



## CITY OF MARSHALL AGENDA ITEM REPORT

<b>Meeting Date:</b>	Tuesday, June 14, 2022
<b>Category:</b>	NEW BUSINESS
<b>Type:</b>	ACTION
<b>Subject:</b>	MPCA Chloride Reduction Grant – Water Softener Optimization/Rebate Program.
<b>Background Information:</b>	<p>At the April 12, 2022 meeting, the City Council authorized staff to spend \$15,625 of Wastewater Department funds to finance our portion of a grant match and to enter into an agreement with Bolton &amp; Menk to execute an MPCA Chloride Reduction Grant.</p> <p>The grant is a \$250,000 grant that is split between the cities of Worthington and Marshall.</p> <p>The grant requires a 25% match which would require a \$31,250 investment from each community. The \$31,250 local match for Marshall is being split between Marshall Municipal Utilities (MMU) and the City of Marshall Wastewater Department. Below is a proposed cost outline from Bolton &amp; Menk:</p> <ul style="list-style-type: none"> <li>- Rebates or other incentives--\$100,000 for each community</li> <li>- Preparation of rebate program and tracking (Engineering)--\$50,000</li> <li>- Preparation of educational information (Engineering)--\$50,000</li> <li>- Final reporting to MPCA--\$12,500</li> </ul> <p>Based on the above numbers, with the City contributing \$31,250, we will end up with \$100,000 of money to invest into a rebate program or other incentive type of program, as well as having the engineering services to set up and administer the program covered by Bolton &amp; Menk. At the April 12<sup>th</sup> Council meeting, staff informed the City Council that we would hold meetings with Bolton &amp; Menk and MMU to discuss our best use of the grant funds.</p> <p>On April 19<sup>th</sup>, City staff met with Bolton &amp; Menk, MMU, and the City of Worthington to discuss our grant. On June 7<sup>th</sup>, City staff met with Bolton &amp; Menk, MMU, City of Worthington, Minnesota Water Quality Association, MPCA, and local water quality companies. All local water quality companies and local plumbers were invited to the meeting to ensure that any contractor that would be interested in receiving rebates from the City could be informed of the basis of our proposed program.</p> <p>With City Council approval, staff would propose to begin executing a rebate program that focuses primarily on two aspects of chloride reduction: existing water softener adjustment/optimization and replacement of outdated water softeners. The general concept of the program is that the City will pay a \$50 rebate for softener optimization and at least \$500 for softener replacement. Our intent would be to begin by offering the softener replacement rebate for older, less-efficient time-based models only. If funding still remains after running the program for a few months, we may elect to open the program to include replacement of units that are more than 15 years old</p>

	<p>and not meeting efficiency requirements. The purpose of restricting access to the rebates early in the program is to ensure that we have enough funding to allow for as much softener optimization as possible and to allow for the replacement of the least efficient softeners to occur. A program flyer and rebate application is included in the Council packet for information. Also included is a more detailed description of the water softener optimization/rebate program. The draft plan identifies more of the specifics for the program.</p> <p>Staff is looking for Council concurrence with our proposed direction. If the Council agrees, we will begin administering the program as soon as our materials and advertising is prepared. Our hope would be to begin the program in the month of June.</p>
<p><b>Fiscal Impact:</b></p>	<p>The 2022 Wastewater budget has adequate funding available in line item 602-49500-58180 Refunds &amp; Reimbursements.</p> <p>As identified in the project background, the City will be responsible for making all payments upfront, totaling \$156,250, with the ability to submit for monthly grant reimbursements that total \$125,000. The remaining \$31,250 will be split evenly between MMU and the Wastewater Department.</p>
<p><b>Alternative/ Variations:</b></p>	<p>No alternative actions recommended.</p>
<p><b>Recommendation:</b></p>	<p>that the Council authorize City staff to execute the softener optimization and rebate program as presented.</p>