



Coeur d'Alene

CITY COUNCIL MEETING

February 17, 2015

MEMBERS OF THE CITY COUNCIL:

Steve Widmyer, Mayor

Councilmen Adams, Edinger, Evans, Gookin, McEvers, Miller

CONSENT CALENDAR

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

February 3, 2015

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 February 3, 2015 at 6:00 p.m., there being present upon roll call the following members:

Steve Widmyer, Mayor

Woody McEvers) Members of Council Present
Steve Adams)
Dan Gookin)
Kiki Miller)
Amy Evans)

Loren Ron Edinger) Member of Council Absent

CALL TO ORDER: The meeting was called to order by Mayor Widmyer.

INVOCATION: An invocation was provided by Pastor Robert Sundquist, from Christ the King Church.

PLEDGE OF ALLEGIANCE: The pledge of allegiance was led by Councilmember Adams.

CONSENT CALENDAR: **Motion** by Miller, seconded by Adams to approve the consent calendar.

1. Approval of Council Minutes for January 20, 2015.
2. Approval of Bills as Submitted.
3. Setting of General Services and Public Works Committees meetings for February 9, 2015 at 12:00 noon and 4:00 p.m. respectively.
4. Approval of a Beer/Wine License for Mid City Pub; located at 816 N. 4th Street; Thomas and Teresa Capone (New)
5. Approval of a Beer/Wine License for Tesoro; located at 198 W. Ironwood Drive; Rania Dahabreh, Ehab Dahabreh and Mary Munger (Transfer)
6. **Resolution No. 15-005** A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO AUTHORIZING THE BELOW MENTIONED CONTRACTS AND OTHER ACTIONS OF THE CITY OF COEUR D'ALENE INCLUDING APPROVING AN AGREEMENT WITH BBC CONSULTING, INC. FOR THE 2015 HOUSING NEEDS ASSESSMENT AND ANALYSIS OF IMPEDIMENTS; APPROVING THE DONATION OF SURPLUS HANDGUN HOLSTERS TO THE NORTH IDAHO COLLEGE PATROL ACADEMY; APPROVING AN EQUIPMENT LOAN AGREEMENT WITH KOOTENAI COUNTY

FIRE AND RESCUE; APPROVING A MEMORANDUM OF AGREEMENT FOR THE 2012 SPOKANE RIVER REGIONAL TOXIC TASK FORCE; AND APPROVING A SECOND AMENDMENT TO LEASE AGREEMENT WITH AT&T.

7. Approval of a Beer/Wine License for Tesoro; located at 2301 E. Sherman Avenue; Rania Dahabreh, Ehab Dahabreh and Mary Munger (Transfer)

ROLL CALL: Gookin Aye; Adams Aye; Miller Aye; McEvers Aye. **Motion Carried.**

COUNCIL ANNOUNCEMENTS:

Councilmember Miller announced that the Vision 2030 group will host an open house with the Four Corners/BLM Corridor Master Planning group on February 25, 2015 at 6:00 p.m. in the Library Community Room. Additionally, the joint school/library exploratory committee will be meeting soon to discuss their findings regarding the alternatives of a joint public school/public library project. Of special note, her son is singing the National Anthem at tonight's Lake City High School Varsity basketball game and she is very proud.

Councilmember Gookin wished his son Simon a happy birthday today.

Mayor Widmyer stated that Heather Bowlby is retiring from the Planning Commission which she has served on for 20 years. He thanked her for her service to the City. He announced that the Planning Commission will now have two openings for Commissioners and encouraged citizens to submit their application to serve on that committee.

Mayor Widmyer asked for confirmation of the appointment of Tom Ball to the Urban Forestry Committee.

MOTION: Motion by McEvers, seconded by Gookin to approve the appointment of Tom Ball to the Urban Forestry Committee. **Motion Carried.**

AWARD OF BID FOR THE PURCHASE OF 2 STREET SWEEPERS TO CLYDE/WEST

STAFF REPORT: Street Superintendent Tim Martin explained that the City held a bid opening on January 29, 2015. Five bids were received and after review of the bids he recommended the award of the bid to Clyde/West in the amount of \$351,930 with a 60 to 90 day delivery date. He stated that the bid process was very competitive and provided a good price for the vehicles. The drainage utility will purchase one sweeper, and the City will receive approximately \$88,000 from the Insurance pay out from the damaged sweepers, with the remaining cost of \$87,965 to be paid out of the Fund Balance.

MOTION: Motion by Gookin, seconded by McEvers to approve staff to proceed with the purchase of two (2) street sweepers from Clyde/West. **Motion carried.**

ZC-4-14; C-17 to R-3 FOR 3201 HUETTER ROAD

MOTION: Motion by McEvers, seconded by Evans to approve the Findings and Order for ZC-4-14; 3201 Huetter Road C-17 to R-3. **Motion carried.**

**COUNCIL BILL NO. 15-1002
ORDINANCE NO. 3502**

AN ORDINANCE AMENDING THE ZONING ACT OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, KNOWN AS ORDINANCE NO. 1691, ORDINANCES OF THE CITY OF COEUR D'ALENE, BY CHANGING THE FOLLOWING DESCRIBED PROPERTY FROM C-17 (COMMERCIAL AT 17 UNITS/ACRE) TO R-3 RESIDENTIAL AT 3 UNITS/ACRE), AND PLACING NO CONDITIONS UPON THE PROPERTY, SAID PROPERTY BEING DESCRIBED AS FOLLOWS: +/- 1.247 ACRE PARCEL AT 3201 HUETTER ROAD AND LEGALLY DESCRIBED AS A PORTION OF LOT 35, BLOCK 1 OF EDGEWATER AT MILL RIVER SECTION 8 & 9, TOWNSHIP 50 NORTH, RANGE 4 WEST, BOISE MERIDIAN, CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO; REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING A SEVERABILITY CLAUSE; PROVIDE FOR THE PUBLICATION OF A SUMMARY OF THIS ORDINANCE AND AN EFFECTIVE DATE HEREOF.

MOTION: Motion by McEvers, seconded by Gookin to pass the first reading of **Council Bill No. 15-1002.**

ROLL CALL: Adams Aye; McEvers Aye; Gookin Aye; Miller Aye; Evans Aye. **Motion Carried.**

MOTION: Motion by McEvers, seconded by Gookin to suspend the rules and to adopt **Council Bill No. 15-1002** by its having had one reading by title only.

ROLL CALL: Adams Aye; McEvers Aye; Gookin Aye; Miller Aye; Evans Aye. **Motion carried.**

PUBLIC COMMENTS:

Roy Wargie, residing in Coeur d'Alene, stated that he is concerned about traffic near 21st and Coeur d'Alene Avenue. He understands that there have been Police patrols in the area but people are continuing to run the stop sign, some going full speed in a school zone. He recommended the City make it a four-way stop.

Ryan Crosby, residing in Coeur d'Alene, specifically within Riverstone, explained that he purchased his condo in 2011, and in April 2013 the wood fire pizza business opened which is below his residence. The business uses a wood burning oven that is vented approximately 10 feet from his residential window. While the oven is in use he cannot open his windows or use his patio. Often times there has been so much smoke that people have called the Fire

Department concerned that there is a fire. He has met with the owner and the Building Department and discussed his concerns. The Building Department staff witnessed the smoke and suggested he submit a complaint to the City, which he did in September 2014. His understanding was that the Legal Department was reviewing the matter and he has not heard back since that time. He clarified the mechanical code does not allow side venting if it creates a public nuisance. Mr. Crosby would like the city to hold John Stone and the business owner accountable for the violation of the Mechanical Code and require the chimney be moved to the top of the roof line. Mayor Widmyer asked if there was an agreement with the owner to move the exhaust. Mr. Crosby explained that bids were presented to the Riverstone Board, but there has been no movement forward. Mayor Widmyer stated that staff will look into it and contact him soon.

MOTION: Motion by Gookin, seconded by McEvers to enter into Executive Session as provided by Idaho Code 67-2345 § (f) To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated.

ROLL CALL: McEvers Aye; Miller Aye; Gookin Aye; Adams Aye. **Motion Carried.**

The City Council entered into Executive Session at 6:24 p.m. Those present were the Mayor, City Council, City Administrator, City Attorney, and Wastewater Superintendent. Council returned to regular session at 7:17 p.m.

MOTION: Motion by Gookin, seconded by Adams to authorized legal staff to sign the Stipulation to Dismiss. **Motion carried.**

ADJOURN: Motion by Gookin, seconded by Evans that there being no other business this meeting be adjourned. **Motion Carried.**

The meeting adjourned at 7:17 p.m.

Steve Widmyer, Mayor

ATTEST:

Renata McLeod, City Clerk

Called 8/25/14

Little Co rpt rec 8/5/14

Prorated 6 months

BEER, WINE, AND/OR LIQUOR APPLICATION Expires March 1 annually

City of Coeur d' Alene
Municipal Services
710 Mullan Avenue
Coeur d' Alene, Idaho 83814
208.769.2229 Fax 769.2237

(Office Use Only) Amt Pd 150.00
Rec No 073294
Date 8/1/2014
Date to City Council: 08-19-2015
Reg No.
License No.
Rv

Date that you would like to begin alcohol service

Check the ONE box that applies:

Table with 2 columns: Description of alcohol service and Annual Fee. Includes options for beer only, beer and wine, and liquor, with various consumption and on-premise options.

Transfer from to Petition Fulfilled 2/2/15

Business Name: Asian Twist
Business Mailing Address: 1500 E. Seltice Way
City, State, Zip: Post Falls, ID 83854
Business Physical Address: 226 W Ironwood Dr. Ste A8
City, State, Zip: Coeur d'Alene, ID 83814
Business Contact: Business Telephone: 208-215-2155, Email address: LilyWenxun@yahoo.com
License Applicant: (WENXUN LI) Lily & Elaine, LLC
If Corporation, partnership, LLC etc. List all members/officers: Nai Yuan Liu, Fuki

CEMETERY LOT TRANSFER/SALE/REPURCHASE PROCEDURE AND ROUTING SLIP

Request received by: Municipal Services Kathy Lewis
Department Name Employee Name Date

Request made by: Bonnie McNamara 208-215-1582
Name Phone

3660 East Fernan Hill Rd, Coeur d'Alene 83814
Address

The request is for: Repurchase of Lot(s)
 Transfer of Lot(s) from William, Sharon & Lois Lehrer to _____

Niche(s): _____
Lot(s): 10, _____, _____, _____, _____, _____ Block: 10 Section: GAR

Lot(s) are located in Forest Cemetery Forest Cemetery Annex (Riverview).
Copy of Deed or Certificate of Sale must be attached.
Person making request is Owner Executor* Other* _____

*If "executor" or "other", affidaviats of authorization must be attached.
Title transfer fee (\$ N/A) attached**.
**Request will not be processed without receipt of fee. Cashier Receipt No.: _____

ACCOUNTING DEPARTMENT Shall complete the following:
Attach copy of original contract.

Accountant Signature

CEMETERY SUPERVISOR shall complete the following:

- 1. The above-referenced Lot(s) is/are certified to be vacant: Yes No
- 2. The owner of record of the Lot(s) in the Cemtery Book of Deeds is listed as:

- 3. The purchase price of the Lot(s) when sold to the owner of record was \$ _____ per lot.
306 2/11/15
Supervisor's Init. Date

LEGAL/RECORDS shall complete the following:

- 1. Quit Claim Deed(s) received: Yes No.
- Person making request is authorized to execute the claim: MG 2/11/15
Attorney Init. Date

I certify that all requirements for the transfer/sale/repurchase of cemetery lot(s) have been met and recommend that that transaction be completed.

City Clerk's Signature Date

COUNCIL ACTION

Council approved transfer/sale/repurchase of above-referenced Lot(s) in regular session on: _____ Mo./ Day /Yr.

CEMETERY SUPERVISOR shall complete the following:

- Change of ownership noted/recorded in the Book of Deeds: Yes No
- Cemetery copy filed ; original and support documents returned to City Clerk
- _____
Cemetery Supervisor's Signature Date

Distribution: Original to City Clerk
Yellow copy Finance Dept.
Pink copy to Cemetery Dept.

Public Works Committee Staff Report

To: Public Works Committee
From: Don Keil, Assistant Wastewater Supt.
Date: February 3, 2015

DECISION POINT:

Council may wish to authorize the acceptance and signing of the Spokane River Stewardship Partners (SRSP) Funding/Cost Sharing Agreement.

HISTORY:

The SRSP Funding/Shared Cost Agreement is the mechanism to share the costs of the coordination effort our SRSP group needs with the Spokane River Regional Toxic Task Force (SRRTTF). This agreement proportions our costs for this effort by our proportionate flow to the Spokane River. This fund pays for a coordinator that assists the SRSP in Website upkeep, development of the SRSP meeting agenda, SRSP meeting minutes, and helps with the liaison needs of the SRSP group with the SRRTTF group.

FINANCIAL ANALYSIS:

This is a yearly SRSP expense budgeted yearly by Wastewater. This cost-share agreement has been reviewed and approved for distribution to its membership and is appropriately a cost-not-to-exceed agreement. Our cost-share amount is \$12,064.

PERFORMANCE ANALYSIS:

This agreement has been on-going yearly for the last five years and serves the City well in its actions and obligations.

DECISION POINT:

Council may wish to authorize the acceptance and signing of the 2015 Cost share agreement for SRSP.

RESOLUTION NO. 15-006

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO AUTHORIZING THE BELOW MENTIONED CONTRACTS AND OTHER ACTIONS OF THE CITY OF COEUR D'ALENE INCLUDING APPROVING AN AGREEMENT FOR SPOKANE RIVER STEWARDSHIP PARTNERS (SRSP) FUNDING / COST SHARING.

WHEREAS, it has been recommended that the City of Coeur d'Alene enter into the contract(s), agreement(s) or other actions listed below pursuant to the terms and conditions set forth in the contract(s), agreement(s) and other action(s) documents attached hereto as Exhibits "A" and by reference made a part hereof as summarized as follows:

- A) Approving an Agreement for Spokane River Stewardship Partners (SRSP) Funding / Cost Sharing;

AND;

WHEREAS, it is deemed to be in the best interests of the City of Coeur d'Alene and the citizens thereof to enter into such agreements or other actions; NOW, THEREFORE,

BE IT RESOLVED, by the Mayor and City Council of the City of Coeur d'Alene that the City enter into agreements or other actions for the subject matter, as set forth in substantially the form attached hereto as Exhibits "A" and incorporated herein by reference with the provision that the Mayor, City Administrator, and City Attorney are hereby authorized to modify said agreements or other actions so long as the substantive provisions of the agreements or other actions remain intact.

BE IT FURTHER RESOLVED, that the Mayor and City Clerk be and they are hereby authorized to execute such agreements or other actions on behalf of the City.

DATED this 17th day of February, 2015.

Steve Widmyer, Mayor

ATTEST

Renata McLeod, City Clerk

Motion by _____, Seconded by _____, to adopt the foregoing resolution.

ROLL CALL:

COUNCIL MEMBER EVANS Voted _____

COUNCIL MEMBER MILLER Voted _____

COUNCIL MEMBER MCEVERS Voted _____

COUNCIL MEMBER ADAMS Voted _____

COUNCIL MEMBER GOOKIN Voted _____

COUNCIL MEMBER EDINGER Voted _____

_____ was absent. Motion _____.

**Amendment No. 1 to the
Agreement Regarding Spokane River Stewardship Partners
Funding/Cost Share Allocations**

This Amendment to the Agreement Regarding Spokane River Stewardship Partners Funding/Cost Share Allocations (the "Agreement") entered into by and among the members of the Spokane River Stewardship Partners ("Partners"), which was incorporated into Avista Contract R-39492 between Avista and Dally Environmental LLC, will be effective as of January 1, 2015. In each instance in which the provisions of this Amendment contradict or are inconsistent with the provisions of the Agreement, the provisions of this Amendment will govern, and the contradicted, superseded or inconsistent provisions will be amended accordingly.

The Agreement is amended as follows:

1. The Term of the Agreement defined under "Other Terms", Section 2, is amended to extend the expiration date to December 31, 2015.
2. The "SRSP 2015 Coordination/Support" document incorporated into Amendment No. 2 to Avista Contract R-39492 between Avista and Dally Environmental as "Exhibit C-1", which reflects each Stakeholder's proportionate share of the Maximum Compensation applicable under the Agreement for calendar year 2015, is incorporated into this Amendment by this reference.

Except as set forth in this Amendment, all other terms of the Agreement remain in effect.

This Amendment has been signed by each of the Parties' authorized representatives as set forth below.

Avista Corporation

By _____

Its: _____

Spokane County

By _____

Its: _____

City of Spokane

By _____

Its: _____

City of Coeur d'Alene

By _____

Its: _____

City of Post Falls

By _____

Its: _____

Liberty Lake Sewer and Water District

By _____

Its: _____

Kaiser Aluminum Fabricated Products, LLC

By _____

Its: _____

Inland Empire Paper Company

By _____

Its: _____

Hayden Area Regional Sewer Board

By _____

Its: _____

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is entered into between Avista Corporation (“Avista”), a Washington corporation, and Dally Environmental LLC (“Consultant”), a Washington limited liability company (individually, a “Party” and collectively, the “Parties”).

Background and Purpose: Avista, on behalf of itself and the City of Coeur d’Alene, Post Falls, the City of Spokane; Spokane County; Kaiser Aluminum Washington, LLC; Hayden Area Regional Sewer Board; Inland Empire Paper Company; and the Liberty Lake Sewer and Water District (the “Stakeholders”), and Consultant are parties to a consulting services agreement related to the Spokane River and Lake Spokane. However, because of changes to both the scope of services and cost responsibilities of the various Stakeholders, the Parties desire to terminate the consulting services agreement and enter into this Agreement for Consultant to continue to assist in coordinating: (i) Spokane River and Lake Spokane Dissolved Oxygen Total Maximum Daily Load (DO TMDL) implementation, (ii) Spokane River Regional Toxics Task Force (Task Force) implementation, and (iii) related regional water quality issues (the “Services”). Consultant desires to continue to provide the Services in return for equitable compensation, subject to the terms of this Agreement. Therefore the Parties agree as follows:

Section 1 Statement of Work and Scope of Services

- 1.1 Consultant shall furnish the labor and materials necessary to perform the Services described in: (i) the attached Statement of Work incorporated into this Agreement as “Exhibit A”; (ii) the attached Agreement Regarding Spokane River Stewardship Partners Funding/Cost Share Allocations (the “SRSP Funding Agreement”) incorporated into this Agreement as “Exhibit B”; and (iii) any future written Work Authorizations, approved by the Stakeholders (e-mails from an authorized representative of each Stakeholder to Avista’s Representative identified in Section 4 below, acceptable), and executed by Avista and Consultant.
- 1.2 Consultant acknowledges that the Stakeholders are third-party beneficiaries to the Agreement and, as such, all information contained in the documents generated by the Consultant in performance of the Services shall be jointly owned by such Stakeholders who may rely upon such information for the purposes specified in this Agreement, subject to any limitations contained in such documents and/or this Agreement.
- 1.3 Modifications to the Statement of Work will be performed in accordance with written Work Authorizations or Change Orders, approved by the Stakeholders in accordance with Section 1.1 above, and executed by the Avista and Consultant. Work Authorizations and/or Change Orders will be incorporated into this Agreement by this reference upon execution by the Parties.

Section 2 Term of Agreement

This Agreement is effective from October 1, 2013, until December 31, 2014, (the “Initial Term”) unless (i) terminated at an earlier date in accordance with the terms of this Agreement and/or the Funding Agreement; or (ii) extended under an Amendment executed by Avista and Consultant.

Section 3 Compensation

- 3.1 The total compensation applicable under this Agreement, for all Stakeholders, may not exceed \$145,000.00, including taxes, (the “Maximum Compensation”) without the approval of such Stakeholders (see Section 1.1 above). The attached “SRSP 2013 Coordination/Support” document incorporated into this Agreement as “Exhibit C” reflects each Stakeholder’s proportionate share of the Maximum Compensation applicable under this Agreement. Consultant shall charge Avista for facilitation work related to the Spokane River and Lake Spokane Dissolved Oxygen Total Maximum

Daily Load issue, only, and as reflected in Exhibit C, Avista's proportional share of the Maximum Compensation shall not exceed \$18,908.

- 3.2 Consultant shall submit monthly invoices to the attention of the Stakeholder contact identified in the attached "SRSP Facilitator Invoice Contacts" incorporated into this Agreement as "Exhibit D". Consultant shall place each Stakeholder's purchase order number (if any) on all invoices, and submit the invoices in accordance with the Funding Agreement (Exhibit B). Consultant acknowledges that any invoicing issues must be addressed with the applicable Stakeholder.
- 3.3 State and local sales and use taxes (if any) to be paid by Avista must be shown on invoices as a separate line item; provided however that Consultant will be responsible for the transmittal of such sales tax payments to the taxing authority. Consultant shall place Avista's Contract Number assigned to this Agreement on all of its invoices, and submit such invoices by mail to the address identified in the Section 5 below. Payment for all undisputed invoices will be due 30 days after receipt unless otherwise agreed to by the Parties.
- 3.4 Consultant shall keep accurate and complete accounting records in support of all costs billed to Avista in accordance with generally recognized accounting principles and practices. Avista or its audit representative will have the right at any reasonable time or times to examine, audit, and/or reproduce the records, vouchers, and their source documents which serve as the basis for compensation. Such documents will be made available for examination, audit, and/or reproduction by Avista for three years after completion of the Work.
- 3.5 Avista may, without limiting any other rights or remedies, withhold from payments due under the terms of this Agreement, the reasonable value of any claim against Avista which Consultant has failed to settle pursuant to its indemnity obligations. Avista may also withhold from any payments due under this Agreement, sufficient funds to discharge any delinquent accounts of Consultant for which liens on Avista's property have been or can be filed. Avista may at any time pay from such withheld funds any amounts due Avista.
- 3.6 Consultant may invoice Avista on a monthly basis, for all pre-approved, reasonable travel expenses, as such expenses are incurred, including without limitation, hotel, meals and car rental. Consultant shall seek to minimize all travel expenses associated with performance of the Services including without limitation, using coach air fare, booking flights in advance whenever possible, staying at hotels identified by Avista as offering corporate rates, and sharing rental cars where feasible. Invoice must be supported by all receipts, documents, compensation segregation (by labor category), information and other items as Avista may reasonably request.

Section 4 Party Representatives

- 4.1 Avista's Representative, Meghan Lunney, will be the point of contact for Avista in all matters in connection with the Consultant's performance under this Agreement.
- 4.2 Consultant, Lisa Dally Wilson, will be the point of contact for the Consultant in all matters in connection with Consultant's performance under this Agreement, including supervision of the Services furnished.

Section 5 Notices to the Parties

- 5.1 All notices, demands, requests and other communications under this Agreement must be in writing and sent by mail (postage prepaid), or delivered to the other Party either electronically or by a recognized commercial courier, addressed as set forth below. Such notices, demands, requests and other communications will be deemed given as of the date delivered, or if sent electronically or by mail, upon receipt.

5.2 Notices to Avista:

Project/Technical Communications: Attention Meghan Lunney, MSC-1

Invoices: Attention Heide Evans, MSC-1

Legal, Contractual, Insurance Notices: Attention Supply Chain Management, MSC-33

At the following address:

Avista Corporation
1411 E. Mission Ave
PO Box 3727
Spokane, WA 99220-3727
Ref.: Avista Contract R-39492

5.3 Notices to Consultant:

Dally Environmental LLC
1547 211th Ave, NE
Sammamish, WA 98074
Attention: Lisa Dally Wilson

5.4 Either Party may change its address, designated Representative, or other point-of-contact or delegate by providing written notice to the other as set forth above.

Section 6 Insurance Requirements

Consultant and its subcontractors of any tier performing Work under this Agreement shall secure and, for the duration of this Agreement, continuously carry with insurance carriers licensed to conduct business in the state in which the Services are to be performed, the minimum level of insurance coverage identified below. Such carriers must have an A.M. Best rating of A-, Class VIII or better.

- 6.1 Workers Compensation/Employer's Liability insurance coverage with respect to all persons performing Services or Work, in accordance with the applicable laws of the state in which the Services or Work are to be performed unless Consultant is a single entity business with no employees.
- 6.2 Commercial General Liability insurance on an occurrence basis with a minimum single limit of \$1,000,000. The coverage must include: (i) Bodily Injury and Property Damage Liability, (ii) Contractual Liability specifically related to Consultant's indemnity obligations under this Agreement, and (iii) Products and Completed Operations Liability to extend for a minimum of three years past acceptance or termination of the Work.
- 6.3 Business Automobile Liability insurance with a minimum single limit of \$1,000,000 for bodily injury and property damage with respect to Consultant's vehicles whether hired or non-owned, assigned to, or used in the performance of the Work.
- 6.4 Other Insurance Policy and Endorsement Requirements
 - 6.4.1 The insurance coverages set forth above may be met by a combination of the dollar limit of the specified insurance type and an excess or umbrella insurance policy, provided that the excess or umbrella policy includes coverage for the specified insurance types to achieve the appropriate minimum coverages.
 - 6.4.2 Commercial General and Business Automobile Liability Insurance policies must include provisions or endorsements naming Avista, (including its directors, officers and employees) as additional insureds.
 - 6.4.3 All required insurance policies must include provisions that such insurance is primary insurance with respect to Avista's interests and that any other insurance maintained by Avista is excess and not contributory insurance with the required insurance. Consultant shall notify Avista

within 30 days of any cancellation or change in limits of liability of any required insurance policy.

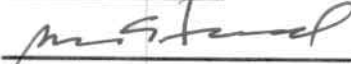
6.4.4 Unless specifically waived by Avista in writing, a certificate of insurance and its respective endorsement(s) certifying to the issuance of the insurance coverage and endorsements required above must be furnished to and accepted by Avista prior to the start of work pursuant to this Agreement. The acceptance of the certificate of insurance by Avista is not intended to and will not reduce, limit, affect, or modify the primary obligations and liabilities of Consultant under the provisions of this Agreement. Noncompliance with the insurance requirements of this Agreement may, at Avista's option, be deemed a material breach of this Agreement.

Section 7 Other Provisions

- 7.1 This Agreement consists of the following documents which are: (i) incorporated into this Agreement, (ii) listed in descending order of precedence, and (iii) attached or referenced: the *Professional Services Agreement*, the *Supplemental General Conditions*, the *General Conditions for Services Agreements Rev 11/12* and the *Exhibits* (Exhibit A – Statement of Work; Exhibit B – Funding Agreement; Exhibit C – SRSP 2013 Coordination/Support Maximum Compensation; and Exhibit D – SRSP Facilitator Invoice Contacts).
- 7.2 Any representation, promise, modification or amendment to this Agreement will not be binding upon either Party unless reduced to writing and signed by each Party. This Agreement, Amendments, Work Authorizations and/or Change Orders may be signed in any number of counterparts, each of which when signed will be an original, but all such counterparts will constitute one and the same instrument. The term "counterparts" includes full copies of such signed instruments delivered electronically.

This Agreement has been signed by each Party's authorized representative on the date(s) set forth below.

Avista Corporation



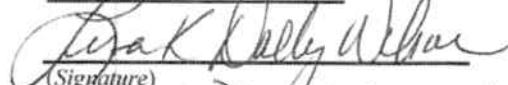
(Signature)
BRUCE HOWARD

(Printed Name)
DIRECTOR

(Title)
10/22/13

(Date Signed)

Dally Environmental LLC



(Signature)
LISA DALLY WILSON

(Printed Name)
Principal & Managing Member, DE

(Title)
10/11/2013

(Date Signed)



**GENERAL CONDITIONS FOR
SERVICES AGREEMENTS**

**Avista Corporation
East 1411 Mission Avenue
PO Box 3727
Spokane, WA 99220-3727**

Capitalized terms used in these General Conditions will have the meaning ascribed to them in either the Agreement, the Statement of Work, these General Conditions, or other documents incorporated into the Agreement.

REV 11/7/2012

Resolution No. 15-006

Exhibit "A"

GENERAL CONDITIONS

GC-1 PERFORMANCE BY CONSULTANT

1.1 Qualifications and Expertise

Consultant represents that its officers and employees have the necessary knowledge, skill and expertise to manage and perform the Services or Work required by this Agreement. Consultant warrants that its officers and employees are familiar with all of the federal, state and local laws and regulations which apply to the Services or Work. Consultant and approved subcontractors shall hold such current and valid Contractor's or Professional Licenses as required by law in the state in which the Services or Work are to be performed under this Agreement, for the term of the Agreement. Consultant represents that it has obtained and holds all of the permits and certificates that are necessary as a precondition to the performance of the Services or Work. The knowledge, expertise and qualifications of Consultant and its officers and personnel to perform or supervise the performance of the Services or Work, including the possession of appropriate permits and certificates, is the essence of this Agreement.

1.2 Standard of Performance

The standard of care and skill for all professional and related Services performed or furnished by Consultant under this Agreement will be the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality.

1.3 Delegation and Subcontracting

Consultant shall not (by contract, operation of law or otherwise) delegate or subcontract performance of any Services to any other person or entity without the prior written consent of Avista. Any such delegation or subcontracting without Avista's prior written consent will be voidable at Avista's option. No delegation or subcontracting of performance of any of the Services, with or without Avista's prior written consent, will relieve Consultant of its responsibility to perform the Services in accordance with this Agreement.

1.4 Consultant Employees

Consultant shall not employ any Avista employee to perform any of the Services. Consultant shall endeavor to employ persons to perform the Services who are fully experienced and properly qualified to perform the same. If requested to do so by Avista, Consultant shall remove from performance of the Services any person Avista determines to be incompetent, careless or otherwise objectionable, such as by not complying with site safety or security requirements at any Avista facility. Consultant shall assign any key personnel specified in the Agreement to the performance of the Services and shall not (for so long as they remain in Consultant's employ) reassign or remove such personnel without the prior written consent of Avista. If any such personnel leave Consultant's employ or are reassigned or removed by Consultant, Consultant shall replace them with personnel approved by Avista.

1.5 Independence

The Parties intend that an independent contractor relationship will be created between or among them by this Agreement. Consultant personnel performing the Services under this Agreement will not be construed to be employees of Avista; Consultant shall be solely responsible for payment of compensation to such persons. Avista, therefore, will not be responsible for the payment of withholding taxes, unemployment insurance, worker's compensation, social security, pensions, licenses or other fees on behalf of Consultant's personnel in connection with the performance of the Services; such payments are the responsibility of Consultant. Consultant shall be free of any control by Avista in selecting the means, methods, techniques and procedures of work and safety precautions applicable to the Services furnished. This Agreement will not render Consultant a partner or joint venturer with Avista. Consultant has no authority to represent Avista in any capacity or assume or create any obligation in the name of or on behalf of Avista, except as expressly authorized in this Agreement.

GENERAL CONDITIONS

1.6 Compliance with Laws and Regulations

1.6.1 As a federal contractor Avista must comply with the provisions of certain federal regulations and include such provisions in its contracts and purchase orders. To the extent applicable to the Services or Work applicable under this Agreement, Consultant shall comply, and shall ensure that Consultant's suppliers and subcontractors of every tier comply, with all applicable laws, ordinances, rules, regulations, orders, licenses, permits and other requirements, in effect now or in the future, of any governmental authority (including, but not limited to, such requirements as may be imposed upon Avista that are applicable to the Services). Consultant shall furnish such documents to Avista as may be required to effect or evidence such compliance. All laws, ordinances, rules, regulations and orders required to be incorporated in agreements of this character are incorporated into this Agreement by this reference.

1.6.2 To the extent applicable, Consultant shall comply with Executive Order No. 11246, "Equal Opportunity Employment," the "Rehabilitation Act of 1973" and the "Vietnam Era Veterans' Readjustment Assistance Act of 1972" and all of the orders, rules and regulations promulgated under those acts (including, but not limited to, 41 CFR Part 60-1, 41 CFR Part 60-250 and 41 CFR Part 60-741), as may have been or may be amended. The "equal opportunity clause" set forth in 41 CFR Section 60-1.4, the "Affirmative Action Obligations for Disabled Veterans and Veterans of the Vietnam Era" clause of 41 CFR Section 60-300.5(a) and the "Affirmative Action for Handicapped Workers" clause of 41 CFR Section 60-741.4 are incorporated herein by this reference. Consultant shall also comply with 41 CFR Section 60-1.8, "Non-Segregated Facilities," and Executive Order 13496, "Notification of Employee Rights under Federal Labor Laws," 29 CFR Part 471, Appendix A to Subpart A to the extent applicable. These regulations do not apply to services or work that is performed outside of the U.S. by employees who were not recruited in the U.S.

1.7 Correction of Non-Compliant Services or Deliverables

Consultant shall, at its expense, promptly and satisfactorily correct any Services furnished or Deliverables found to be non-compliant with the requirements of this Agreement. If Avista directs Consultant to correct such non-compliance and Consultant fails to comply or indicates its inability or unwillingness to comply, then Avista may, upon 10 days advance written notice to Consultant of Avista's intention to do so, correct (or cause to be corrected) the noncompliance or otherwise achieve compliance by the most expeditious means available to it (by contract or otherwise) and charge to or otherwise recover (e.g., by offset against compensation payable under this Agreement) from Consultant the cost of such corrective measures. Avista's right to make corrections and otherwise achieve compliance and recover from Consultant the cost of corrections is in addition to all other rights and remedies available to Avista under this Agreement or otherwise by law. Consultant's obligation to correct non-compliances will not in any way limit or qualify any other obligation of Consultant under this Agreement.

GC-2 CHANGES IN THE AGREEMENT

2.1 Change Orders

After the Effective Date of the Agreement, no amendment or modification of the provisions of the Agreement will be effective unless made by written Amendment or Change Order executed by both Parties. Changes, additions to, or deletions of the Statement of Work, Specifications, Compensation or Schedules and/or Deliverables, will be accomplished by written Change Orders issued by Avista and signed by both Avista and Consultant. If any change made pursuant to an executed Change Order results in a decrease in the Services or Work to be performed, Consultant will not be entitled to anticipated profit on Services not performed and the loss of anticipated profit will not reduce the decrease in compensation under this Agreement resulting from such change. Further, Consultant will not be entitled to any reallocation of cost, profit or overhead.

GENERAL CONDITIONS

2.2 Work Authorization

The performance of Services by Consultant under this Agreement may be authorized, as required by Avista's Representative, by written Work Authorizations that authorize the start of work on a particular task or group of tasks. The tasks may be pre-defined in this Agreement or, in the case of "on-call" services or work, may be defined in the Work Authorization.

GC-3 INDEMNITY

3.1 Indemnity – General

Subject to applicable law, Consultant expressly agrees to indemnify and, upon request, defend Avista, its directors, officers, employees, and agents, from and against all third party claims, demands, suits, losses, expenses (including court costs and reasonable attorneys' fees), and damages (individually or collectively, "Loss"), brought against or incurred by Avista resulting from, arising out of, or in any way connected with any act, omission, fault, or negligence of Consultant or its employees, agents, suppliers and subcontractors of any tier in the performance or nonperformance of Consultant's obligations under this Agreement. In the event that any such Loss is caused by the concurrent negligence of both Avista and Consultant, including their employees, agents, suppliers and subcontractors, the Loss will be borne by Consultant and Avista in the proportion that their respective negligence bears to the total negligence causing such Loss.

3.2 Indemnity – Claims by Government Authorities

Consultant agrees to indemnify and, upon request, defend Avista, its officers, directors, employees, successors and assigns, from any liability, damage, suit, penalties, demand, and expense (including without limitation, reasonable attorney's fees and court costs) for claims by governmental authorities or others (including Consultant's subcontractors and the employees of Consultant and said subcontractors) of any actual or asserted failure of Consultant to comply with any law, ordinance, regulation, rule or order of any governmental or quasi-governmental body including without limitation, actual or asserted failure of Consultant to comply with employee safety and health regulations, environmental regulations or employment laws in connection with the Services or Work performed pursuant to this Agreement.

3.3 Indemnity - Infringement or Wrongful Use

Consultant specifically and expressly agrees to indemnify and, upon request, defend Avista, its officers, directors, employees, successors and assigns, from all claims, suits, losses, liabilities, damages, expenses (including court costs and reasonable attorneys' fees) and royalties, based upon infringement (or alleged infringement) of any patent, copyright, trade name or trademark or upon Consultant's or its subcontractor's wrongful use (or alleged wrongful use) of any confidential or proprietary concept, method, process, product, writing, information or other item arising out of or in connection with this Agreement, performance of the Services, or the use of any of the Services. Furthermore, if any of the Services or any use of the Services constitutes an infringement of any patent, copyright, trade name or trademark or wrongful use of any confidential or proprietary concept, method, process, product, writing, information or other item, Consultant shall at its expense either (i) procure for Avista the right to use the infringing item, (ii) replace the infringing item with a substantially equal but non-infringing item, or (iii) modify the infringing item so that it becomes non-infringing.

3.4 Waiver of Immunity

To the extent permitted by law, Consultant waives any immunity, defense or other protection that may be afforded by Workers' Compensation, Industrial Insurance or similar laws in the state where Services are performed pursuant to this Agreement (including but not limited to, the Washington Industrial Insurance Act, Title 51 RCW) to the extent Consultant is required under the indemnity provisions of this Agreement to indemnify and defend Avista with respect to any claim or action brought against Avista by an employee of Consultant. The Parties have specifically negotiated this section and contractor makes the foregoing waiver with the full knowledge of the consequences.

GENERAL CONDITIONS

GC-4 CONFIDENTIALITY OBLIGATIONS

Each Party acknowledges that it may come into contact with or possession of confidential information belonging to the other Party during the course of this Agreement. Confidential information acquired by, or disclosed to, any employee, agent, or representative of a Party is deemed to have been acquired by, or disclosed to, the Party. Such information may be in the form of, but not limited to, the following: computer programs, techniques, methods, rules, algorithms, procedures, protocols, forms, instructions, trade secrets, copyrights, patents, customer information, employee information, financial performance information and any other proprietary information used in connection with, or in any way relating to, the Services provided, or the activities of each Party.

Each Party agrees not to divulge, disclose, or otherwise make available in any form to any person or entity, such information belonging to the other Party unless: (i) the information was already known to the receiving Party at the time of the disclosure; (ii) the information was in the public domain at the time it was disclosed to the receiving Party; (iii) the information was obtained by the receiving Party from a third party who was not prohibited from making the disclosure; or (iv) the receiving Party is required to disclose the information to comply with any applicable law, regulation, ruling or order.

In the event that disclosure is compelled by applicable law, regulation, ruling or order, the receiving Party will provide the disclosing Party with prompt written notice so that the disclosing Party may seek a protective order or other appropriate remedy. Each Party shall instruct its employees and agents to protect such information of the other Party using the same care and discretion that it would use with respect to its own confidential information. Furthermore, each Party agrees not to use confidential information of the other Party for any purpose other than the performance of this Agreement.

Avista considers all information provided by Avista, or developed or gathered by Consultant, in connection with the Services, as Avista confidential information. Until the information gathered by Consultant has been released by Avista for public disclosure, such information must be held and protected by Consultant as confidential. Consultant expressly agrees that its evaluations, analyses, reports and other assessments of Avista's plans, facilities and operations (whether presented orally or in writing or other tangible form) performed by or produced by Consultant pursuant to this Agreement will become the property of Avista and will be deemed Avista Confidential Information.

Consultant agrees to hold the terms of this Agreement in confidence and will not disclose said terms to third parties, except as may be necessary to its accountants, attorneys, tax advisors, insurance carriers and bankers. Upon Avista's request, or upon termination of this Agreement, Consultant shall return to Avista, or destroy, all documents or other materials containing Avista's Confidential Information and shall retain no copies. Within two weeks after receipt of such request or the termination of this Agreement Consultant shall certify to Avista, in writing, that all materials containing Avista's Confidential Information in its possession have either been returned to Avista or destroyed.

Consultant represents that its employees performing Services under this Agreement have executed written agreements with Consultant containing appropriate non-disclosure and intellectual property ownership provisions sufficient to enable Consultant to comply with the confidentiality and non-disclosure provisions of this Agreement.

The Parties acknowledge that the unauthorized disclosure of Confidential Information as defined in this Agreement may give rise to irreparable injury, which may not be adequately compensated by monetary damages. Accordingly in the event of a breach, or a threatened breach of Confidential Information, the non-breaching Party will be entitled to injunctive relief, in addition to any other remedies available at law or equity.

GC-5 INTELLECTUAL PROPERTY RIGHTS

To the extent that Consultant is performing Services and furnishing Deliverables under this Agreement related to Consultant's own pre-existing proprietary software, Avista agrees that Consultant owns and

GENERAL CONDITIONS

will continue to own all proprietary rights including, but not limited to, any patent, copyright, trade secret, trademark and other proprietary rights, in and to such software and any derivative works. Consultant grants Avista a permanent, non-exclusive, assignable, royalty-free license to use any pre-existing software, firmware, programs and any other documentation or technology furnished by Consultant as Deliverables under this Agreement, which is necessary to operate, use or maintain the Deliverables.

Otherwise all Work performed by Consultant, and all materials, products, deliverables developed or prepared for Avista by Consultant pursuant to the Agreement, are the property of Avista and all title and interest in such will vest in Avista and will be deemed to be a work made for hire made in the course of the Services rendered under this Agreement. To the extent that title to any such works may not, by operation of law, vest in Avista or such works may not be considered works made for hire, all rights, title and interest in such works are irrevocably assigned to Avista by Consultant. All such materials will belong exclusively to Avista, with Avista having the right to obtain and to hold in its own name, copyrights, registrations or such other protection as may be appropriate to the subject matter, and any extensions and renewals of same. Consultant agrees to give Avista and any person designated by Avista, reasonable assistance, at Avista's expense, as might be required to perfect the rights defined in this paragraph. Unless otherwise requested by Avista, upon the completion or termination of the Services Consultant shall turn over to Avista all materials and deliverables developed pursuant to the Agreement.

The copyrights to all user manuals, training products, instructions and software manuals (the "Documents") furnished by Consultant in connection with any Products and Services provided under this Agreement will remain the property of Consultant or Consultant's supplier(s). Avista may make copies of the Documents subject to the following: (i) the Documents may be used for backup or archival purposes, Avista employee training, support of Avista's operational use of the Products and Services, and non-commercial purposes, (ii) the Documents may not be modified or altered in any way and (iii) all copies made must bear the copyright owner's copyright notice.

GC-6 TERMINATION

6.1 Termination for Convenience

Avista may at any time, by written notice to Consultant, terminate this Agreement as to all or any portion of the Services or Work not then performed, whether or not Consultant is then in breach or default, upon 30 days' prior written notice. Upon receipt of any such notice of termination, Consultant shall, except as otherwise directed by Avista, immediately stop performance of the Services or Work to the extent specified in such notice. In the event termination is not the result of Consultant's breach or default, an equitable adjustment will be made in the compensation payable to Consultant under this Agreement equal to the percentage of the Services satisfactorily completed at the time of termination. Further, Consultant will not in any event be entitled to anticipated profit on Services or Work not performed on account of such termination. Consultant shall use its best efforts to minimize the compensation payable under this Agreement in the event of such termination.

6.2 Termination for Cause

Either Party may terminate this Agreement at any time upon 30 days' prior written notice in the event of a material breach by the other Party, provided the breaching Party has not cured such breach during such 30-day period. A material breach includes, without limitation, a material breach of any warranty, insolvency, bankruptcy, general assignment for the benefit of creditors, or becoming the subject of any proceeding commenced under any statute or law for the relief of debtors, or if a receiver, trustee or liquidator of any property or income of either Party is appointed, or if Consultant is not performing the Services in accordance with this Agreement.

6.3 Termination Assistance

In the event the Agreement is terminated prior to the completion of the Services, Consultant shall provide whatever termination assistance (including without limitation, knowledge and documentation transfer)

GENERAL CONDITIONS

Avista may request to affect the orderly transfer of information and performance responsibility with minimal disruption to Avista and/or the new service provider selected by Avista.

GC-7 DISPUTE RESOLUTION/ESCALATION PROCESS

If any dispute arises between the Parties regarding issues of interpretation of the Agreement, the Work to be performed pursuant to the Agreement, the payments to be made, the work to be added or changed by Change Order or Work Authorization, the Parties agree to first negotiate informally, in good faith, to resolve such dispute, claim or protest arising between the Parties. Such informal negotiations will be conducted between the Representatives of each Party and their respective contracting officials.

If the representatives are unable to resolve the dispute after five days of discussion then, upon the written request of either Party, each of the Parties shall designate a company officer to meet with a counterpart officer at a mutually convenient time and place to evaluate the position or contention of each Party and endeavor to negotiate a resolution of the dispute. If the dispute is not resolved in the meeting between the company officers, either Party may request non-binding mediation by written notice to the other Party. Within seven calendar days after a request for mediation from either Party, the Parties will select a mutually acceptable mediator, and commence non-binding mediation. Each Party will bear its own cost of mediation and one-half of the cost of the mediator. The venue of the mediation proceedings will be in Spokane, Washington. If the Parties are unable to resolve the dispute after conclusion of mediation, then all unresolved disputes will be resolved in a court of competent jurisdiction.

GC-8 MISCELLANEOUS PROVISIONS

8.1 Assignment by Consultant

Consultant shall not assign this Agreement or any right or interest in this Agreement without the prior written consent of Avista, which consent will not be unreasonably withheld. Assignment without Avista's prior written consent will be voidable at Avista's option. No such assignment, with or without Avista's prior written consent, will relieve Consultant from its responsibility to perform the Services in accordance with this Agreement

8.2 Assignment by Avista

Avista may assign this Agreement without consent to an affiliate or subsidiary, or to a successor which acquires all or substantially all of the property and assets of Avista. Subject to the restriction on assignment by Consultant set forth in Section 8.1 above, this Agreement will be fully binding upon, inure to the benefit of and be enforceable by the successors, assigns and legal representatives of the respective Parties to this Agreement.

8.3 Conflict of interest

Consultant represents that it is not aware of the existence of any relationship, family, or business (contractual or otherwise) between themselves, their principals, officers or employees and Avista, its directors, officers or employees; and it will not perform any work for or enter into any contract with others that may conflict with its contractual, professional, equitable or other obligations to Avista without first obtaining the written approval of Avista.

8.4 Ethics

Consultant shall not, in connection with this Agreement and performance of the Services: (i) pay any commissions or fees, or grant any rebates to any employee or officer of Avista; (ii) favor any employee or officer of Avista with gifts or entertainment of significant cost or value; or (iii) enter into any business arrangements with officers or employees of Avista in their individual capacities, without the prior written approval of Avista's Representative.

GENERAL CONDITIONS

8.5 Outstanding Legal Claims

Consultant represents that there are no outstanding legal claims, suits or proceedings which would in any way conflict with the performance by Consultant of the obligations set forth in this Agreement. Consultant shall promptly notify Avista if any such legal claim, suit or proceeding is instituted against Consultant during the term of this Agreement.

8.6 Publicity/Advertising

No public statements, announcements, advertisements or publications relating to this Agreement or its subject matter may be issued by Consultant without the express prior written consent of Avista. Consultant agrees not to display or use, in advertising or otherwise, any of Avista's trade names, logos, trademarks, servicemarks, or other indicia of origin without the express prior written consent of Avista. Either Party may disclose the other Party's name and a factual description of the Services or Work being performed under the Agreement whenever required by reason of legal, accounting or regulatory requirements.

8.7 Codes and Standards

Reference to standards, specifications, manuals or codes of any technical society, organization or association, or to the laws or regulations of any governmental authority, whether such reference be specific or by implication, will mean the latest version of such standard, specification, manual, code or laws or regulations in effect on the Effective Date of the Agreement except as may be otherwise specifically stated elsewhere in the Agreement.

8.8 Cumulative Rights and Remedies

All rights and remedies of either Party under the Agreement, at law and in equity, will be cumulative and not mutually exclusive; the exercise of one right or remedy will not be deemed a waiver of any other right or remedy. Except as otherwise provided for in the Agreement, nothing contained in any provision of the Agreement will be construed to limit or exclude any right or remedy of either Party (arising because of the breach or default by the other Party or otherwise) existing under any other provision of this Agreement.

8.9 Severability and Waiver of Provisions

The invalidity or unenforceability of any provision of the Agreement will not affect any other provisions; this Agreement will be construed in all respects as if such invalid or unenforceable provisions were omitted. The failure of Avista to insist upon or enforce strict performance by Consultant of any of provisions or to exercise any rights under this Agreement will not be construed as a waiver or relinquishment to any extent of its right to assert or rely upon any such provisions or rights in that or any other instance; rather, the same will be and remain in full force and effect.

8.10 Entire Agreement; No Third Party Beneficiaries

This Agreement is the entire agreement between the Parties and supersedes all prior agreements and understandings between the Parties concerning its subject matter, whether or not written. Nothing in this Agreement is intended to confer any right or benefit on a person or entity not a party to this Agreement or impose any obligations of either Party to this Agreement on persons or entities not a party to this Agreement.

8.11 Time is of the Essence

Whenever this Agreement sets forth a time for an act to be performed by Consultant, such time will be deemed of the essence. Any failure of Consultant to perform within the time allotted will be sufficient grounds for Avista to invoke any appropriate remedy including, without limitation, termination of this Agreement.

GENERAL CONDITIONS

8.12 Attorney's Fees

If any legal action or proceeding is brought by either Party against the other in connection with this Agreement, the Party in whose favor final judgment has been entered will be entitled to recover from the other Party, reasonable attorney's fees to be fixed by the court, together with all costs incurred by the prevailing party in connection with such action or proceeding.

8.13 Survival

Any provisions of this Agreement that, by their sense and context, are intended to survive performance by either or both Parties pursuant to the Agreement will survive the completion of performance and termination of this Agreement. All representations, indemnifications, warranties and guarantees made in, required by or given in accordance with this Agreement, as well as all continuing obligations indicated in the Agreement, will survive final payment, completion and acceptance of the Services or Work and termination or expiration of the Agreement.

8.14 Headings

Section headings are for convenience only and will not be given effect in interpretation of this Agreement.

8.15 Further Assurances

Each Party agrees to do all things necessary or advisable, including but not limited to the preparation, execution, delivery, and recording of any instruments or agreements, in order to confirm and assure the intent and purposes of the Agreement.

8.16 Governing Law and Venue

Any action at law or in equity to enforce the terms of this Agreement will be brought in Spokane County, Washington. This Agreement will be construed and interpreted in accordance with the laws of the State of Washington excluding any choice of law rules that may direct the application of laws of a jurisdiction other than Washington.

[END OF GENERAL CONDITIONS]



Supplement to the General Conditions for Services Agreements

This Supplement to the General Conditions for Services Agreements is incorporated into the Professional Services Agreement (Avista Contract No. R-39058) between Avista Corporation ("Avista") and Dally Environmental, LLC ("Contractor") (the "Agreement"). In each instance in which the provisions of this Supplement contradict or are inconsistent with the provisions of the Agreement, the provisions of this Supplement will govern, and the contradicted, superseded or inconsistent provisions will be amended accordingly.

The General Conditions for Services are amended as follows:

GC-3 INDEMNITY

Sections 3.1 Indemnity – General; 3.2 Indemnity – Claims by Government Authorities; 3.4 Indemnity – Infringement or Wrongful Use; and 3.4 Waiver of Immunity

Sections 3.1 through 3.4, inclusive, are amended to include mutual indemnification by replacing the word "Consultant" in such Sections with the words "each Party", and replacing the word "Avista" with the words "the other Party".

GC-6 TERMINATION

6.1 Termination for Convenience

Section 6.1 is amended to add the following sentence immediately following the last sentence in that Section:

"Consultant may at any time, terminate this Agreement upon 30 days' prior written notice to Avista."

Except as set forth in this Supplement, all other terms of the General Conditions for Services Agreements Revision 11/7/12 shall govern the Agreement.



**Statement of Work
Spokane River Stewardship Partners
Spokane River Project**

Consultant shall provide the labor and materials necessary to assist the Spokane River Stewardship Partners ("SRSP") in coordinating: (i) Spokane River and Lake Spokane Dissolved Oxygen Total Maximum Daily Load ("DO TMDL") implementation, (ii) Spokane River Regional Toxics Task Force (Task Force) implementation, and (iii) related regional water quality issues (collectively, the "Services"), as directed by the SRSP's Executive Committee (comprised of one representative from each SRSP member).

The Services include, but are not limited to:

1. Scheduling SRSP meetings, developing agendas, chairing meetings, facilitating discussions, prioritizing/scheduling topics, confirming follow-up assignments, and keeping notes.
2. Tracking technical and political issues.
3. Assisting in developing strategies.
4. Assisting in preparing documents, such as consolidating review comments, preparing letters, and preparing legislation and other documents that represent the SRSP interests.
5. Distributing communications among the SRSP and interested third parties.
6. Maintaining the SRSP web page and assisting with sponsorships.
7. Assisting with planning and facilitating technical workshops.
8. Other activities requested by the SRSP Executive Committee, including coordination and communication with agency representatives on behalf of the SRSP.

Consultant shall provide Services *only* at the direction of the SRSP's Executive Committee, and not at the direction of an individual member of the SRSP.

**AGREEMENT
REGARDING SPOKANE RIVER STEWARDSHIP PARTNERS
FUNDING /COST SHARE ALLOCATIONS**

THIS AGREEMENT is made and entered into by and among the members of the Spokane River Stewardship Partners (SRSP) ("Partners") and other entities electing to participate with SRSP, "Entities") whose authorized representatives have executed this Agreement (Partners and Entities are collectively, the "Participants" and individually, a "Participant").

PURPOSE

The purpose of this Agreement is: (1) to memorialize the past agreements for allocation among the Participants of any administrative and technical costs incurred by the SRSP for the purpose of addressing common water quality issues related to the Spokane River; (2) to provide a basis to allocate among the Participants any future administrative and technical costs incurred pursuant to this Agreement; and (3) recognize that any allocations of costs are subject to individual Participant's regular appropriation/payment procedures. A list of Participants along with their current effluent discharge flows is included as Exhibit A. This Agreement shall be effective through December 2014.

RECITALS

WHEREAS, the Participants hold National Pollution Discharge Elimination System (NPDES) Permits for discharge into the Spokane River or their operations are otherwise impacted by water quality issues related to the Spokane River and Lake Spokane; and

WHEREAS, the Participants desire to enter into this Agreement to memorialize the discussions regarding the funding and cost share allocations among the Participants to address common water quality issues related to the Spokane River; and

WHEREAS, the Participants desire to devote their cooperative efforts and resources to efficiently address common water quality issues related to the Spokane River and Lake Spokane; and

WHEREAS, the Participants recognize that any cost allocations or contractual obligations assessed towards an individual Participant, must be approved by the individual Participant's regular appropriation/payment procedures, which may include a legislative body; and

WHEREAS, eight of the Participants in this agreement also participate in and are members of the Spokane River Regional Toxics Task Force (SRRTTF), and understand that additional members of the SRRTTF intend to contribute to the costs incurred for the SRRTTF related work, which is separate from this Agreement;

WHEREAS, the attachments to this Agreement represent the discussions and agreements between Participants for the SRSP and SRRTTF coordination, support and facilitation activities and are now converted into percentage shares relating to the funding of the cooperative efforts; and -

Final SRSP Funding Agreement ver 9_ 8-26-2013

Page 1 of 13

NOW, THEREFORE, the Participants do hereby agree as follows:

FINANCIAL AGREEMENTS

In the past years, the Spokane River Stewardship Partners (SRSP), by unanimous consent, have agreed to fund a cooperative efforts (including facilitation, administrative support, and/or technical consulting). For the term of this Agreement, the Participants agree to pay shared costs according to the Cost Allocation Formulas set forth in the attached Exhibits B-1 through B-3. It is understood that future cooperative efforts which are agreed to be funded by the SRSP shall be subject to each individual Participant's regular appropriation/payment procedures and funding limitations set by each Participant's governing board/authority and shall be established by Addenda to this Agreement extending the term in additional one year increments. In the event any of the Participants elects to no longer participate after the initial year or any subsequent extension, the proportional cost shares allocations will be recalculated and reflected in the Addendum for that year or the scope of work will be amended to reduce the costs in order to keep the funding at the same dollar amount as the previous year for each original Participant wishing to continue participating in the funding.

OTHER TERMS

1. Amendments: This Agreement may be changed, amended or modified at any time through a written amendment to the Agreement mutually agreed upon and signed by all Participants.
2. Term: This Agreement is effective when signed by all Participants and will continue in effect through December 31, 2014. This Agreement may be annually extended through Addenda signed by those Participants that agree to the extension and shall only be binding on those Participants that execute the Addendum. Should a Participant determine to no longer participate in the SRSP, the remaining Participants will decide to either continue or dissolve the SRSP.
3. Counterparts: This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
4. Cost Allocations: The cost allocations set out in Exhibit B are hypothetical dollar amounts provided solely for the purpose of demonstrating how the costs will be allocated. On an annual basis and prior to incurring any expenses, SRSP will provide to each of the Participants a summary of the accrued costs to date and budgeted future costs. Should there be an increased cost allocation following the annual Addenda and annual determination of costs, a Participant may terminate participation upon sixty (60) days written notice. This termination provision is based on the necessity for the Participants that are governmental entities to follow their respective appropriation/payment procedures and laws.
5. Non-Waiver: No waiver by any Participant of any of the terms of this Agreement shall be construed as a waiver of the same or other rights of that Participant in the future.

Final SRSP Funding Agreement ver 9_ 8-26-2013

Page 2 of 13

6. Flow calculations: On an annual basis, flow rates shall be reviewed and adjusted as necessary.
7. Entire Agreement: This Agreement contains the entire understandings of the Participants. No representations, promises, or agreements not expressed herein have been made to induce the Participants to sign this Agreement.
8. Appropriation Procedures: The Participants specifically recognize that each Participant has appropriation/payment procedures and rules which must be followed.
9. Compliance with Laws: The Participants shall observe all federal, state, and local laws, ordinances and regulations to the extent they may be applicable to the terms of the Agreement.

The rationale for each cost share formula is as follows:

B-1: SRSP Coordination, Support and Facilitation

For SRSP Coordination, Support and Facilitation, the City of Spokane will pay 13.04% of the total cost of Spokane River Dissolved Oxygen Total Maximum Daily Load (DO TMDL) and Spokane River Regional Toxic Task Force (SRRTTF) related work for its wastewater contribution and an additional 13.04% for stormwater. The other dischargers (from both Washington and Idaho), will pay shares based on the proportion of their current flows for support related to both DO TMDL and SRRTTF. Avista will pay 13.04% for support related to DO TMDL. This results in a cost share allocation formula assigning 13.04% of the cost to Avista (DO TMDL related costs only) and 26.08% to the City of Spokane (DO TMDL and SRRTTF related costs). The remaining Participants costs for both DO TMDL and SRRTTF are split by flow-based percentages presented in Table 1 of the attached Exhibit A.

B-2: SRRTTF Business Entity – Administration/operations costs

For SRRTTF Business Entity related expenses, the City of Spokane will pay dues constituting 16.12% of the Business Entity cost representing a wastewater discharge and an additional 16.12% representing a stormwater discharge. The other WA dischargers will pay shares/dues based on their proportion of current flows. If Idaho dischargers decide or are required to participate in the SRRTTF, their funding contributions will be based on their proportion of current flows and be incorporated through an Agreement with the SRRTTF Administrative and the Contracting Entity (ACE).

B-3: SRRTTF Technical Advisor Work Plan Development Costs

The SRSP Member's portion of the SRRTTF Technical Advisor costs to develop the SRRTTF work plan: All Washington dischargers will pay shares based on their

Final SRSP Funding Agreement ver 9_ 8-26-2013

proportion of current flows. If Idaho dischargers decide or are required to participate in the SRRTTF, their funding contributions will be based on their proportion of current flows and be incorporated through an Agreement with ACE. ACE By-Laws, Section 4.3 provide that the ACE Board of Directors shall determine an equitable apportionment between Members/Participants to fund specific projects and specific contractual obligation based on the purpose of the SRRTTF and regulatory requirements.

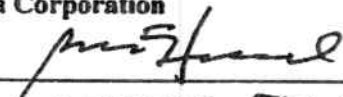
SRRTTF technical work plan implementation and sampling costs: All SRRTTF Participants agree the cost allocation for the technical work plan implementation and sampling costs shall be apportioned to individual dischargers based on the work plan details, benefits received and relevance to individual SRRTTF participant's functions and regulatory requirements. Idaho dischargers, if participants in the SRRTTF, will also provide funding contributions based on the same conditions as above which would be incorporated through a separate Agreement with ACE.

IN WITNESS WHEREOF, the Participants hereto, by and through their appointed representatives, enter into this Agreement. Each person signing this Agreement represents and warrants that he or she has been duly authorized to enter into this Agreement by the company or entity on whose behalf it is indicated that the person is signing.

Signature Pages

This Agreement has been signed by each of the Parties' authorized representatives as set forth below.

Avista Corporation

By 
Its: DIRECTOR, ENV. AFFAIRS 9.23.13

Spokane County

By _____
Its: _____

City of Spokane

By _____
Its: _____

City of Coeur d'Alene

By _____
Its: _____

City of Post Falls

By _____
Its: _____

Liberty Lake Sewer and Water District

By _____
Its: _____

Kaiser Aluminum Fabricated Products, LLC

By _____
Its: _____

This Agreement has been signed by each of the Parties' authorized representatives as set forth below.

Avista Corporation

By _____
Its: _____

Spokane County

By 
Its: Kevin R. Cooke, P.E., Utilities Director

City of Spokane

By _____
Its: _____

City of Coeur d'Alene

By _____
Its: _____

City of Post Falls

By _____
Its: _____

Liberty Lake Sewer and Water District

By _____
Its: _____

Kaiser Aluminum Fabricated Products, LLC

By _____
Its: _____

This Agreement has been signed by each of the Parties' authorized representatives as set forth below.

Avista Corporation

By

Its:

Spokane County

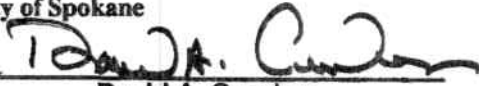
By

Its:

City of Spokane

By

Its:



David A. Condon
Mayor
City of Spokane

City of Coeur d'Alene

By

Its:

City of Post Falls

By

Its:

Liberty Lake Sewer and Water District

By

Its:

Kaiser Aluminum Fabricated Products, LLC

By

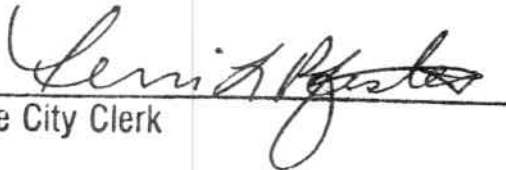
Its:

Approved as to form:



Assistant City Attorney

Attest:



Spokane City Clerk

This Agreement has been signed by each of the Parties' authorized representatives as set forth below.

Avista Corporation

By _____
Its: _____

Spokane County

By _____
Its: _____

City of Spokane

By _____
Its: _____

City of Coeur d'Alene

By *Sandi Bloem*
Its: Sandi Bloem, Mayor

City of Post Falls

By _____
Its: _____

Liberty Lake Sewer and Water District

By _____
Its: _____

Kaiser Aluminum Fabricated Products, LLC

By _____
Its: _____

This Agreement has been signed by each of the Parties' authorized representatives as set forth below.

Avista Corporation

By _____

Its: _____

Spokane County

By _____

Its: _____

City of Spokane

By _____

Its: _____

City of Coeur d'Alene

By _____

Its: _____

City of Post Falls

By Mayor Clay Parkson

Its: MAYOR

Liberty Lake Sewer and Water District

By _____

Its: _____

Kaiser Aluminum Fabricated Products, LLC

By _____

Its: _____

This Agreement has been signed by each of the Parties' authorized representatives as set forth below.

Avista Corporation

By _____

Its: _____

Spokane County

By _____

Its: _____

City of Spokane

By _____

Its: _____

City of Coeur d'Alene

By _____

Its: _____

City of Post Falls

By _____

Its: _____

Liberty Lake Sewer and Water District

By 

Its: Manager

Kaiser Aluminum Fabricated Products, LLC

By _____

Its: _____

This Agreement has been signed by each of the Parties' authorized representatives as set forth below.

Avista Corporation

By _____

Its: _____

Spokane County

By _____

Its: _____

City of Spokane

By _____

Its: _____

City of Coeur d'Alene

By _____

Its: _____

City of Post Falls

By _____

Its: _____

Liberty Lake Sewer and Water District

By _____

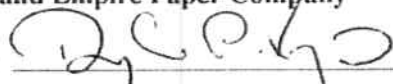
Its: _____

Kaiser Aluminum Fabricated Products, LLC

By David B. Hays

Its: ENVIRONMENTAL MANAGER

Inland Empire Paper Company

By 

Its: ENVIRONMENTAL MANAGER

Hayden Area Regional Sewer Board

By _____

Its: _____

Inland Empire Paper Company

By _____

Its: _____

Hayden Area Regional Sewer Board

By _____

Its: Chairman of the Board

Exhibits

Exhibit A Participating Entities and Flow Basis

Exhibit B Cost Allocation Formulas

- ❖ **B-1: SRSP Coordination, Support & Facilitation**
- ❖ **B-2A: SRRTTF Business Entity – Administration/operations costs (WA and Idaho)**
- ❖ **B-2B: SRRTTF Business Entity – Administration/operations costs (WA Only)**
- ❖ **B-3: SRRTTF technical advisor work plan development costs**

Exhibit A

Participating Entities and Flow Basis

Dissolved Oxygen TMDL Water Quality Related Matters

Avista Corporation
 City of Coeur d'Alene
 Hayden Area Regional Sewer Board
 Liberty Lake Sewer and Water District
 City of Post Falls
 City of Spokane
 Inland Empire Paper Company
 Kaiser Aluminum
 Spokane County

PCB Water Quality Related Matters

City of Coeur d'Alene
 Hayden Area Regional Sewer Board
 Liberty Lake Sewer and Water District
 City of Post Falls
 City of Spokane
 Inland Empire Paper Company
 Kaiser Aluminum
 Spokane County

Table 1: SRSP discharger flows⁽¹⁾ and proportions

SRSP Discharger Member	Current flow (MGD)	Amount of total current flow
Avista	n/a	n/a
City of Spokane	31.1	0.533
Kaiser (2)	9.1	0.156
Spokane County	6.9	0.118
Post Falls	2.6	0.045
Coeur d'Alene	3.6	0.062
IEP	3	0.051
HARSB	1.2	0.021
Liberty Lake	0.85	0.015
Total current flow	58.35	

- (1) 2012 Flows
- (2) Does not include Kaiser groundwater remediation flow
- (3) Current Flow to be adjusted annually

Exhibit B
Cost Allocation Formulas

B-1: SRSP Coordination, Support & Facilitation

Example based on \$100,000 cost share with both WA and ID dischargers

SRSP Member		Fixed Cost Percentage	Cost Share Based On	SRSP Member Cost Percentage
			\$ 100,000	
City of Spokane Wastewater		13.04%	\$ 13,040	13.04%
City of Spokane Stormwater		13.04%	\$ 13,040	13.04%
Avista (1)		13.04%	\$ 13,040	13.04%
SUBTOTAL			\$39,120	
The remaining SRSP Members will share the remaining costs base on their flow split.				
	Current Flow MGD	Member Flow Percentage	Remaining Cost Share Amount	SRSP Member Cost Percentage
			\$ 60,880	
Kaiser	9.1	33.4%	\$ 20,331	20.33%
Spokane County	6.9	25.3%	\$ 15,415	15.42%
Post Falls	2.6	9.5%	\$ 5,809	5.81%
Coeur d'Alene	3.6	13.2%	\$ 8,043	8.04%
IEP	3	11.0%	\$ 6,702	6.70%
HARSB	1.2	4.4%	\$ 2,681	2.68%
Liberty Lake	0.85	3.1%	\$ 1,899	1.90%
Total Flow	27.25			

B-2A: SRRTTF Business Entity – Administration/operations costs (WA and Idaho)

Example based on \$100,000 cost share with both WA and ID dischargers

SRSP Member		Fixed Cost Percentage	Cost Share Based On	SRSP Member Cost Percentage
			\$ 100,000	
City of Spokane Wastewater		16.12%	\$ 16,121	16.12%
City of Spokane Stormwater		16.12%	\$ 16,121	16.12%
SUBTOTAL			\$32,242	
The remaining SRSP Members will share the remaining costs based on their flow split.				
	Current Flow MGD	Member Flow Percentage	Remaining Cost Share Amount	SRSP Member Cost Percentage
			\$ 67,758	
Kaiser	9.1	33.4%	\$ 22,627	22.63%
Spokane County	6.9	25.3%	\$ 17,157	17.16%
Post Falls	2.6	9.5%	\$ 6,465	6.46%
Coeur d’Alene	3.6	13.2%	\$ 8,952	8.95%
IEP	3	11.0%	\$ 7,460	7.46%
HARSB	1.2	4.4%	\$ 2,984	2.98%
Liberty Lake	0.85	3.1%	\$ 2,114	2.11%
SRSP Member	27.25			

**B-2B: SRRTTF Business Entity – Administration/operations costs
(WA Only)**

Example based on \$100,000 cost share with WA dischargers only

SRSP Member		Fixed Cost Percentage	Cost Share Based On	SRSP Member Cost Percentage
			\$ 100,000	
City of Spokane Wastewater		23.05%	\$23,054	23.05%
City of Spokane Stormwater		23.05%	\$23,054	23.05%
SUBTOTAL			\$46,108	
The remaining WA SRSP Members will share the remaining costs based on their flow split.				
	Current Flow MGD	Member Flow Percentage	Remaining Cost Share Amount	SRSP Member Cost Percentage
			\$ 53,892	
Kaiser	9.1	45.8%	\$24,706	24.71%
Spokane County	6.9	34.8%	\$18,733	18.73%
IEP	3	15.1%	\$8,145	8.14%
Liberty Lake	0.85	4.3%	\$2,308	2.31%
	19.85			

B-3: SRRTTF technical advisor work plan development costs

Example based on \$150,000 cost share with both WA and ID dischargers only

SRSP Discharger Member	Current flow (MGD)	Amount of total current flow	Cost Share
City of Spokane	31.1	0.533	\$79,949
Kaiser (1)	9.1	0.156	\$23,393
Spokane County	6.9	0.118	\$17,738
Post Falls	2.6	0.045	\$6,684
Coeur d'Alene	3.6	0.062	\$9,254
IEP	3	0.051	\$7,712
HARSB	1.2	0.021	\$3,085
Liberty Lake	0.85	0.015	\$2,185

Based on:

Number of dischargers 9
 Total current flow 58.35
 Total Cost Basis \$150,000
Total Discharger Contribution \$150,000

Notes:

- 1. does not include Kaiser groundwater remediation flow

Example based on \$150,000 cost share with WA dischargers only

SRSP Discharger Member	Current flow (MGD)	Amount of total current flow	Cost Share
City of Spokane	31.1	0.610	\$91,560
Kaiser (1)	9.1	0.179	\$26,791
Spokane County	6.9	0.135	\$20,314
IEP	3	0.059	\$8,832
Liberty Lake	0.85	0.017	\$2,502

Based on:

Number of dischargers 5
 Total current flow 50.95
 Total Cost Basis \$150,000
Total Discharger Contribution \$150,000

Notes:

- 1. does not include Kaiser groundwater remediation flow

SRSP Cost Share As Applied to October 1, 2013 Facilitation Contract Amendment
SRSP 2013 coordination/support

A	B	C	D
SRSP Member		Fixed Cost Percentage	Cost Share Based On
			\$ 145,000
City of Spokane Wastewater		13.04%	\$ 18,908
City of Spokane Stormwater		13.04%	\$ 18,908
Avista (1)		13.04%	\$ 18,908
SUBTOTAL			\$56,724

City of Spokane Wastewater agrees to pay 13.04%
 City of Spokane Stormwater agrees to pay 13.04%
 Avista agrees to pay 13.04%

The remaining SRSP Members will share the remaining costs base on their flow

	Current Flow MGD	Member Flow Percentage	Remaining Cost Share Amount
			\$ 88,276
Kaiser	9.1	33.4%	\$ 29,479
Spokane County	6.9	25.3%	\$ 22,352
Post Falls	2.6	9.5%	\$ 8,423
Coeur d'Alene	3.6	13.2%	\$ 11,662
IEP	3	11.0%	\$ 9,718
HARSB	1.2	4.4%	\$ 3,887
Liberty Lake	0.85	3.1%	\$ 2,754
SRSP Member Total Flow	27.25		

Note:

(1) = Avista will only be charged for work related to the Lake Spokane Dissolved Oxygen Total Maximum Daily Load.

"EXHIBIT C"

Exhibit D

SRSP Facilitator Invoice Contacts:

<p>Avista Heide Evans, Environmental Budget Specialist P.O. Box 3727, MSC-1 Spokane, WA 99220-3727 509-495-4993 heide.evans@avistacorp.com</p>	<p>Inland Empire Paper Company Attention: Accounts Payable 3300 N. Argonne Spokane, WA 99212 (509) 924-1911</p>
<p>City of Spokane Dale Arnold E 909 Sprague Spokane, WA 99202 509-625-7900 DArnold@SpokaneCity.org</p>	<p>Kaiser Aluminum Mirna Reyes PO Box 15108 Spokane Valley, WA 99215 (509) 927-6563 Mirna.Reyes@Kaisertwd.com</p>
<p>City of Coeur d'Alene: H. Sid Fredrickson Wastewater Supt., City of Coeur d'Alene 710 E. Mullan Ave. Coeur d'Alene, ID 83814 Ph: 208/769-2277 SIDF@cdaid.org</p>	<p>Liberty Lake Sewer and Water District BiJay Adams 22510 East Mission Avenue Liberty Lake, wa 99019-8542 Phone: (509) 922-5443 bijay@libertylake.org</p>
<p>City of Post Falls Terry Werner 2002 W. Seltice Way Post Falls, ID 83854 (208) 777-9857 Twerner@postfallsidaho.org</p>	<p>Spokane County Cindy Grasso, Utilities Division 1026 West Broadway Ave Spokane, WA 99260-0430 (509) 477-7289 cgrasso@spokanecounty.org</p>
<p>Hayden Area Regional Sewer Board Stephanie Oliver 10789 N. Atlas Rd. Hayden ID, 83835 208-772-0672</p>	

Exhibit C-1

SRSP Cost Share As Applied to January 2015 Facilitation Contract Amendment

SRSP 2015 coordination/support

SRSP Member		Fixed Cost Percentage	Cost Share Based On
			\$ 150,000
City of Spokane Wastewater		13.04%	\$ 19,560
City of Spokane Stormwater		13.04%	\$ 19,560
Avista (1)		13.04%	\$ 19,560

City of Spokane Wastewater agrees to pay 13.04%
 City of Spokane Stormwater agrees to pay 13.04%
 Avista agrees to pay 13.04%

SUBTOTAL \$58,680

The remaining SRSP Members will share the remaining costs base on their flow split.

	Current Flow MGD	Member Flow Percentage	Remaining Cost Share Amount
			\$ 91,320
Kaiser	9.1	33.4%	\$ 30,496
Spokane County	6.9	25.3%	\$ 23,123
Post Falls	2.6	9.5%	\$ 8,713
Coeur d'Alene	3.6	13.2%	\$ 12,064
IEP	3	11.0%	\$ 10,054
HARSB	1.2	4.4%	\$ 4,021
Liberty Lake	0.85	3.1%	\$ 2,849

SRSP Member Total Flow 27.25

Notes: (1) Hourly Rate of \$135/hour
 (2) Avista to be charged for DO TMDL related work only

ANNOUNCEMENTS

Memo to Council

DATE: February 4, 2015

RE: Appointments to Boards/Commissions/Committees

The following reappointment is presented for your consideration for the February 17th Council Meeting:

VIRGINIA TATE

PARKS & RECREATION COMMISSION

A copy of the data sheet has been placed by your mailboxes.

Sincerely,

Amy Ferguson
Executive Assistant

cc: Renata McLeod, Municipal Services Director
Chenoa Dahlberg, Parks & Rec Commission Staff Support

OTHER COMMITTEE MINUTES
(Requiring Council Action)

February 9, 2015
GENERAL SERVICES COMMITTEE
MINUTES
12:00 p.m., Library Community Room

COMMITTEE MEMBERS

Council Member Ron Edinger, Chairperson **ABSENT**
Council Member Steve Adams, Acting Chair
Council Member Amy Evans

STAFF

Juanita Knight, Senior Legal Assistant
Lee White, Police Chief
Sean Holm, Planner
Jim Hammond, City Administrator
Hilary Anderson, Planning Director
Kenny Gabriel, Fire Chief
Troy Tymesen, Finance Director

CITIZENS

Item 1. Approval of Grant Application and Acceptance of Partial Funding of one (1) Police Officer through the Idaho Office of Highway Safety.

(Agenda)

Chief White is seeking Council approval to apply for and accept grant funding for a percentage of one traffic officer's wages and benefits through the Idaho Office of Highway Safety. Chief White noted in his staff report that one of the major demands for police service relates to traffic incidents. In an effort to make roadways safer, the Idaho Office of Highway Safety is providing funding for expansion of existing traffic units through a grant that will provide funding for additional personnel. In calendar year 2014, the police department received 42,822 calls for service. 1,952 of those calls were accident related, 1,265 were traffic offense calls for service, 643 were DUI calls for service which includes 305 DUI arrests, and we had 70 incidents of impaired driving-related crashes in our City. In all, traffic-related crashes, arrests, and other incidents accounted for nearly 10 percent of all calls for service. There is a greater demand than ever for police service and this partial funding source will assist us in keeping the public safe. The keys to traffic safety are education, enforcement, and engineering. This new position in the traffic section will enhance our traffic safety program by focusing on traffic safety education, DUI enforcement, traffic enforcement in high crash areas, and school zone safety. This grant allows for partial funding of one officer to enhance our existing traffic unit. Although the Police Department must resubmit a grant application each year for the duration of this grant (3 years), it is very likely that our grant application will be accepted. In brief, this grant will fund 75% of a traffic officer's wages and benefits the first year, 50% the second year, and 25% the third year. The Police Department will hire a new officer to back-fill the patrol division, thereby increasing the overall staffing of the Department by one police officer. This grant would fund a portion of a traffic officer's wages and benefits at approximately \$64,298 the first year, \$45,182 the second year, and \$23,814 the last year, for a total of \$133,294 in wages and benefit reimbursement over the life of the grant, if all grant applications are accepted and approved. Additionally, the purpose of the grant is to cover a portion of all costs associated with expansion of existing traffic units, so the department will request reimbursement for a portion of the equipment required to outfit new the traffic officer. Over this time period, the department will realize some savings from the difference between a new officer's wages and a traffic officer's wages, and savings from the retirement of veteran officers who are replaced with new officers.

Councilmember Evans questioned if the City has the funding to cover what the grant does not. Troy Tymesen, Finance Director, said if the grant is awarded it will be at the end of this fiscal year. He believes there will be sufficient funds to cover the last few months of this fiscal year. After that the Council will be able to identify funding for the next fiscal year. Mr. Tymesen said it was Council's goal to add public safety officers and this is a great way in which to leverage one.

Councilmember Adams said it is no secret that he has issues with federal grants. He asked what is the plan if the City it not awarded the grant. Chief White said based on what he's heard so far there is a very

good chance we will be accepted as well as in the subsequence years. As pointed out, these are pass through dollars so if it is not funded in subsequence years, then we don't apply and we don't backfill an officers position that year. Chief White said he was given direction from Council to find creative ways to increase the number of public safety personnel and he believes this is a very creative way to do it.

MOTION: by Evans to authorize staff to apply for and accept grant funding for a percentage of one traffic officer's wages and benefits through the grant offered by the Idaho Office of Highway Safety. Receiving no second, the item will be forward to the full City Council without a recommendation.

Item 2. Authorization of use of lower City Hall parking lot for food trucks on a limited basis.
(Agenda)

Sean Holm is requesting Council approval for food trucks to operate in lower City Hall parking lot on a limited basis. Mr. Hold noted in his staff report that Food trucks are taking the nation by storm. The popularity of this form of food distribution has steadily increased over the last decade, with cities everywhere looking at the operational characteristics within their borders, and how to handle the influx of mobile food vendors. The City of Coeur d'Alene is currently in the process of creating an ordinance that will help define how vendors operate locally. While staff was orchestrating a workshop concerning city vendors, there was a common theme present made by the stakeholders: To allow this type of use downtown where it may be suitable. Staff took note of the request, and has identified a venue and timeframe to test its viability.

Mr. Holm said one thing staff has been tasked with is to activate the downtown and get areas that aren't as busy, busier. This is an opportunity that staff believes will do just that.

Councilmember Adams said it sounds like fun but there is always the case for preserving the parking. He is willing to give it whirl.

Councilmember Evans said it will be great for the community and it will add to culture of Coeur d'Alene in a fun and progressive way. It's new and different and she believes the community will embrace it.

MOTION: by Evans seconded by Adams to recommend Council authorize food trucks to operate in lower City Hall parking lot on a limited basis. Motion Carried.

The meeting adjourned at 12:21 p.m.

Respectfully submitted,

Juanita Knight
Recording Secretary

CITY COUNCIL
STAFF REPORT

DATE: January 28, 2015

FROM: Lee White
Chief of Police

SUBJECT: Grant application and acceptance for partial funding of one police officer through the Idaho Office of Highway Safety

Decision Point: The Police Department is seeking approval to apply for and accept grant funding for a percentage of one traffic officer's wages and benefits through the Idaho Office of Highway Safety.

History: One of the major demands for police service relates to traffic incidents. In an effort to make our roadways safer, the Idaho Office of Highway Safety is providing funding for expansion of existing traffic units through a grant that will provide funding for additional personnel.

In calendar year 2014, the police department received 42,822 calls for service. 1,952 of those calls were accident related, 1,265 were traffic offense calls for service, 643 were DUI calls for service which includes 305 DUI arrests, and we had 70 incidents of impaired driving-related crashes in our City. In all, traffic-related crashes, arrests, and other incidents accounted for nearly 10 percent of all calls for service.

There is a greater demand than ever for police service and this partial funding source will assist us in keeping the public safe. The keys to traffic safety are education, enforcement, and engineering. This new position in the traffic section will enhance our traffic safety program by focusing on traffic safety education, DUI enforcement, traffic enforcement in high crash areas, and school zone safety.

Financial Analysis: This grant allows for partial funding of one officer to enhance our existing traffic unit. Although the Police Department must resubmit a grant application each year for the duration of this grant (3 years), it is very likely that our grant application will be accepted. In brief, this grant will fund 75% of a traffic officer's wages and benefits the first year, 50% the second year, and 25% the third year. The Police Department will hire a new officer to back-fill the patrol division, thereby increasing the overall staffing of the Department by one police officer.

This grant would fund a portion of a traffic officer's wages and benefits at approximately \$64,298 the first year, \$45,182 the second year, and \$23,814 the last year, for a total of \$133,294 in wages and benefit reimbursement over the life of the grant, if all grant applications are accepted and approved. Additionally, the purpose of the grant is to

cover a portion of all costs associated with expansion of existing traffic units, so the department will request reimbursement for a portion of the equipment required to outfit new the traffic officer.

Over this time period, the department will realize some savings from the difference between a new officer's wages and a traffic officer's wages, and savings from the retirement of veteran officers who are replaced with new officers.

Performance Analysis: The application and acceptance of this grant will allow the Department to increase the traffic unit by one member without sacrificing staffing in another area of the Department. Although this grant will not completely cover our fiscal responsibility for the additional officer, the Department maintains that additional staffing is needed to accomplish our public safety goals and this is a fiscally responsible way of achieving those goals.

Decision Point: The City of Coeur d'Alene should apply for and accept grant funding for a percentage of one traffic officer's wages and benefits through the grant offered by the Idaho Office of Highway Safety.

OTHER BUSINESS

INFORMATION SECTION

Including

Correspondence

Board, Commission, Committee Minutes

**PUBLIC WORKS COMMITTEE
MINUTES
February 9, 2015
4:00 p.m., Library Community Room**

COMMITTEE MEMBERS PRESENT

Councilmember Woody McEvers
Councilmember Kiki Miller
Councilmember Dan Gookin

STAFF PRESENT

Amy Ferguson, Executive Assistant
Sid Fredrickson, WW Superintendent
James Remitz, WW Capital Program Mgr
Don Keil, Assistant WW Supt.
Troy Tymesen, Finance Director
Jim Hammond, City Administrator
Warren Wilson, Deputy City Attorney

Item 1 Acceptance of Spokane River Stewardship Partners (SRSP) Funding/Cost Sharing Agreement

Consent Calendar

Don Keil, Assistant Wastewater Superintendent, presented a request for council acceptance and signing of the Spokane River Stewardship partners (SRSP) Funding/Cost Sharing Agreement.

Mr. Keil explained in his staff report that the SRSP Funding/Shared Cost Agreement is the mechanism to share the costs of the coordination effort the SRSP group needs with the Spokane River Regional Toxic Task Force (SRRTTF). This agreement proportions the city's costs for this effort by our proportionate flow to the Spokane River. This fund pays for a coordinator that assists the SRSP in website upkeep, development of the SRSP meeting agenda, SRSP meeting minutes, and helps with the liaison needs of the SRSP group with the SRRTTF group. This is a yearly SRSP expense budgeted by Wastewater. This cost-share agreement has been reviewed and approved for distribution to its membership and is appropriated a cost-not-to-exceed agreement. The city's cost-share amount is \$12,064.00. This agreement has been on-going yearly for the last five years.

Mr. Keil explained that the contract contains a residual of a one month "catch up" for the contract due to December vacation schedules and unavailability of the SRSP group. He further noted that the Legal Department has reviewed the contract and has no issues with it, and that this is just an administrative contract. He explained the liaison responsibilities including preparation of agendas, minutes, meeting scheduling, etc.

MOTION: Motion by Gookin, seconded by Miller, to recommend that Council approve Resolution 15-006, authorizing the acceptance and signing of the Spokane River Stewardship Partners (SRSP) Funding/Cost Sharing Agreement. Motion carried.

**Item 2 Adoption of Wastewater Utility Collection System Policies
Consent Calendar**

James Remitz, Capital Program Manager, presented a request for council adoption of a number of policies relating to the planning, design and construction of the City of Coeur d'Alene wastewater collection system.

Mr. Remitz explained in his staff report that these policies will update or amend previously adopted policies, stipulate consistent definitions, procedures and policies, and provide guidelines for the planning, design and construction of extensions and additions to the Wastewater Utility's collection system.

The new policies have been developed to incorporate existing policies and new policies into a format that will allow for the compilation of all wastewater collection system policies into a single document which is easily disseminated. The policies will supplement Title 13 of the Coeur d'Alene Municipal Code and the previously adopted Coeur d'Alene Standard Drawings for Public Works Construction.

Mr. Remitz reviewed the policies with the committee members. He noted that most of the policies relate to the planning, design and construction of wastewater facilities constructed by developers. They include engineering specifications, lift station design and specifications, accessibility to manholes, service connects and disconnections from sewer main, service taps, extension of sewer service outside of municipal boundaries and exceptions, how properties are defined for the purpose of establishing cap fees, and easements and construction near sewer facilities.

Councilman Gookin expressed appreciation to Mr. Remitz for the effort they are making to create written policies.

MOTION: Motion by Gookin, seconded by Miller, to recommend that Council adopt the proposed Wastewater Utility Collection System Policies. Motion carried.

The meeting adjourned at 4:29 p.m.

Respectfully submitted,

Amy C. Ferguson
Public Works Committee Liaison

CITY OF COEUR D'ALENE
Treasurer's Report of Cash and Investment Transactions

FUND	BALANCE 12/31/2014	RECEIPTS	DISBURSE- MENTS	BALANCE 1/31/2015
<u>General-Designated</u>	\$469,015	\$70,804	\$1,892	\$537,927
<u>General-Undesignated</u>	2,307,287	19,174,304	10,020,003	11,461,588
<u>Special Revenue:</u>				
Library	(156,292)	666,484	109,199	400,993
CDBG	(51)	17,711	17,711	(51)
Cemetery	1,470	18,268	18,735	1,003
Parks Capital Improvements	219,932	3,150	44,911	178,171
Impact Fees	3,629,934	42,554		3,672,488
Annexation Fees	328			328
Insurance	(109,206)	176,340	3,329	63,805
Cemetery P/C	1,771,641	13,860	16,556	1,768,945
Jewett House	49,747	1,078	4,542	46,283
Reforestation	14,366	801	20	15,147
Street Trees	199,606	6,923	2,400	204,129
Community Canopy	2,753	1		2,754
CdA Arts Commission	1,542			1,542
Public Art Fund	72,499	758		73,257
Public Art Fund - LCDC	377,479	43		377,522
Public Art Fund - Maintenance	127,697	23	96	127,624
<u>Debt Service:</u>				
2002 & 2006 G.O. Bonds	518,823	596,256		1,115,079
LID Guarantee	9,701	2,299		12,000
LID 130 Lakeside / Ramsey / Industrial Park	48,444			48,444
LID 149 4th Street	1,005			1,005
<u>Capital Projects:</u>				
Street Projects	295,090	12,756	77,342	230,504
<u>Enterprise:</u>				
Street Lights	85,270	42,195	59,129	68,336
Water	527,627	239,031	356,747	409,911
Water Capitalization Fees	3,251,951	58,033	6,828	3,303,156
Wastewater	5,423,397	552,872	162,103	5,814,166
Wastewater-Reserved	1,464,783	27,500	666,238	826,045
WWTP Capitalization Fees	4,558,885	84,820		4,643,705
WW Property Mgmt	60,668			60,668
Sanitation	31,298	306,606	551,644	(213,740)
Public Parking	(205,035)	5,152	6,393	(206,276)
Drainage	362,193	83,544	37,081	408,656
Wastewater Debt Service	1,013,002	113	350	1,012,765
<u>Fiduciary Funds:</u>				
Kootenai County Solid Waste Billing	196,419			196,419
LID Advance Payments	938			938
Police Retirement	1,369,297	93,361	36,481	1,426,177
Sales Tax	2,579	2,167	2,579	2,167
BID	143,591	6,067		149,658
Homeless Trust Fund	604	374	604	374
GRAND TOTAL	\$28,140,276	\$22,306,248	\$12,202,913	\$38,243,611

CITY OF COEUR D'ALENE
 BUDGET STATUS REPORT
 FOUR MONTHS ENDED
 January 31, 2015

FUND OR DEPARTMENT	TYPE OF EXPENDITURE	TOTAL BUDGETED	SPENT THRU 1/31/2015	PERCENT EXPENDED
Mayor/Council	Personnel Services	\$225,227	\$74,175	33%
	Services/Supplies	11,800	2,713	23%
Administration	Personnel Services	245,263	58,771	24%
	Services/Supplies	49,620	46,225	93%
Finance	Personnel Services	642,985	213,837	33%
	Services/Supplies	92,760	19,427	21%
Municipal Services	Personnel Services	1,058,369	335,397	32%
	Services/Supplies	479,731	185,836	39%
	Capital Outlay	14,500		
Human Resources	Personnel Services	203,529	59,995	29%
	Services/Supplies	43,400	5,184	12%
Legal	Personnel Services	1,377,493	458,292	33%
	Services/Supplies	98,853	19,319	20%
Planning	Personnel Services	511,938	152,169	30%
	Services/Supplies	38,050	5,683	15%
Building Maintenance	Personnel Services	320,587	97,505	30%
	Services/Supplies	159,515	43,999	28%
	Capital Outlay			
Police	Personnel Services	10,161,453	3,214,510	32%
	Services/Supplies	913,287	271,654	30%
	Capital Outlay	141,720		
Fire	Personnel Services	7,846,872	2,758,782	35%
	Services/Supplies	418,836	90,526	22%
	Capital Outlay			
General Government	Services/Supplies	49,150	49,207	100%
	Capital Outlay		104,827	
Byrne Grant (Federal)	Personnel Services			
	Services/Supplies		8,893	
	Capital Outlay			
COPS Grant	Personnel Services	169,690		
	Services/Supplies			
CdA Drug Task Force	Services/Supplies	25,710	2,427	9%
	Capital Outlay			
Streets	Personnel Services	1,864,947	581,688	31%
	Services/Supplies	575,130	214,756	37%
	Capital Outlay	75,500	5,468	7%

CITY OF COEUR D'ALENE
BUDGET STATUS REPORT
FOUR MONTHS ENDED
January 31, 2015

FUND OR DEPARTMENT	TYPE OF EXPENDITURE	TOTAL BUDGETED	SPENT THRU 1/31/2015	PERCENT EXPENDED
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CITY OF COEUR D'ALENE
 BUDGET STATUS REPORT
 FOUR MONTHS ENDED
 January 31, 2015

FUND OR DEPARTMENT	TYPE OF EXPENDITURE	TOTAL BUDGETED	SPENT THRU 1/31/2015	PERCENT EXPENDED
ADA Sidewalk Abatement	Personnel Services	226,757	72,436	32%
	Services/Supplies	38,900	(13,360)	-34%
Engineering Services	Personnel Services	543,375	180,345	33%
	Services/Supplies	744,450	76,898	10%
	Capital Outlay			
Parks	Personnel Services	1,302,194	314,143	24%
	Services/Supplies	475,250	84,301	18%
	Capital Outlay	92,500	17,292	19%
Recreation	Personnel Services	627,711	179,963	29%
	Services/Supplies	142,130	20,513	14%
	Capital Outlay	26,500	5,148	19%
Building Inspection	Personnel Services	810,926	271,664	34%
	Services/Supplies	31,131	15,779	51%
Total General Fund		<u>32,877,739</u>	<u>10,306,387</u>	<u>31%</u>
Library	Personnel Services	1,077,761	348,599	32%
	Services/Supplies	189,350	54,018	29%
	Capital Outlay	120,000	31,088	26%
CDBG	Services/Supplies	359,966	50,474	14%
Cemetery	Personnel Services	145,526	46,909	32%
	Services/Supplies	98,664	17,282	18%
	Capital Outlay	40,000	24,999	62%
Impact Fees	Services/Supplies	194,956	1,385	1%
Annexation Fees	Services/Supplies	117,000	117,000	100%
Parks Capital Improvements	Capital Outlay	244,000	140,485	58%
Insurance	Services/Supplies	420,000	172,331	41%
Cemetery Perpetual Care	Services/Supplies	97,500	32,329	33%
Jewett House	Services/Supplies	67,089	26,805	40%
Reforestation	Services/Supplies	2,000	4,292	215%
Street Trees	Services/Supplies	65,000	3,600	6%
Community Canopy	Services/Supplies	1,500	631	42%
CdA Arts Commission	Services/Supplies	6,750		
Public Art Fund	Services/Supplies	210,600	27,004	13%
Total Special Revenue		<u>3,457,662</u>	<u>1,099,231</u>	<u>32%</u>

CITY OF COEUR D'ALENE
BUDGET STATUS REPORT
FOUR MONTHS ENDED
January 31, 2015

FUND OR DEPARTMENT	TYPE OF EXPENDITURE	TOTAL BUDGETED	SPENT THRU 1/31/2015	PERCENT EXPENDED
Debt Service Fund		<u>1,249,015</u>	<u>106,631</u>	<u>9%</u>

CITY OF COEUR D'ALENE
 BUDGET STATUS REPORT
 FOUR MONTHS ENDED
 January 31, 2015

FUND OR DEPARTMENT	TYPE OF EXPENDITURE	TOTAL BUDGETED	SPENT THRU 1/31/2015	PERCENT EXPENDED
Seltice Way Design	Capital Outlay	530,000		
Front Avenue Project	Capital Outlay		22,386	
Govt Way - Hanley to Prairie	Capital Outlay	2,300,000	141,338	6%
Levee Certification	Capital Outlay	362,500	27,622	8%
I-90 Curb Ramps	Capital Outlay	65,000		
3rd / Harrison signal	Capital Outlay			
Atlas Road Widening	Capital Outlay			
Kathleen Ave Widening	Capital Outlay			
Total Capital Projects Funds		3,257,500	191,346	6%
Street Lights	Services/Supplies	535,600	149,848	28%
Water	Personnel Services	1,844,726	586,199	32%
	Services/Supplies	4,196,929	343,414	8%
	Capital Outlay	2,284,300	579,135	25%
Water Capitalization Fees	Services/Supplies	700,000		
Wastewater	Personnel Services	2,440,897	777,107	32%
	Services/Supplies	6,527,764	725,360	11%
	Capital Outlay	3,714,470	1,224,290	33%
	Debt Service	2,026,641		
WW Capitalization	Services/Supplies	1,913,000		
Sanitation	Services/Supplies	3,560,334	1,214,205	34%
Public Parking	Services/Supplies	220,839	67,080	30%
	Capital Outlay			
Stormwater Mgmt	Personnel Services	133,179	35,297	27%
	Services/Supplies	610,930	97,972	16%
	Capital Outlay	435,000	29,235	7%
Total Enterprise Funds		31,144,609	5,829,142	19%
Kootenai County Solid Waste		2,200,000	583,520	27%
Police Retirement		183,920	55,516	30%
Business Improvement District		186,000	40,000	22%
Homeless Trust Fund		5,500	1,376	25%
Total Fiduciary Funds		2,575,420	680,412	26%
TOTALS:		\$74,561,945	\$18,213,149	24%