Item No. 2019-323 SW*

### Environment Committee

For the Metropolitan Council meeting of November 13, 2019

<b>Subject:</b> Water Efficiency Grant Program 2019-2022
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#### Proposed Action

That the Metropolitan Council authorize its Regional Administrator to award and execute the Water Efficiency Grant Program grants recommended in Attachment A in the total amount of \$787,100.

#### Summary of Committee Discussion/Questions

Staff clarified that Minneapolis and St. Paul did not apply for the program and are the lowest per capita water users in the Twin Cities.

Committee Member Fredson inquired why the matching requirement was a 75%/25% split with 75% being Council funding and 25% municipality. As an example, if the responsibility was set at 50% and 50% the funding could go further. Staff stated that the matching requirement was unchanged from the 2015-2017 version of the grant program. The ratio is something that deserves closer consideration in the next version of this grant program.

Committee Member Wulff asked if the Council is the first to see the scoring system and if it is fair. Staff stated we are the first to see the scoring. A session was held for the applicants at Metro Cities where scoring factors were discussed.

Chair Lindstrom asked if templates and forms could be shared by communities. Staff stated we will be pursuing the sharing templates and forms in a meeting once the awards are approved.

Committee Member Vento asked if similar programs are available for school districts. Staff stated this program centers around the replacement of existing fixtures in older buildings rather than new construction.

Committee Member Fredson commented that this is a great program that leverages funding.

**Environment Committee**

Meeting date: November 12, 2019

For the Metropolitan Council meeting of November 13, 2019

**Subject:** Water Efficiency Grant Program 2019-2022  
**District(s), Member(s):** All  
**Policy/Legal Reference:** Minnesota Legislature, 2019 First Special Session, Chapter 2, Article 2, Section 9(b)  
**Staff Prepared/Presented:** Brian Davis, 651-602-1519; Ali Elhassan, 651-602-1066  
**Division/Department:** MCES c/o Leisa Thompson, 651-602-8101

**Proposed Action**

That the Metropolitan Council authorize its Regional Administrator to award and execute the Water Efficiency Grant Program grants recommended in Attachment A in the total amount of \$787,100.

**Background**

The Metropolitan Council (Council) will implement a Water Efficiency Grant Program effective September 30, 2019 to June 30, 2022. The goal of the Water Efficiency Grant Program is to support technical and behavioral changes that improve municipal water use efficiency in the seven-county metropolitan area.

Grants will be awarded on a competitive basis to municipalities that manage municipal water systems. The Council will provide 75% of the program cost; the municipality must provide the remaining 25%. Municipalities will use the combined Council and municipality funds to operate their own grant or rebate programs. Grants will be made available in amounts with a minimum of \$2,000 and a maximum of \$50,000. 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 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, irrigation controllers, and irrigation spray heads with more efficient WaterSense and Energy Star-labeled replacements. This will help reduce stress on our aquifers and potentially reduce the number of new water supply wells needed in the future.

**Thrive Lens Analysis**

This action supports the Thrive MSP 2040 stewardship and sustainability outcomes and the water sustainability goal of the Water Resources Policy Plan. 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 the Minnesota Legislature, 2019 First Special Session, Chapter 2, Article 2, Section 9(b): \$375,000 the first year and \$375,000 the second year are for the water demand reduction grant program to encourage municipalities in the metropolitan area to implement measures to reduce water demand to ensure the reliability and protection of drinking water supplies.

## **Known Support / Opposition**

No known opposition.

## Attachment A Internal Memorandum

**DATE:** October 29, 2019

**SUBJECT:** Water Efficiency Grant Program Application Ranking Memo, from Brian Davis

### Program

The Minnesota Legislature in 2019 awarded \$750,000 in Clean Water, Land and Legacy Amendment funds to the Metropolitan Council for a Water Efficiency Grant Program. Funds are to be made available to applying metro area communities with public water supply plans to implement measures to reduce water demand to ensure the reliability and protection of drinking water supplies. Funds are available through June 30, 2022 and will fund replacement of WaterSense-labeled toilets, irrigation controllers, irrigation spray heads, Energy Star-labeled clothes washers, irrigation spray heads and irrigation audits.

Grants are provided amounts ranging from \$2,000 to \$50,000. The municipality must provide a matching amount that is 25% of the total program amount, an example of which is shown below:

<b>Metropolitan Council Grant Amount</b>	<b>\$15,000</b>
Municipality Match	\$5,000
<b>Municipality Grant/Rebate Program Total</b>	<b>\$20,000</b>

### Applications

In comparison with the 2015-2017 version of this program, when 19 communities applied, this time we received 40 applications. **Although \$750,000 is available, the total amount requested is \$1,393,537.** The amount requested is nearly two times the available funding. Of the 40 applicants, 17 are **returning applicants** from the 2015-2017 program, and 23 are new applicants:

<b>White Bear Township</b>	Lakeville	Hopkins	Roseville
<b>White Bear Lake</b>	<b>Mahtomedi</b>	Shoreview	<b>Hugo</b>
<b>Shakopee Public Utilities</b>	Robbinsdale	Minnetonka	Apple Valley
Lake Elmo	<b>Plymouth</b>	Brooklyn Center	<b>Cottage Grove</b>
Brooklyn Park	St. Anthony	<b>Forest Lake</b>	Bloomington
<b>Rosemount</b>	Chaska	<b>Fridley</b>	Dayton
St. Louis Park	<b>Victoria</b>	Oakdale	<b>Eagan</b>
<b>Woodbury</b>	<b>Chanhassen</b>	<b>New Brighton</b>	Savage
North St. Paul	Shorewood	Burnsville	Ramsey
<b>Eden Prairie</b>	Bayport	<b>Prior Lake</b>	Farmington

## Ranking Factors and Scoring

Because funds requested exceed funds available, a set of ranking factors and an objective scoring system were developed to establish a method to distribute the funds. A committee of three staff members reviewed the applications and developed this ranking and scoring system. This ranking system is largely based on objective factors which were communicated to the communities in a public meeting held at Metro Cites on August 28<sup>th</sup>, 2019.

Each ranking factor and its scoring system are described below.

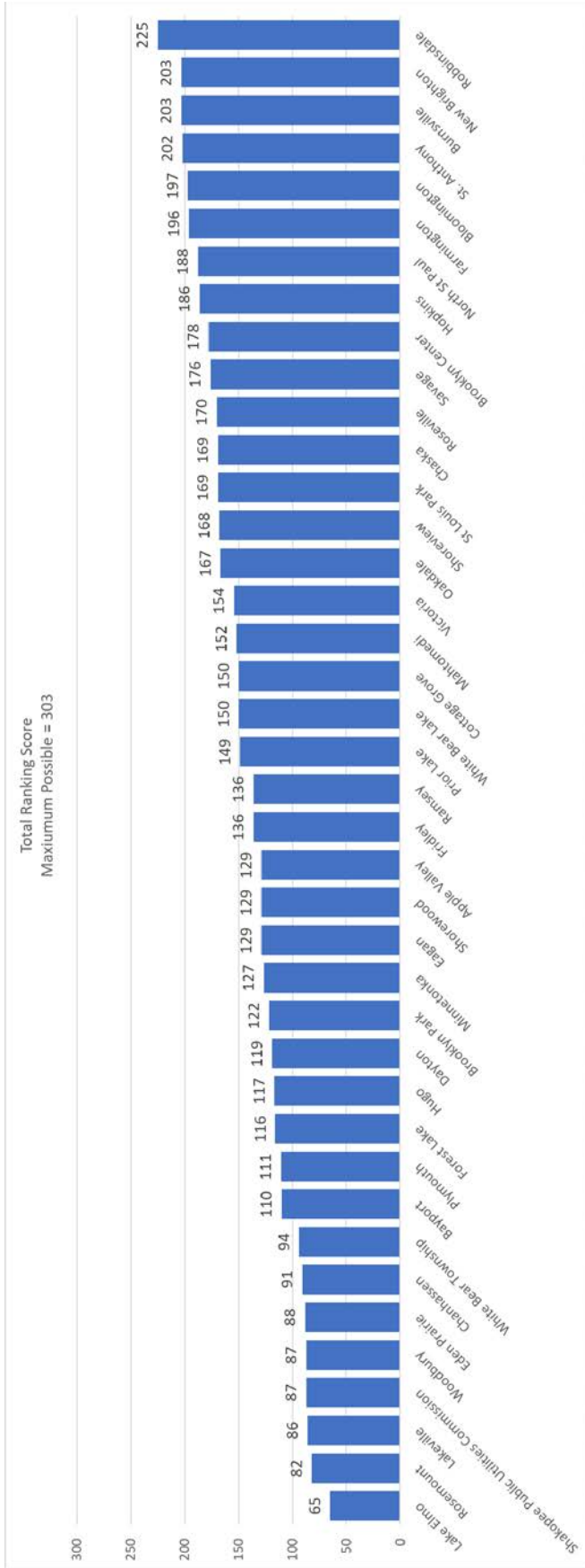
<b>Ranking Factor</b>	<b>Minimum Score</b>	<b>Maximum Score</b>
Date application received	1	40
Total gallons per capita-day water demand	1	40
Residential gallons per capita-day water demand	1	40
Peak month to winter month water demand ratio	1	40
Number of community water supply issues identified in Master Water Supply Plan	0	40
Percent population growth 2010-2040	1	40
Return applicant?	0	23
Dollars requested/gallons per year water saved (ROI)	1	40

Each ranking factor was applied to each community and then a total for each community was tallied.

The minimum possible score is 6. The maximum possible score is 303. A lower score is considered a more desirable score from the standpoint of the community.

The communities were then ranked in order of their respective total scores, from lowest to highest.

The total ranking scores for each community are shown on the following page.



## Grant Calculation Method

The total score for each community was calculated as a percentage of the maximum possible score of 303. For example, Lake Elmo has the minimum total score of 65, which is 21.45% of 303. The community with the maximum score is Robbinsdale, with a total score of 225 which is 74.26% of 303.

The percentage for each community was multiplied by the amount requested by each community. Thus, the community with the lowest total score, Lake Elmo, has its requested amount reduced by 21.45%, and the community with the highest total score, Robbinsdale, has its requested amount reduced by 74.26%. Amounts were rounded up to the nearest \$1,000. In addition, \$37,757 in remaining funds from the 2015-2017 Water Efficiency Grant Program were equally distributed to repeat applicants. The resulting grant amounts are shown below. **The total amount granted is \$787,100. Staff recommends that all applicants receive a Water Efficiency Grant based on this ranking and scoring system.**

<b>Community</b>	<b>Requested</b>	<b>Awarded</b>
Lake Elmo	\$50,000	\$40,000
Rosemount	\$12,750	\$11,300
Lakeville	\$50,000	\$36,000
Shakopee PUC	\$30,000	\$23,300
Woodbury	\$50,000	\$37,300
Eden Prairie	\$50,000	\$37,300
Chanhassen	\$24,858	\$19,300
White Bear Twp.	\$50,000	\$36,300
Bayport	\$4,500	\$3,000
Plymouth	\$50,000	\$33,300
Forest Lake	\$37,500	\$25,300
Hugo	\$48,750	\$31,300
Dayton	\$2,000	\$2,000
Brooklyn Park	\$15,000	\$10,300
Minnetonka	\$50,000	\$30,000
Eagan	\$50,000	\$30,300
Shorewood	\$32,000	\$19,000
Apple Valley	\$50,000	\$29,000
Fridley	\$33,750	\$20,300
Ramsey	\$50,000	\$28,000
Prior Lake	\$15,000	\$8,000
White Bear Lake	\$49,500	\$26,300
Cottage Grove	\$49,950	\$27,300
Mahtomedi	\$10,000	\$6,300
Victoria	\$21,000	\$12,300
Oakdale	\$20,250	\$10,000
Shoreview	\$50,000	\$23,000
St. Louis Park	\$50,000	\$23,000
Chaska	\$30,000	\$14,000
Roseville	\$22,500	\$10,000
Savage	\$13,500	\$7,000
Brooklyn Center	\$18,750	\$8,000
Hopkins	\$48,000	\$19,000
North St. Paul	\$50,000	\$19,000
Farmington	\$15,000	\$6,000
Bloomington	\$50,000	\$18,000
St. Anthony	\$49,969	\$17,000
Burnsville	\$22,500	\$8,000
New Brighton	\$50,000	\$18,300
Robbinsdale	\$15,000	\$4,000



