

Memorandum

TO: City Council

FROM: Stephanie Smith , City engineer

DATE: April 6, 2026

SUBJECT: Approve grant agreements with the Rice Creek Watershed District to construct the 2026 Stormwater and Target Pond Improvement Projects and approve proposal for professional engineering services for the Target Pond Improvement Project

ITEM NUMBER: 8.f

SECTION: CONSENT AGENDA

REQUESTED MOTION

To approve

1. grant agreement with the Rice Creek Watershed District to construct the 2026 Stormwater and Target Pond Improvement Projects, and
2. proposal for professional engineering services for the Target Pond Improvement Project

INTRODUCTION

The City of Shoreview was selected to receive a 2026 stormwater management grant from the Rice Creek Watershed District, and city council action is required to approve the grant agreement. Additionally, council approval is required to approve the proposal for professional engineering services from Kimley-Horn and Associates (KHA) for final design and plan preparation for the Target Pond Improvements.

DISCUSSION

The Rice Creek Watershed District's stormwater management grant program is intended to assist cities and other entities with their stormwater management projects. This funding is for projects that provide stormwater quality treatment, runoff volume reductions, peak runoff rate control and/or reductions in groundwater usage. This winter, city staff identified this grant program for two projects included in the 2026 capital improvement plan and successfully applied. The grant will provide \$75,000 for each project.

The 2026 Stormwater Improvement Project, on Milton Street and Randy Avenue, will replace part of the existing asphalt street surface with pervious pavers. These streets both have stormwater systems that flow into Island Lake and infiltrating stormwater runoff into the ground through the pavers will benefit water quality for the lake. Benefits include reducing the pollutant loading and stormwater volume. The project is intended to continue to reduce the phosphorus entering Island Lake, as it currently has a set total maximum daily load for phosphorus. This project will continue water quality protection work which has recently seen Island Lake removed from the impaired waters list.

The Target Pond Improvement Project will construct an iron-enhanced filtration system in the

existing, city-owned pond that is east of Lexington Avenue, near Target. The existing sand filtration system receives runoff from the nearby paved surfaces and flows into Valentine Lake, which has been on the MPCA's Impaired Water list since 2002. The goal of this project is to provide additional water quality treatment before the stormwater gets to Valentine Lake, improving the lake's water quality and working toward removing it from the impaired waters list.

The Rice Creek Watershed District Board reviewed and approved both projects for \$75,000 each. Council approval is required for the city to execute the grant agreement with the watershed district.

City staff does not have the expertise to draft the final plans for the Target Pond Improvement Project and KHA was asked to send a proposal for survey, construction plans, and an operations and maintenance plan. KHA assisted with the grant application and is familiar with the project. Staff reviewed the proposal not-to-exceed \$34,000 and recommends council approval.

The projects have been budgeted for in the capital improvement plan for 2026 construction. Funding and costs are summarized below:

Project Cost Estimates (30% for Engineering, Administration & Contingency)	
Target Pond	\$185,000
2026 Storm Improvements	\$651,000
Total	\$835,000

Proposed Funding	
Surface Water Fund	\$685,000
Rice Creek Watershed District Grant	\$150,000
Total	\$835,000

RECOMMENDATION

Staff recommends council approve the grant agreements with the Rice Creek Watershed District to construct the 2026 Stormwater Improvement Project and the Target Pond Improvement Project, and approve the KHA proposal for professional engineering services for the Target Pond Improvement Project.

ATTACHMENTS

[Grant Agreement for 2026 Stormwater Project](#)
[Grant Agreement for Target Pond Improvements](#)
[Target Pond Improvement Map](#)
[2026 Stormwater Improvements Map](#)
[Kimley Horn Agreement](#)