

Committee Report

Environment Committee



Committee Meeting Date: February 11, 2025

For the Metropolitan Council: February 12, 2025

Business Item: 2025-52 SW

Approval of Application Process for Equity-Focused Water Efficiency Grant Pilot Program

Proposed Action

That the Metropolitan Council approves Business Item 2025-52 SW on the process for the 2025-2026 Equity-Focused Water Efficiency Grant Pilot Program and authorizes staff to advertise the availability of grant funding and solicit applications.

Summary of Environment Committee Discussion/Questions

- **CM Wulff asked:** The original grant program was for communities who got their water supplies from groundwater. This one sounds like it's for everybody, is that correct? Are you saying we are only funding a few projects at \$100,000?
- **Staff responded:** Yes, that is correct. Depending on how many people participate we hope to see many cities come back and apply and new cities also apply for this new opportunity. It depends on how many applications and participation we get to confirm how much the total distribution of funds will be. It can be up to \$100,000 per municipality.
- **CM Carter asked:** What's the projected average award per person?
- **Staff responded:** It depends on how each city designs its program, the level of support could fluctuate. It's difficult to determine average award per person prior to receiving applications from municipalities and determining their program award amounts.
- **CM Morales asked:** None of the money for the grants are going towards municipalities' administrative costs, correct?
- **Staff responded:** That is correct.
- **CM Osman asked:** Is this the first time this program has been implemented?
- **Staff responded:** Yes, this will be the first time it is implemented on a broader scale. Saint Paul Regional Water Services piloted a smaller scale version of this program last grant cycle.
- **CM Wulff:** Is this going to be directed to low-income homeowners and people who pay for water as a part of their rent?
- **Staff responded:** Our Water Resources staff have created a mapping tool using census tract-level data compiled by the Community Development Research Team. This tool can be used to identify priority areas for place-based equity work and may be useful for communities as they design their programs and prepare their applications. The intent is for the money to get to disproportionately burdened homeowners and renters who are paying their own water bills.

Motion carried

Motion by CM Osman, seconded by CM Morales. Motion carried.



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

Proposed Action

That the Metropolitan Council approves Business Item 2025-52 SW on the process for the 2025-2026 Equity-Focused Water Efficiency Grant Pilot Program and authorizes staff to advertise the availability of grant funding and solicit applications.

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

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 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 businesses with the proposed actions.

