

MINUTES OF A REGULAR MEETING OF THE CITY
COUNCIL OF THE CITY OF COEUR D'ALENE, IDAHO,
HELD AT THE LIBRARY COMMUNITY ROOM

October 19, 2021

The Mayor and Council of the City of Coeur d'Alene met in a regular session of said Council at the Coeur d'Alene City Library Community Room October 19, 2021, at 6:00 p.m., there being present upon roll call the following members:

Steve Widmyer, Mayor

Amy Evans) Members of Council Present
Dan Gookin)
Kiki Miller)
Christie Wood)
Woody McEvers)
Dan English)

CALL TO ORDER: Mayor Widmyer called the meeting to order.

PLEDGE OF ALLEGIANCE: Councilmember Gookin led the Pledge of Allegiance.

PUBLIC COMMENTS: The Mayor called for public comments, with none being requested.

ANNOUNCEMENTS:

Mayor Widmyer asked for the Appointments of Bev Moss, Arts Commission and the following student representatives: Sienna Hepworth, Arts Commission (Reappointment); Adeline Smith, Alternate Arts Commission; Claire Pratt, Childcare Commission; Claire Swanby, Alternate Childcare Commission; Eleanor Walsh, Library Board (Reappointment); Georgia Mau, Alternate Library Board; Alysha Villelli, Parks & Recreation Commission; Brighton Spencer, Alternate Parks & Recreation Commission; Rylee Strobel, Urban Forestry Committee; Sage Pedersen, Alternate Urban Forestry Committee.

MOTION: Motion by Evans, seconded by Wood, to appoint Bev Moss, Arts Commission and the following Student Representatives: Sienna Hepworth, Arts Commission (Reappointment); Adeline Smith, Alternate Arts Commission; Claire Pratt, Childcare Commission; Claire Swanby, Alternate Childcare Commission; Eleanor Walsh, Library Board (Reappointment); Georgia Mau, Alternate Library Board; Alysha Villelli, Parks & Recreation Commission; Brighton Spencer, Alternate Parks & Recreation Commission; Rylee Strobel, Urban Forestry Committee; Sage Pedersen, Alternate Urban Forestry Committee. **Motion carried.**

CONSENT CALENDAR:

1. Approval of Council Minutes for the October 5, 2021 Council Meeting.
2. Approval of Bills as Submitted.
3. Approval of Financial Report.
4. Setting of General Services/Public Works Committee meeting for Monday, October 25, 2021 at 12:00 noon.
5. Approval of a Cemetery Lot Repurchase from Pat Ferriola; Lots 01A and 01B; Block 43; Section G, Forest Cemetery
6. **Resolution No. 21-062-** A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, ACCEPTING THE ABANDONMENT OF AN EASEMENT AND APPROVING THE WAIVER OF COVERED LOAD REGULATIONS FOR THE ANNUAL CITY LEAF PICK-UP PROGRAM.

MOTION: Motion by McEvers, seconded by Gookin, to approve the Consent Calendar as presented, including **Resolution No. 21-062.**

ROLL CALL: Evans Aye; Miller Aye; McEvers Aye; Gookin Aye; English Aye; Wood Aye.
Motion carried.

RESOLUTION NO. 21-063

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH HMM ENGINEERING FOR THE STORMWATER DESIGN PROJECT NEAR SANDERS BEACH.

STAFF REPORT: City Engineer Chris Bosley explained that this project is similar to the Northwest/US-95 swale, and was identified by staff as another opportunity to eliminate or reduce the amount of stormwater discharging into our surface waters. He noted that the Northwest Boulevard area looks very brown, as the hydroseed did not take due to the summer drought. He is optimistic that it will grow in the fall, if not it will be reseeded. They are waiting for the grass to grow before the water is diverted. The proposed Sanders Beach project would include two (2) outfalls at or near the beach, one at the swimming beach at the end of 12th Street; the other at the marina at the end of 11th Street. Staff has been evaluating the feasibility of reducing or eliminating the volume of stormwater that discharges into Lake Coeur d'Alene at these two outfalls and has recently applied for a grant with the Idaho Department of Environmental Quality (IDEQ) to receive funding for this project and others that would reduce the amount of phosphorus that enters the Lake. Staff met with HMM Engineering to discuss this project and prepare a cost estimate to perform a hydraulic analysis of the stormwater system and design a stormwater system that could handle the expected stormwater. This would likely be accomplished through a combination of swales and subsurface storage/filtration units, but will be ultimately determined during design. The cost for the design is \$48,680, which would be funded through the Drainage Utility funds. The funding may be considered as funding match if the IDEQ grant is awarded to the City and could improve the City's chances of obtaining the grant money. The grant agreement will be coming back for Council approval if chosen. If the City is not successful in the grant award, City crews intend to work on portions of the project as time

allows, reducing the outfall volume incrementally. Completion of this project could potentially eliminate a stormwater outfall, as recommended by our Municipal Separate Storm Sewer System (MS4) permit.

DISCUSSION: Councilmember McEvers asked how much water would this divert from the lake, with Mr. Bosley noting it would be approximately 75 acre of land would drain to this outfall. Councilmember Gookin noted that the engineer would determine placement and wondered if that design would come back to Council. Mr. Bosley noted that there are a few possible locations such as under the parking lot at East Tubbs Hill park or under the street near catch basins in the Sander's Beach area. He noted that funds would most likely come from Stormwater Utility funds. Councilmember Wood noted that there are some lakes that don't control the run off, and asked if Mr. Bosley could explain why we would go to this effort. Mr. Bosley explained that stormwater can contain E.coli from animal waste, lead, and some petroleum products from automobiles, and phosphorous which is the main focus, and this process should do a good job of reducing all of those hazards.

MOTION: Motion by McEvers, seconded by Miller, approving **Resolution No. 21-063**, approving an Agreement with HMH Engineering for the stormwater design project near Sanders Beach.

ROLL CALL: Miller Aye; McEvers Aye; Gookin Aye; English Aye; Wood Aye; Evans Aye.
Motion carried.

WASTEWATER 2018 FACILITY PLAN UPDATE

Staff Report: Wastewater Director Mike Anderson explained that in order to remain in compliance with the Idaho Department of Environmental Quality (IDEQ), the City is required to maintain an approved Facility Plan for its Wastewater Treatment Facility. In 2001, the Coeur d'Alene Wastewater Department developed its Facility Plan to address "high peak flows, regulatory changes, aging facilities, rapid growth, and encroaching development." The plan was updated in 2009 and again in 2012, which focused on tertiary treatment of the wastewater for CBOD, phosphorous, and ammonia removal. The process for this most recent update began in 2018 by HDR Engineering, and was intended to address several processes and components throughout the plant where issues have been identified. He noted that more projects are planned within the first five years. Additionally, he noted that projects identified include public interface regarding odor control and water reuse to take some burden off the aquifer, as well as expansion implementation triggers related to ammonia load. He reviewed several odor control options including enclosing the dewatering building. He noted that reuse opportunities include irrigation options for city properties near the plant, which could include the cemetery, park areas, green spaces with up to 1 million gallons a day. Expansion is important due to ammonia loads and based on trends over the past five years, and found it to be increasing at a rapid level. Some solutions include an increase to the mix tanks, with a long-term solution to increase capacity of tankage, which would be a multi-year project estimated at \$7 Million. The plan addresses permit requirements but also delves into the sustainability and operability of the Treatment Facility, as well as addressing how the Facility fits within the community.

DISCUSSION: Councilmember Gookin asked if they planned to store the reusable water. Mr. Anderson noted the plan does not include such storage space, as the current plan is to use existing flow straight out for irrigation, with none left as overages. Councilmember McEvers asked what the cost would be with Mr. Anderson stating they would not have to retreat the water, they would need to lay the pipe and run it through an ultraviolet system, but the pumps are currently in place. Councilmember McEvers asked for clarification on what is meant by the term concentrate, with Mr. Anderson explaining that it refers to each liter that comes into the plant and the amount of ammonia in each liter that is increasing. He theorized that the increased ammonia stems from the low flow toilets, but keeps the plant from filling up as a positive result. Councilmember McEvers asked if low flow toilets will affect the estimated build out numbers. Mr. Anderson noted that capacity ability is determined by a look at history and current use, winter time usage, average gallons and number of persons per house; which they determined to be 67 gallons per person per day. Then they look at the past five years of increases and use that as a predictor, and can determine when there might be a problem year. Councilmember Gookin asked if there was a governing agency determining what the maximum level of ammonia could be. Mr. Anderson noted that this is a measure to prevent eutrophication of the lake, which can cause algae growth in the water, then the algae will die which pulls the oxygen out of the water and kills the fish. Mr. Anderson clarified that what drove this was downstream states, not the state of Idaho, as they were seeing algae blooms. If it didn't work out and they still had algae blooms they could technically come after us for less discharge, but they are at the edge of what can be done. He suggested that they would have to look at other items such as farms and runoff. Councilmember Gookin noted that he is excited about the water reuse program, so that we could avoid putting anything into the river. Councilmember English noted that there is direct cause and effect on use and population is variable that is going up, so either we pay now or more later. Councilmember Wood asked what would he consider a normal growth rate for our region for our sewer capability. Mr. Anderson clarified that we are not growing as much as the Post Falls wastewater facility, so it is hard to give a real number, but it seems to be a bit lower than our neighbors. Councilmember Wood suggested the Wastewater Department continue to seek water reuse partners, such as the college. Councilmember Miller also noted other large users might be interested in water reuse opportunities.

MOTION: Motion by Gookin, seconded by McEvers, to approve updates to the Wastewater 2018 Facility Plan. **Motion carried.**

COUNCIL BILL NO. 21-1024

AN ORDINANCE OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, AUTHORIZING THE ISSUANCE AND SALE OF THE CITY'S WASTEWATER REVENUE REFUNDING BONDS, SERIES 2021A (TAX-EXEMPT), AND WASTEWATER REVENUE REFUNDING BONDS, SERIES 2021B (TAXABLE), IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$31,245,000 TO PROVIDE FUNDS NECESSARY TO PREPAY AND REFUND CERTAIN OUTSTANDING WASTEWATER REVENUE BONDS OF THE CITY; DELEGATING CERTAIN AUTHORITY TO THE DESIGNATED REPRESENTATIVE IN CONNECTION WITH THE SALE AND ISSUANCE OF THE 2021 BONDS AND OTHER TERMS OF THE 2021 BONDS UNDER THE CONDITIONS SET FORTH HEREIN; AUTHORIZING PRELIMINARY AND FINAL OFFICIAL

STATEMENTS; PLEDGING REVENUES FOR PAYMENT OF THE 2021 BONDS;
PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO; AND
PROVIDING FOR THE EFFECTIVE DATE HEREOF.

Staff Report: City Administrator Troy Tymesen introduced Eric Heringer: Managing Director with Piper Sandler; Christian Anderson: Vice President with Zion's Public Finance; and Laura McAloon: Bond Counsel with McAloon Law, PLLC, as those being involved in the Bond refinancing. He explained that the Wastewater Department is currently making annual payments on three (3) revenue bond issues from 2012, 2015, and 2020, with coupon rates of 5%, 2%, and 2.75%. The 2015 and 2020 bonds were for DEQ loans. The 2012 bond was for an IBBA loan. The maturity dates of these issues range from 2027 to 2040. He noted that they had a conference call regarding the City's bond rating today and are seeking an AA, better to get an AA+ ; however, that would be hard for a community our size. He expects a response within 10 days. He noted that in the current market, the aggregate all-in true interest cost of the refunding bonds would not exceed 2%. The City, therefore, could realize an estimated savings of over \$2,000,000 with a maturity date in 2040. If new bonds are structured to a 13-year issue (maturity date in 2034), the savings could be over \$4,000,000.

Mr. Heringer detailed the sewer revenue bonds and their outstanding principal and their final maturity dates. He reviewed the current municipal bond market conditions. He compared the current bond payment structure and interest in comparison to the refinancing structure noting the potential savings of \$1,008,000 from the 2012 bonds, and \$1,867,700 in the savings for the 2015 and 2020 bonds. He explained the payment would be similar for the first 8 years, then increasing the payments thereafter.

Mr. Anderson noted the remaining aspects of financing. He clarified that Zion's is serving as the City's advisor in this transaction and has a duty to the City. All the current bonds require a debt service reserve fund for one year's worth of payments, which will not be required by bond holders in this market. Therefore, approximately \$2 Million of unrestricted funds will go back into the City's wastewater utility system. He reviewed the schedule, noting that in order to stay on track with the current market he proposed the schedule to include the adoption of this proposed ordinance, which would allow the bond rating to be received on October 28, 2021, and a November 2, 2021, premarket bond to investors through the preliminary official statement. He noted that the interest rate would be locked in on November 10, 2021, the date of the sale. This would all allow for a December 1, 2021, closure of the bonds. Zion's would act on the City's behalf as the bond sale is initiated. He reviewed the parameters of the delegation of authority to include the aggregate principal amounts will not exceed the following for the 2021 A \$26,125,000; for the 2021 B Bonds \$5,120,000, and the aggregate all-in true interest cost on the 2021 bonds (A&B) will not exceed 2.00%. He reiterated that this action would provide for \$2.86 Million in cash flow savings and \$1.83 Million in present value savings.

Ms. McAloon explained the specifics of the bond refinancing Ordinance. She noted that the Council's delegation of authority for the future bond sale of 2021 bonds includes the following; appointment of the Mayor and City Administrator as designated representatives; authorize the refinancing of the 2012, 2015, and 2020 bonds; approve final pricing details of the bond; ratify official statement, approve and execute bond purchase contract with Piper Sandler & company,

execute closing documents/certificates. She explained that this provides the City's financing team the ability to be nimble, to act quickly, and react to market conditions. She reiterated that this delegation is done with parameters that include the aggregate principal amounts will not exceed the following for the 2021A \$26,125,000; for the 2021 B Bonds \$5,120,000, and the aggregate all-in true interest cost on the 2021 bonds (A&B) will not exceed 2.00%. She noted the funds will be spent to pay off the 2012, 2015, and 2020 bonds, pay the cost of issuance, and deposit remaining proceeds into the debt service account for the 2021 bonds.

DISCUSSION: Councilmember McEvers asked if the November 10 date is the date the rates would be locked in. Mr. Anderson noted that is when they will start taking orders in from investors and will set the interest rates for investors the day before. Councilmember McEvers asked for clarification regarding the fee paid to Zion's Public Finance. Mr. Anderson noted that there are a lot of different pieces including underwriting and bond counsel who get paid based on the bond purchase revenue and reiterated that their job is to get the best interest they can for the City. Discussion ensued regarding the terms "premium" and "par," and that the bond will be sold in \$5,000 denominations and most investors will buy large blocks. Councilmember Miller asked if there would be a report that comes back to the Council. Ms. McAloon noted that it is required for the City Administrator to come back with a report. Councilmember English asked where the reserve funds are noted. Mr. Tymesen noted that it shows up in the audited financial statement and in the future it would come up as undedicated funds.

MOTION: Motion by Evans, seconded by McEvers, to dispense with the rule and read **Council Bill No. 21-1024** once by title only.

ROLL CALL: McEvers Aye; Gookin Aye; English Aye; Wood Aye; Evans Aye; Miller Aye.
Motion carried.

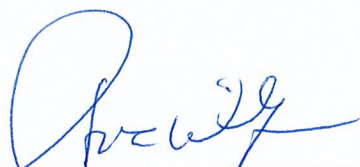
MOTION: Motion by Evans, seconded by McEvers, to adopt **Council Bill 21-1024**.

ROLL CALL: McEvers Aye; Gookin Aye; English Aye; Wood Aye; Evans Aye; Miller Aye.
Motion carried.

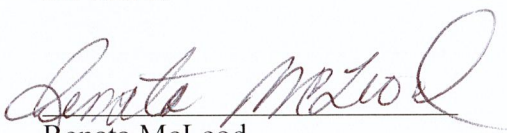
ADJOURN: Motion by McEvers, seconded by Miller, that there being no other business this meeting be adjourned. **Motion carried.**

The meeting was adjourned at 7:24 p.m.

ATTEST:



Steve Widmyer, Mayor



Renata McLeod
City Clerk, CMC