



STAFF REPORT

DATE: June 4th 2024

CONSENT

TO: Honorably Mayor and City Council

FROM: Clark Schroeder Interim City Administrator

AGENDA ITEM: Metropolitan Council Water Efficiency Grant Agreement

BACKGROUND:

In March, staff applied for another Met Council Water Efficiency Grant, similar to the one the city received in 2022. In May, we learned the city had been awarded a \$50,000 grant. The grant agreement is included in your packet for review and approval. This grant period runs from July 1, 2024-June 30, 2026.

ISSUE BEFORE COUNCIL:

Should the City Council approve the Grant Agreement with the Metropolitan Council for the Water Efficiency Grant?

PROPOSAL DETAILS/ANALYSIS:

The Metropolitan Council will reimburse 80% of the cost of the water efficiency replacement rebate program. We will expand the program to apply to all grant eligible activities:

Eligible water efficiency devices consist of the following:

- Toilet replacement with a US EPA WaterSense labeled toilet
- Irrigation controller replacement with a US EPA WaterSense labeled controller, either weather-based or soil moisture-based
- Clothes washing machine replacement with a US DOE Energy Star labeled clothes washing machine
- Irrigation system audit by an Irrigation Professional certified by a US EPA WaterSense program

Staff will prepare advertisements, mailings, newsletters, online updates and social media updates to residents to encourage participation in the program.

Residents who are municipal water customers will be required to submit proof of purchase of an eligible device and will receive reimbursement as a rebate posted to their water account the following quarter.

New construction and new developments are not eligible

FISCAL IMPACT:

The grant provides for an initial reimbursement of up to \$50,000. Additional funding is available if there is a greater level of program participation than anticipated. The city must provide a 20% match (\$12,500) of any Met Council grant funds for a total two year budget of \$62,500. In addition, the city and met council contributions cannot cover 100% of the cost of the purchase. To simplify meeting this requirement, the city will ask that water customers cover an amount equal to the sales tax associated with the purchase.

OPTIONS:

- 1) Approve the Clean Water Fund Grant Agreement with the Metropolitan Council
- 2) Do not approve the Clean Water Fund Grant Agreement with the Metropolitan Council

RECOMMENDATION:

If removed from the consent agenda:

Motion to approve the Water Efficiency Grant Agreement with the Metropolitan Council and authorize the City Administrator to execute all necessary documents.

ATTACHMENTS:

- Clean Water Fund Grant award letter



Clark Schroeder
Interim City Administrator
3880 Laverne Ave N
Lake Elmo, MN 55042

May 24, 2024

The Metropolitan Council is pleased to award the city of Lake Elmo the amount of \$50,000 as part of our 2024-2026 Water Efficiency Grant Program. The amount of matching funds required from your city, based on the grant award above, is \$12,500. The city of Lake Elmo is one of 41 in the Twin Cities Metropolitan Area that applied for and was accepted into this grant program. We are pleased to report that all available grant funds have been awarded and that all applicants will receive an award.

The amount of funds requested totaled \$1,340,880, while the amount of funds available is \$1,100,000. Because funds requested exceed funds available, a set of ranking factors and an objective scoring system were used to distribute the available funds.

Below are some critical points to remember:

- New construction and new developments are not eligible
- Funds are for rebates or grants only; consulting and city staff time are ineligible
- Grant recipients must display the Clean Water, Land and Legacy Amendment logo and the Metropolitan Council logo on all documents which are intended for public use

The Clean Water, Land and Legacy Amendment is available here: <http://www.legacy.leg.mn/legacy-logo/legacy-logo-download>

To obtain electronic and print versions of the Metropolitan Council logo, please contact me at henry.mccarthy@metc.state.mn.us.

As you prepare your municipality's program, please be aware that the following information must be reported on a quarterly basis, on forms to be provided by the Metropolitan Council:

- Number, type and amount of rebates or grants provided to property owners, along with each property address
- Estimated annual gallons of water saved per installation
- Municipality matching funds disbursed
- Electronically scanned copies of receipts to verify the cost of eligible devices being reported

Reporting forms and instructions will be sent to participating communities in summer 2024.

Quarterly reporting periods and reporting form due dates are shown below.

Quarterly Period	Reporting Form Due Date
July 1, 2024 – September 30, 2024	October 31, 2024
October 1, 2024 – December 31, 2024	January 31, 2025
January 1, 2025 – March 31, 2025	April 30, 2025
April 1, 2025 – June 30, 2025	July 31, 2025
July 1, 2025 – September 30, 2025	October 31, 2025
October 1, 2025 – December 31, 2025	January 31, 2026
January 1, 2026 – March 31, 2026	April 30, 2026
April 1, 2026 – June 30, 2026	July 31, 2026

In June, a Grant Legal Agreement will be sent to your city for signature. Completion instructions will be provided in that mailing.

Again, congratulations on your grant award. We look forward to working with you to increase the water efficiency of our region.

Sincerely,



Henry McCarthy
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