

5.02: Consider Opportunity to Apply for Grant Funding for Water Efficiency

City Planner Anderson presented the staff report. He stated that the Metropolitan Council is offering grants from \$2,000 to \$50,000 to municipal water suppliers to help increase water efficiency in their communities by lowering the cost for residents to purchase and install products that reduce water use including toilets, washing machines, and irrigation sprinklers and controllers. Municipalities may use grant funds to fund rebates to residents who replace inefficient water-using devices with approved devices that use substantially less water, or for irrigation system audits. The Metropolitan Council administered a water efficiency grant program during the 2015-2017 biennium using \$500,000 from the Clean Water Fund, which yielded an estimated total savings of 52 million gallons of water per year. This grant program requires that products be labeled by the U.S. Environmental Protection Agency's WaterSense program or, in the case of washing machines, by the U.S. Department of Energy's Energy Star program. Grant funds can only be used for appliance replacement, not for first-time purchases for new developments. Municipalities are responsible for developing and operating their own rebate programs. The grant funds will cover 75 percent of program costs, with a required 25 percent local match of which residents must pay a portion of the cost for any device or water use audit they purchase. Grant applications will be accepted through September 30, 2019. Staff would propose that the local 25 percent match come from the City's water enterprise fund, with a portion being reimbursed by payments from residents for any device or water use audit they purchase.

Councilmember Musgrove asked the anticipated dollar amount of the grant.

City Planner Anderson stated that staff has not attempted to begin a grant application or an outline of what the program would look like.

Board Member Covart stated that the Board work plan identified attempting to incentivize water and irrigation efficiency and asked if this program would be similar to the rebate program Elk River has.

City Planner Anderson stated that staff has not yet attempted to draft a program but confirmed that other cities including Elk River and Plymouth have similar programs. He noted that staff could reach out to cities that have participated in a rebate program in the past to gain input.

Motion by Board Member Covart and seconded by Board Member Bernard to recommend that the City Council authorize staff to prepare and submit an application for water efficiency grant funds from the Metropolitan Council.

Motion carried. Voting Yes: Chairperson Valentine, Board Member Covart, Bernard, and Moore. Voting No: None. Absent: Board Member Fetterley and Hiatt.