

Business Item

Environment Committee



Committee meeting date: August 25, 2026

For the Metropolitan Council: August 26, 2026

Business Item: 2026-160 SW

Stormwater Reuse Grant Program

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) Steve Christopher, Environmental Analyst, Water Resources (651-602-1033)
Division/department:	Environmental Services / Water Resources

Proposed action

That the Metropolitan Council approves Business Item 2026-160 SW on the process for the 2026-2028 Stormwater Reuse 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 stormwater reuse grant program effective August 1, 2026 to June 30, 2030. Grants will be awarded on a competitive basis to cities, townships, counties, watershed management organizations, and soil and water conservation districts that are located within the seven-county metropolitan area.

In this program, local government units (cities, townships, counties, watershed management organizations, and soil and water conservation districts) can apply to the grant funds to support the construction of stormwater reuse systems (including stormwater treatment), which are funded by the Met Council with pass-through funds from the Clean Water Land & Legacy Amendment. The Met Council will provide 75% of the program cost; the municipality must provide the remaining 25% of the program cost.

The installations would be required to be located within the seven-county metropolitan area and have an approved and adopted, State- or local-approved plan (comprehensive plan or watershed management plan, as applicable). Additionally, the installations are required to meet local, state, and federal requirements, and State stormwater reuse guidance.

Grants will be made available in amounts ranging from \$100,000 to \$250,000. Grantees will be required to submit reimbursement requests and provide estimated water savings achieved through this program for Clean Water, Land & Legacy Amendment reporting purposes. The proposals will be evaluated on technical merit, water supply and environmental benefits, community and equity impacts, economic and financial strength, project readiness, reporting and monitoring planning,

and risk management.

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.

Stormwater reuse is a viable component of our sustainable water future and is a tool to offset the need for additional water supply infrastructure and reduces water demand. The Met Council has engaged with many partners over the past several years to provide input and collaborate on how stormwater reuse can be done safely and in a way that adheres to local and state-wide guidance and regulation. A strong message that we heard was the need to provide additional funds to implement stormwater reuse projects. Additionally, this program would support our Policy #6 in the Water Policy Plan that states: “The Met Council works with partners to reduce barriers, pursue opportunities, and support efforts to reuse stormwater and wastewater, while balancing public and ecosystem health and financial viability.” The Stormwater Reuse Grant Program will provide financial aid to local government units to construct reuse systems to 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. Stormwater reuse will help protect our aquifers and save money for both residents and utilities.

Funding

The Stormwater Reuse Grant Program will be administered by Metropolitan Council Environmental Services (Environmental Services) and funded with Clean Water Funds in the amount of \$1,000,000.

Grants will be awarded to eligible entities to implement stormwater reuse projects in amounts ranging from \$100,000 to \$250,000, for work completed through June 30, 2030.

During the 2025 Regular Session, the Met Council received \$1,375,000 first year and \$1,375,000 the second year to support communities implementing projects that address emerging drinking water supply threats and overall water sustainability, provide cost-effective regional solutions, leverage interjurisdictional coordination, support local implementation of wellhead protection plans, and prevent degradation of groundwater and surface water resources. These activities will provide communities with:

- Potential solutions to better connect land use impacts on water supply and overall water sustainability
- Ways to balance regional water use by using surface water, stormwater, wastewater, and groundwater
- An analysis of infrastructure requirements needed to maintain and strengthen the reliability of water systems
- Development of planning-level cost estimates, including capital costs and operating costs
- Funding mechanisms and an equitable cost-sharing structure for regionally beneficial water supply development projects
- Information and tools to address climate change impacts on overall water supply systems and water sustainability



- **Ways to reduce impacts on the groundwater system through stormwater reuse grants that assist communities in reducing water use**

Small business inclusion

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



Attachment A – Stormwater Reuse Grant Program Guidelines



2026 – 2027 METROPOLITAN COUNCIL STORMWATER REUSE GRANT PROGRAM GUIDELINES

updated 08 / 14 / 2026

Overview

The Metropolitan Council (Met Council) will implement a stormwater reuse grant program effective September 1, 2026 to June 30, 2028. Grants will be awarded on a competitive basis to cities, townships, counties, watershed management organizations, and soil and water conservation districts that are located within the seven-county metropolitan area.

This program is funded by the Met Council with pass-through funds from the Clean Water Land & Legacy Amendment. The Met Council will provide up to 75% of the project cost. The grantee must provide the remaining 25%.

Grants will be made available in amounts with a minimum of \$100,000 and a maximum of \$250,000. Grantees will be required to provide estimated water savings achieved through this program for Clean Water, Land & Legacy Amendment reporting purposes.

Grant Program Goal

The goal of the stormwater reuse grant program is to support the construction of stormwater reuse systems - including the treatment of stormwater for beneficial reuse - to reduce the burden on the quality, availability, and costs for water supply within the seven-county metropolitan area. This grant program is authorized under the Met Council's water supply authorities (2025 Minnesota Statutes, Chapter 473, Section 473.1565).

Critical Points to Remember

- Eligible applicants must be located within the seven-county metropolitan area and have an approved and adopted, State- or local-approved plan (comprehensive plan or watershed management plan, as applicable — see Eligibility section)
- Eligible funding covers construction, or expansion of a stormwater reuse system. Project planning, public participation/engagement, and local grant management or reporting costs are not eligible for reimbursement under this program
- All grant funded projects must meet local, state, and federal requirements. Additionally, projects are required to meet State stormwater reuse guidance.

- Grant recipients must display the Clean Water, Land and Legacy Amendment logo and the Metropolitan Council logo on program-related web pages and paper communications.
- The grantee must sign a standard Metropolitan Council Grant Agreement before any funds may be expended.
- All funds must be expended within the grant period.

Grant program structure

Administration and funding source

The Stormwater Reuse Grant Program will be administered by Metropolitan Council Environmental Services (Environmental Services) and funded with Clean Water Funds in the amount of \$1,000,000. Grant applications will be reviewed and ranked by Metropolitan Council Water Resources staff (See rubric in the Proposal Selection Criteria section).

Grants will be awarded to eligible entities to implement stormwater reuse projects in amounts ranging from \$100,000 to \$250,000, for work completed through June 30, 2028.

Legislative Directive: 2025 Minnesota Session Laws, Regular Session, Chapter 36, Article 2, Section 8(a)	The Metropolitan Council received \$1,375,000 the first year and \$1,375,000 the second year to support communities implementing projects that address emerging drinking water supply threats and overall water sustainability, provide cost-effective regional solutions, leverage interjurisdictional coordination, support local implementation of wellhead protection plans, and prevent degradation of groundwater and surface water resources. These activities will provide communities with: • Potential solutions to better connect land use impacts on water supply and overall water sustainability • Ways to balance regional water use by using surface water, stormwater, wastewater, and groundwater • An analysis of infrastructure requirements needed to maintain and strengthen the reliability of water systems • Development of planning-level cost estimates, including capital costs and operating costs • Funding mechanisms and an equitable cost-sharing structure for regionally beneficial water supply development projects • Information and tools to address climate change impacts on overall water supply systems and water sustainability • Ways to reduce impacts on the groundwater system through stormwater reuse grants that assist communities in reducing water use
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Eligibility

Eligible entities

This grant program is limited to cities, townships, counties, watershed management organizations (WMOs), and soil and water conservation districts (SWCDs) located within the seven-county metropolitan area that have an approved and adopted, State- or local-approved plan.

- a. Cities and townships are eligible if they have a plan that has been allowed to be put into effect under Minn. Stat. § 473 and is locally adopted.
- b. Watershed Management Organizations are eligible if they have an approved and adopted plan under Minn. Stat. § 103B.231.
- c. Counties are eligible if they have an approved and adopted comprehensive plan under Minn. Stat. § 473.
- d. Soil and Water Conservation Districts are eligible if they have an approved and adopted comprehensive plan under Minn. Stat. § 103C.331.

Required match

The Met Council will provide up to 75% of eligible project costs. The grantee must provide the remaining 25% of the total project cost.

Eligible project activities

Water source: The project must involve stormwater or rainwater intended for beneficial reuse.

Eligible activities: Construction, or expansion of a stormwater reuse system for beneficial use. Funded systems typically include some combination of a collection system, storage unit, treatment system, and distribution system, consistent with the Minnesota Stormwater Manual.

Eligible costs: Construction and materials costs for a constructed system that captures, retains, and treats stormwater runoff or rainwater for reuse (collection system, storage unit, treatment system, and/or distribution system).

The following costs are not eligible for reimbursement under this program:

- Planning costs, including feasibility studies and technical or engineering assistance for the planning and design of water reuse projects
- Project support activities, such as public participation and engagement
- Local grant management and reporting directly related to implementation of the project

Regulatory compliance: Applicants must demonstrate the ability to meet all applicable local, state, and federal water quality standards. Projects must also meet state stormwater reuse guidance.

- [Water quality considerations for stormwater and rainwater harvest and use/reuse | Minnesota Stormwater Manual](#)
- [Reuse of stormwater and rainwater in Minnesota: a public health perspective January 2022](#)

Effective Life: All structural practices must be designed and maintained for a minimum effective life of ten years for best management practices and 25 years for capital improvement practices. The beginning date for a practice's effective life is the same date the final payment is approved, and the project is considered complete.

Contract agreement requirements

The grantee must sign a standard Metropolitan Council contract agreement before any grant funds can be expended. Contract agreements shall require that grantees:

- Retain records and cooperate with any audits
- Provide quantitative information for State reporting purposes

Application Process

Application requirements

An application template is provided for interested entities by the Met Council. Required information in the application form is expected to include, at minimum:

- Project description, including proposed collection, storage, treatment, and distribution system components
- Estimated project budget, including the required 25% grantee match
- Estimated annual amount of water saved through the proposed project
- Evidence of applicant eligibility, including the applicable approved and adopted plan described in the Eligibility section

The application window is still being finalized and will be posted on the Met Council website prior to opening. Late submissions will not be accepted.

Submit completed applications to:

Steve Christopher

Environmental Analyst, Metropolitan Council Environmental Services

steve.christopher@metc.state.mn.us

Metropolitan Council will notify applicants of grant awards on a date to be determined.

Proposal selection criteria

Applications will be evaluated and ranked by Metropolitan Council Water Resources staff using the draft scoring criteria outlined below. The point values noted below are estimates for each category. Point values are subject to change as they are still being finalized. Point values are expected to total 100 points.

1. Technical merit — 30 points

- Sound engineering design: clarity of system design, treatment processes, technologies, and reuse applications
- Feasibility: demonstrated technical feasibility, including site suitability, environmental conditions, and operational plans
- Innovation: use of advanced or novel technologies (e.g., decentralized systems, advanced treatment, real-time monitoring)
- Scalability & replicability: potential to be adopted by other communities or sectors

2. Water supply & environmental benefits — 20 points

- Water savings: quantified volume of potable water offset or conserved through reuse
- Aquifer or surface water protection: reduces withdrawals or improves ecological flows
- Pollution reduction: demonstrates reductions in nutrient loads, contaminants, or wastewater discharges
- Energy and emissions impacts: net reduction in energy use or greenhouse gas emissions relative to existing practices

3. Community & equity impact — 20 points

- Benefit to overburdened or water-stressed communities: supports those facing water insecurity
- Affordability: reduces long-term water costs for ratepayers or community members
- Public health benefits: improves sanitation, reliability, or resilience of local water systems
- Community engagement: includes outreach, education, and stakeholder involvement in planning and implementation

4. Economic & financial strength — 10 points

- Cost-effectiveness: demonstrates reasonable cost per volume of water supplied or other defined output metric
- Budget quality: clear, detailed, and realistic budget with justified cost estimates
- Matching funds / leveraged resources: degree to which applicants bring additional funding or partnerships (if project costs exceed proposed grant amount)
- Long-term sustainability: ability to operate and maintain the system over its intended life

5. Project readiness — 10 points

- Timeline: clear schedule showing ability to begin work quickly and meet grant deadlines
- Permitting status: identification of required permits and a credible plan or progress toward obtaining them
- Engineering & design progress: level of completion (e.g., conceptual, 30%, 60%, or 100%)
- Partnerships & agreements: land access, interagency agreements, or end-user commitments in place

6. Reporting & monitoring plan — 10 points

- Performance metrics: defines measurable outcomes (water produced, energy use, pollutant reductions)
- Monitoring approach: includes monitoring technology, sampling plans, and data transparency
- Evaluation & adaptive management: clear plan to adjust operations based on performance data

7. Risk management (optional or pass/fail)

- Risk identification: clear identification of technical, financial, regulatory, and operational risks
- Risk mitigation plan: demonstrates realistic measures to address potential challenges
- Regulatory pathway: understands compliance pathways for potable or non-potable reuse

Criterion	Points
Technical Merit	30
Water Supply & Environmental Benefits	20
Community & Equity Impact	20
Economic & Financial Strength	10
Project Readiness	10

Criterion	Points
Reporting & Monitoring	10
Total	100

Reporting requirements

Funding process and reporting requirements

All grant recipients are required to report on the outcomes, activities, and expenditures associated with their funded project.

Utilizing forms provided by Met Council, the following information must be reported on an annual basis:

- Expenditures related to the project or activity
- Estimated (or actual, where available) annual gallons of water saved
- Leveraged funds

Upon review and confirmation of the above information, Met Council will process grant payments consistent with the terms of the contract agreement.

Met Council will provide confirmation of grant balances available upon request and reserves the right to amend grant agreements, in collaboration with the grantee, within the grant period.

Determining estimated water savings

Estimated water savings for stormwater reuse projects will be determined on a project-specific basis, informed by system design, collection area, and intended end uses. Additional guidance on acceptable estimation methods and reporting will be provided in the final program materials.