Drinking Water Regionalization Planning and Assistance Grants

GRANT REQUEST FOR PROPOSAL (RFP)

Minnesota Department of Health
PO Box 64975
St. Paul, MN 55164-0975
651-201-4700
regionalgrant.mdh@state.mn.us
www.health.state.mn.us

October 2026

To obtain this information in a different format, call: 651-201-4700.

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RFP Part 1: Overview

1.1 General Information

- **Announcement Title**:
- **Minnesota Department of Health (MDH) Program Website**: Drinking Water Regionalization and Assistance Grant (https://www.health.state.mn.us/communities/environment/water/dwrf/swregplan.html)
- **Application Deadline**: 4:30 pm December 7, 2026

1.2 Program Description

A one-time appropriation for planning and assistance for regionalization of drinking water systems. Regionalization is defined in Minn. Stat. § 116A.

This funding provides $600,000 to support planning and assistance for regionalization of drinking water systems, for communities that meet the eligibility criteria in Section 1.4. For any one regional drinking water system grant awards may not exceed 60% of the funds available in that fiscal year.

1.3 Funding and Project Dates

Funding

A total of $600,000 in funding is available for regionalization planning and assistance grants. Funds will be available March 1, 2027 and must be used by March 1, 2029.

Funds will be awarded based on water quality and the age of the existing infrastructure. The maximum grant award is $300,000.

For any one regional drinking water system, grant funds cannot exceed 60% of total funds available that fiscal year.

Funding will be allocated through a competitive process. If selected, you may only incur eligible expenditures when the grant agreement is fully executed, and the grant has reached its effective date, whichever is later.

Funding	Estimate
Estimated Amount to Grant	$600,000
Estimated Number of Awards	6
Estimated Award Maximum	$300,000
Estimated Award Minimum	$50,000

Match Requirement

Grant recipients must provide matching funds equaling at least 25 percent of the total grant amount.

Project Dates

Projects can begin March 1, 2027, once a fully executed grant agreement is finalized and must be finished by March 1, 2029.

1.4 Eligible Applicants

This grant is available to counties, municipalities and townships that are establishing or expanding regional drinking water systems, as defined in Minn. Stat. § 116A.

Grant funds are not transferrable to any other entity. Applicants that are aware of any upcoming mergers, acquisitions, or any other changes in their organization or legal standing, must disclose this information to MDH in their application, or as soon as they are aware of it.

Collaboration

Multi-organization collaboration is allowed; however, the funds are only released to one organization. If both organizations are seeking grant funds, both organizations would need to submit separate applications. All organizations collaborating on a project are required to meet the grant eligibility requirements.

1.5 Questions and Answers

All questions regarding this RFP must be submitted by email to jessie.kolar@state.mn.us. All answers will be posted within two business days at Drinking Water Regionalization and Assistance Grant (https://www.health.state.mn.us/communities/environment/water/dwrf/swregplan.html).

Please submit questions no later than 4:30 p.m. Central Standard Time (CST), on Tuesday November 17, 2026.

To ensure the proper and fair evaluation of all applications, other communications regarding this RFP including verbal, telephone, written or internet initiated by or on behalf of any applicant to any employee of MDH, other than questions submitted to as outlined above, are prohibited. **Any violation of this prohibition may result in the disqualification of the applicant.**

RFP Part 2: Program Details

2.1 Priorities

Health Equity Priorities

It is the policy of the State of Minnesota to ensure fairness, precision, equity, and consistency in competitive grant awards. This includes implementing diversity and inclusion in grant-making. The Policy on Rating Criteria for Competitive Grant Review establishes the expectation that grant programs intentionally identify how the grant serves diverse populations, especially populations experiencing inequities and/or disparities.

This grant is created to fund planning and design projects to establish or expand drinking water regions. The grant will help to expand regionalization in Minnesota and expand safe drinking water to communities that have violations or outdated infrastructure.

This grant will serve:

- Minnesotans residing in the proposed drinking water region
- Rural Minnesotans

Grant outcomes will include:

- Design plans to help with regionalization
- Feasibility studies
- Engineering analyses and assessments

2.2 Eligible Projects

Grant funds must be used for planning activities, including; feasibility studies, engineering analyses, legal assessments, financial assessments, community engagement efforts, preliminary and final design work and activities necessary for drinking water system establishment or expansion under Minn. Stat. § 116A.

Grant funds are available to counties, municipalities and townships that seek to establish or expand regional drinking water systems. Projects must occur outside of the seven-county metro area.

Ineligible Expenses

Ineligible expenses include but are not limited to:

- Solicitating donations
- Taxes, except sales tax on goods and services
- Lobbyists, political contributions
- Bad debts, late payment fees, finance charges, or contingency funds
- Implementation, construction or rehabilitation costs

- Capital improvement projects

2.3 Grant Management Responsibilities

Grant Agreement

Each grantee must formally enter into a grant agreement. The grant agreement will address the conditions of the award, including implementation for the project. The grantee is expected to read the grant agreement, sign, and comply with all conditions of the grant agreement. Grantee should provide a copy of the grant agreement to all grantee staff working on the grant.

No work on grant activities can begin until a fully executed grant agreement is in place.

A sample grant agreement is attached as Attachment B: Sample Grant Agreement. Applicants should be aware of the terms and conditions of the standard grant agreement in preparing their applications. Much of the language reflected in the sample agreement is required by statute. If an applicant takes exception to any of the terms, conditions or language in the sample grant agreement, the applicant must indicate those exceptions, in writing, in their application in response to this RFP. Certain exceptions may result in an application being disqualified from further review and evaluation. Only those exceptions indicated in an application will be available for discussion or negotiation.

The funded applicant will be legally responsible for assuring implementation of the work plan and compliance with all applicable state requirements including worker's compensation insurance, nondiscrimination, data privacy, budget compliance, and reporting.

Accountability and Reporting Requirements

It is the policy of the State of Minnesota to monitor progress on state grants by requiring grantees to submit written progress reports at least annually until all grant funds have been expended and all of the terms in the grant agreement have been met.

The reporting schedule will be: For grants that do not have funds dispersed in one year, grantees will be required to submit a written progress report. This report will need to be submitted annually until all funds have been dispersed. No invoices will be paid if progress reports are past due.

Grant Monitoring

Minn. Stat. § 16B.97 and Policy on Grant Monitoring require the following:

- One monitoring visit during the grant period on all state grants over $50,000
- Annual monitoring visits during the grant period on all grants over $250,000
- Conducting a financial reconciliation of grantee's expenditures at least once during the grant period on grants over $50,000

The monitoring schedule will be: The grant monitoring visit will occur prior to the final payment. Grantees will reach out prior to submitting the final invoice to schedule the monitoring visit. If the grant funds are not all within one year, an annual monitoring visit will be

scheduled. A final visit will still be needed prior to the final invoice being paid. Financial reconciliation will occur at the time of the monitoring visit.

Grant Payments

Per State Policy on Grant Payments, reimbursement is the method for making grant payments. All grantee requests for reimbursement must correspond to the approved grant budget. The State shall review each request for reimbursement against the approved grant budget, grant expenditures to-date and the latest grant progress report before approving payment. Grant payments shall not be made on grants with past due progress reports unless MDH has given the grantee a written extension.

The invoicing and payment schedule will be: Invoices are to be submitted at least quarterly but not more than monthly. Invoices need to be submitted by the 15th of the month to be paid by the end of the month. MDH will promptly pay the invoices for services performed.

2.4 Grant Provisions

Affirmative Action and Non-Discrimination Requirements for all Grantees

The grantee agrees to comply with applicable state and federal laws prohibiting discrimination.

Minnesota's nondiscrimination law is the Minnesota Human Rights Act (MHRA) (Minn. Stat. § 363A; See e.g. Minn. Stat. § 363A.02 (https://www.revisor.mn.gov/statutes/cite/363A.02). The MHRA is enforced by the Minnesota Department of Human Rights (https://mn.gov/mdhr/). Some, but not all, MHRA requirements are reflected below. All grantees are responsible for knowing and complying with nondiscrimination and other applicable laws.

The grantee agrees not to discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status in regard to public assistance, membership or activity in a local commission, disability, sexual orientation, or age in regard to any position for which the employee or applicant for employment is qualified.

The grantee agrees not to discriminate in public accommodations because of race, color, creed, religion, national origin, sex, gender identity, sexual orientation, and disability.

The grantee agrees not to discriminate in public services because of race, color, creed, religion, national origin, sex, gender identity, marital status, disability, sexual orientation, and status with regard to public assistance.

The grantee agrees to take affirmative steps to employ, advance in employment, upgrade, train, and recruit minority persons, women, and persons with disabilities.

The grantee must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The grantee agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination,

rates of pay or other forms of compensation, and selection for training, including apprenticeship. Minn. Rules, part 5000.3550.

Audits

Per Minn. Stat. § 16B.98, subd. 8, the grantee's books, records, documents, and accounting procedures and practices of the grantee or other party that are relevant to the grant or transaction are subject to examination by the granting agency and either the legislative auditor or the state auditor, as appropriate. This requirement will last for a minimum of six years from the grant agreement end date, receipt, and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

Conflicts of Interest

MDH will take steps to prevent individual and organizational conflicts of interest, both in reference to applicants and reviewers per Minn. Stat.§ 16B.98 and the Office of Grants Management's Policy 08-01, "Conflict of Interest Policy for State Grant-Making."

Applicants must complete the Applicant Conflict of Interest Disclosure form (Attachment F) and submit it as part of the completed application. Failure to complete and submit this form will result in disqualification from the review process.

Organizational conflicts of interest occur when:

- a grantee or applicant is unable or potentially unable to render impartial assistance or advice
- a grantee's or applicant's objectivity in performing the grant work is or might be otherwise impaired
- a grantee or applicant has an unfair competitive advantage

Individual conflicts of interest occur when:

- an applicant, or any of its employees, uses their position to obtain special advantage, benefit, or access to MDH's time, services, facilities, equipment, supplies, prestige, or influence
- An applicant, or any of its employees, receives or accepts money, or anything else of value, from another state grantee or grant applicant with respect to the specific project covered by this RFP/project.
- An applicant, or any of its employees, has equity or a financial interest in, or partial or whole ownership of, a competing grant applicant organization.
- An applicant, or any of its employees, is an employee of MDH or is a relative of an employee of MDH.

In cases where a conflict of interest is perceived, disclosed, or discovered, the applicants or grantees will be notified and actions may be pursued, including but not limited to disqualification from eligibility for the grant award or termination of the grant agreement.

Non-Transferability

Grant funds are not transferrable to any other entity. Applicants that are aware of any upcoming mergers, acquisitions, or any other changes in their organization or legal standing, must disclose this information to MDH in their application, or as soon as they are aware of it.

Public Data and Trade Secret Materials

All applications submitted in response to this RFP will become property of the State. In accordance with Minn. Stat. § 13.599, all applications and their contents are private or nonpublic until the applications are opened.

Once the applications are opened, the name and address of each applicant and the amount requested is public. All other data in an application is private or nonpublic data until completion of the evaluation process, which is defined by statute as when MDH has completed negotiating the grant agreement with the selected applicant.

After MDH has completed the evaluation process, all remaining data in the applications is public with the exception of trade secret data as defined and classified in Minn. Stat. § 13.37, subd. 1(b). A statement by an applicant that the application is copyrighted or otherwise protected does not prevent public access to the application or its contents. (Minn. Stat. § 13.599, subd. 3(a)).

If an applicant submits any information in an application that it believes to be trade secret information, as defined by Minn. Stat. § 13.37, the applicant must:

- Clearly mark all trade secret materials in its application at the time it is submitted,
- Include a statement attached to its application justifying the trade secret designation for each item, and
- Defend any action seeking release of the materials it believes to be trade secret, and indemnify and hold harmless MDH and the State of Minnesota, its agents and employees, from any judgments or damages awarded against the State in favor of the party requesting the materials, and any and all costs connected with that defense.
- This indemnification survives MDH's award of a grant agreement. In submitting an application in response to this RFP, the applicant agrees that this indemnification survives as long as the trade secret materials are in possession of MDH. The State will not consider the prices submitted by the responder to be proprietary or trade secret materials.

MDH reserves the right to reject a claim that any particular information in an application is trade secret information if it determines the applicant has not met the burden of establishing that the information constitutes a trade secret. MDH will not consider the budgets submitted by applicants to be proprietary or trade secret materials. Use of generic trade secret language encompassing substantial portions of the application or simple assertions of trade secret without substantial explanation of the basis for that designation will be insufficient to warrant a trade secret designation.

If a grant is awarded to an applicant, MDH may use or disclose the trade secret data to the extent provided by law. Any decision by the State to disclose information determined to be

trade secret information will be made consistent with the Minnesota Government Data Practices Act (Ch. 13 MN Statutes) and other relevant laws and regulations.

If certain information is found to constitute trade secret information, the remainder of the application will become public; in the event a data request is received for application information, only the trade secret data will be removed and remain nonpublic.

2.5 Review and Selection Process

Review Process

Funding will be allocated through a competitive process with review by a committee representing specialists with knowledge on drinking water and regionalization. The review committee will evaluate all eligible and complete applications received by the deadline.

MDH will review all committee recommendations and is responsible for award decisions. **The award decisions of MDH are final and not subject to appeal.** Additionally:

- MDH reserves the right to withhold the distribution of funds in cases where proposals submitted do not meet the necessary criteria.
- The RFP does not obligate MDH to award a grant agreement or complete the project, and MDH reserves the right to cancel this RFP if it is considered to be in its best interest.
- MDH reserves the right to waive minor irregularities or request additional information to further clarify or validate information submitted in the application, provided the application, as submitted, substantially complies with the requirements of this RFP. There is, however, no guarantee MDH will look for information or clarification outside of the submitted written application. Therefore, it is important that all applicants ensure that all sections of their application are complete to avoid the possibility of failing an evaluation phase or having their score reduced for lack of information.

Selection Criteria and Weight

The review committee will be reviewing each applicant on a forty-point scale. A standardized scoring system will be used to determine the extent to which the applicant meets the selection criteria.

The review committee will be reviewing each applicant on a forty-point scale. A standardized scoring system will be used to determine the extent to which the applicant meets the selection criteria. A minimum of twenty points must be earned to be eligible for the grant.

Grantee Past Performance and Due Diligence Review Process

- It is the policy of the State of Minnesota to consider a grant applicant's past performance before awarding subsequent grants to them.

- State policy requires states to conduct a pre-award risk assessment prior to a grant award. Additional information may be required for proposed budgets of $50,000 and higher to a potential applicant in order to comply with Policy on Preaward Risk Assessment.

Notification

MDH anticipates notifying all applicants via email of funding decisions by Monday January 3, 2027.

RFP Part 3: Application and Submission Instructions

3.1 Application Deadline

All applications must be received by MDH no later than 4:30 p.m. Central Time, on Monday December 7, 2026.

Late applications will not be accepted. It is the applicant's sole responsibility to allow sufficient time to address all potential delays caused by any reason whatsoever. MDH will not be responsible for delays caused by mail, delivery, computer, or technology problems.

Acknowledgement of application receipt. MDH will "reply all" to the email address that submitted the application to acknowledge receipt of your application within one business day of the receipt of an application. If you do not receive an acknowledgment email within that time frame from when you submitted the application, it means MDH did not receive your application/documents. Please contact Jessie Kolar, jessie.kolar@state.mn.us, (651) 201-4562 after that time frame for further instructions.

3.2 Application Submission Instructions

Applications must be submitted by email to:

Jessie Kolar
Capacity Development Engineer
Drinking Water Protection, Infrastructure
regionalgrant.mdh@state.mn.us

3.3 Application Instructions

You must submit the following in order for the application to be considered complete:

- Application
- Due Diligence Form
- Conflict of Interest Disclosure Form

Incomplete applications will be rejected and not evaluated.

Applications must include all required application materials, including attachments. Do not provide any materials that are not requested in this RFP, as such materials will not be considered nor evaluated. **MDH reserves the right to reject any application that does not meet these requirements.**

By submitting an application, each applicant warrants that the information provided is true, correct, and reliable for purposes of evaluation for potential grant award. The submission of inaccurate or misleading information may be grounds for disqualification from the award, as

well as subject the applicant to suspension or debarment proceedings and other remedies available by law.

All costs incurred in responding to this RFP will be borne by the applicant.

RFP Part 4: Attachments

- Attachment A: Application Evaluation Criteria
- Attachment B: Sample Grant Agreement
- Attachment C: Application Form
- Attachment D: Invoice Template
- Attachment E: Due Diligence Form
- Attachment F: Applicant Conflict of Interest Disclosure Form

Attachment A: Application Evaluation Criteria

A numerical scoring system will be used to evaluate eligible applications. Scores will be used to develop final recommendations.

Applicants are encouraged to score their own application using the evaluation scoresheet before submitting their application. This step is not required but may help ensure applications address the criteria evaluators will use to score applications.

The review committee will be reviewing each applicant on a forty-point scale. A standardized scoring system will be used to determine the extent to which the applicant meets the selection criteria. A minimum of twenty points must be earned to be eligible for the grant.

The scoring criteria is as follows:

Eligibility Requirements:

- If the applicant is a county, municipality or township, 10 points will be awarded
- If the project is to expand or establish a regional drinking water system, 10 points will be awarded

Water Quality Points:

- For projects that are meant to serve primarily properties currently using private wells, for every 10% of private wells that exceed a MCL or HRL, 1 point will be awarded
- For projects that are primarily meant to hook-up an existing public water supply (PWS), if the well for the PWS has an MCL or HRL violation, 10 points will be awarded

Aging Infrastructure Points:

- For projects that are meant to serve primarily properties currently using private wells, every 10% of private wells older than 40 years, 1 point will be awarded
- For projects that are primarily meant to hook-up an existing PWS, if the PWS currently has a treatment plant or water tower project on the PPL, 10 points will be awarded

Eligibility Points		
City, Township or County	Y/N	/10
Regionalization Project Narrative ▪ Applicant clearly described proposed project and how it will establish or expand regional drinking water systems. ▪ Project Goals were clear and concise. ▪ Project has measurable evaluation milestones. ▪ Applicant provided timeline reflective of major tasks, deliverables, and deadlines for the project.	Y/N	/10
Water Quality Points		
Percent of Private Wells with MCL/HRL	%	/10
PWS Well with MCL/HRL	Y/N	/10
Aging Infrastructure Points		
Percent of Private Wells over 40 years old	%	/10
Treatment Plan or Water Tower Project on PPL	Y/N	/10
	Total	/40