



**COEUR D'ALENE PUBLIC WORKS/GENERAL
SERVICES COMMITTEE
ADDENDUM AGENDA NO. 1
FOR THE SEPTEMBER 21, 2020
COUNCIL MEETING**

Addition of the following item:

Item 3 V-20-04, Vacation of a portion of 4th Street right-of-way adjoining the westerly boundary of Lots 9-14 of the Simms Addition to the City of Coeur d'Alene and recommendation to set a public hearing for the item on October 20, 2020 – Dennis Grant, Engineering Project Manager.

| Item ~~43~~ Presentation: Wastewater Tertiary SRF Loan Funding – Mike Anderson, Wastewater Superintendent

| Item ~~54~~ Presentation: Streets & Engineering Department – Tim Martin, Streets & Eng. Director

**This meeting is aired live on CDA TV Spectrum Cable Channel 1301
and on Facebook live through the City's Facebook page.**

NOTE: The City will make reasonable accommodations for anyone attending this meeting who require special assistance for hearing, physical or other impairments. Please contact the City Clerk at (208) 769-2231 at least 24 hours in advance of the meeting date and time.



Our vision of Coeur d'Alene is of a beautiful safe city
that promotes a high quality of life and sound economy
through excellence in government

GENERAL SERVICES/PUBLIC WORKS COMMITTEE

with

Council Members McEvers, Gookin, Miller

September 21, 2020, 12:00 p.m.

AGENDA

*****ITEMS LISTED BELOW ARE CONSIDERED TO BE ACTION ITEMS**

- Item 1 Approval of Police Department Canine Surplus – Dave Hagar, Police Captain
- Item 2 Approval of Addendum to Professional Services Agreement with Architects West, Inc., for Design Improvements for the Wastewater Treatment Operations Building and a new Sewer Collections Facility – Mike Becker, Capital Program Manager
- Item 3 Presentation: Wastewater Tertiary SRF Loan Funding – Mike Anderson, Wastewater Superintendent
- Item 4 Presentation: Streets & Engineering Department – Tim Martin, Streets & Eng. Director

**Library Community Room
702 Front Avenue**

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CITY COUNCIL
STAFF REPORT

DATE: September 15, 2020
FROM: Dave Hagar, Police Captain
SUBJECT: Police Department Canine Surplus

Decision Point

Should the City Council approve the request of the Police Department to surplus K9 Pecco, a Narcotics Detection and Patrol Canine, and transfer ownership to his handler, Detective Amy Knisley, which would also include the residential kennel, harnesses, and toys purchased by the City?

History

K9 Pecco is a Police Department canine and was trained as a “Patrol and Narcotics Detection Canine.” K9 Pecco is a 9-year-old Belgian Malinois trained in Narcotics Detection and Patrol Apprehension work. The general age of retirement of a police K9 is 8 to 9 years depending on the health and performance of the dog. Pecco’s handler has been Detective Knisley.

In the Spring of 2020, K9 Pecco was diagnosed with a Floating Iris Cyst which continually grows and is currently obstructing the majority of his vision in his right eye. River City Animal Hospital referred Pecco to The Animal Eye Clinic of Spokane. The Eye Clinic Veterinarian explained that, with the continual growth of the Cyst, they could attempt surgery with an unknown outcome. In addition, he suffers from arthritis in his spinal cord which causes him discomfort and may cause pain. Based on Pecco’s age and current physical condition, it is recommended that K9 Pecco be retired from service duty, which the Police Department is also recommending. The retirement of K9 Pecco will also prevent additional medical costs incurred by the City which may occur due to future injury or other medical conditions. Due to the unique and emotional bond between a canine and handler, the Police Department recommends that K9 Pecco be retired from service and ownership transferred to Detective Amy Knisley for no monetary exchange after Detective Knisley waives any liability and releases the City of Coeur d’Alene from any and all liability or responsibility for the canine.

Financial Impact

None.

Decision Point:

Staff recommends the City Council approve the request of the Police Department to surplus K9 Pecco, a Patrol and Narcotics Detection Canine, and transfer ownership to his handler, Detective Amy Knisley, including the residential kennel, harnesses, and toys purchased by the City.

GENERAL SERVICES/PUBLIC WORKS STAFF REPORT

DATE: September 21, 2020
FROM: Mike Becker, Capital Programs Manager
SUBJECT: Contract Addendum with Architects West, Inc.

DECISION POINT:

Should Council authorize the Wastewater Department (WW) to execute an Addendum to the Professional Services Agreement with Architects West, Inc., for Design Improvements at the Advance Wastewater Treatment Plant (AWTP) and for design of a new Sewer Collections Building at an additional cost of \$22,787?

HISTORY:

Originally constructed in 1972, the existing Wastewater Treatment Operations Building (Building "A") was designed to facilitate a treatment plant one-fourth the size it is today (2019 Facilities Plan). AWTP operations have clearly outgrown this building. On June 18, 2019, the City executed a Professional Services Agreement (PSA) with Architect's West, Inc., (AW) for designing the renovations to Building "A" (Res. 19-020). The work was scheduled for some time in FY 2020-2021.

AW's Building Condition Assessment and Assessment Programming determined that Building "A" would need to be increased a minimum of 6430 SF. Because of the existing building's limited footprint, conceptually this meant essentially creating a 2-story building with an unfinished basement at an estimated cost of \$2.3M. Staff budgeted accordingly. Then COVID 19 occurred, pausing the progression of this project and giving staff an opportunity to consider other options.

After much study, Staff concluded that building a new Sewer Collections Facility next to the Compost Facility and modifying the existing Collections Building (Building "B") to be used as the Wastewater Treatment Operations Building was a viable option. Under this option, Building "A" would be abandoned and slated for demolition at a later date. The new plan will likely cost about the same as the original plan, but would offer O&M savings and other long-term benefits to the City. Staff requested AW to provide its costs for the change in conditions and additional services required for the new plan.

FINANCIAL ANALYSIS:

Original Contract:	\$	168,000
Services Paid to Date:	\$	<24,360>
Remaining within Existing Contract:	\$	143,640
Proposed New Architects West's Total:	\$	160,427
Proposed New Subconsultant (STRATA):	\$	6,000
Proposed New Total Contract:	\$	166,427

Credit Remaining within Existing Contract: \$ <143,640>

Proposed Total Amendment to Contract: \$ 22,787

This is a multi-year project and, with Council approval, funding for this project will continue to draw from #031-058-4354-7300 and budget accordingly following FY 2021/2022.

PERFORMANCE ANALYSIS:

In May 2019, Architects West, Inc., was chosen to provide the City of Coeur d'Alene Wastewater Department with architectural services for renovations to the Wastewater Treatment Operations Building through an RFQ process. The following month, the City execute a PSA. Since the City is modifying the scope of services under an existing contract, this decision point is for an addendum to the existing PSA.

DECISION POINT/RECOMMENDATION:

Council should authorize the Wastewater Department (WW) to execute an Addendum to the Professional Services Agreement with Architects West, Inc., for Design Improvements to the Collections Building for use as the Wastewater Treatment Operations Building, and design of a new Sewer Collections Building at the Compost Facility at an additional cost of \$22,787.



CITY OF COEUR D'ALENE WASTEWATER DEPARTMENT

**CONTRACT AMENDMENT WITH ARCHITECTS WEST, INC.
NEW SEWER COLLECTIONS BUILDING &
TI'S FOR TREATMENT OPERATIONS BUILDING**





PHASE 1 - PROPOSED NEW COLLECTIONS BUILDING & RELOCATION

- SITE CURRENTLY VACANT
- UNUSED SPACE
- FENCED & GATED ACCESS
- EXISTING UTILITIES
- EXISTING FIBER
- MULTIPLE INGRESS & EGRESS OPTIONS

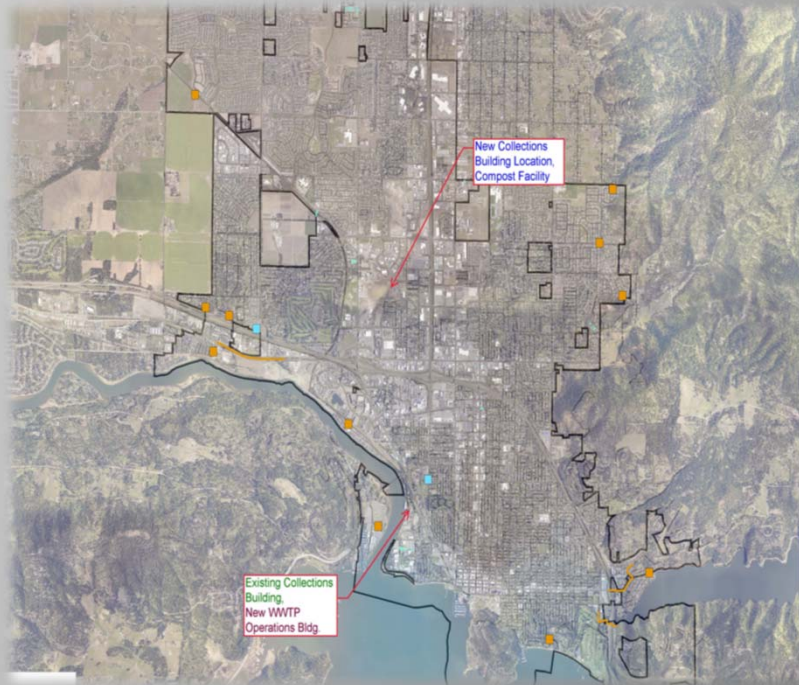


PHASE 1 – PROPOSED NEW COLLECTIONS BUILDING & RELOCATION



PHASE 1 BENEFITS

- EXPANDABLE BUILDING
- INCREASED OFFICE SPACE
- ENVIRONMENTAL HEALTH & SAFETY
- INCREASED HEATED SHOP AREA
- INCREASED HEATED STORAGE
- CENTRALLY LOCATE COLLECTION OPERATIONS
- REDUCE TRAVEL TIME & RESPONSE TIME

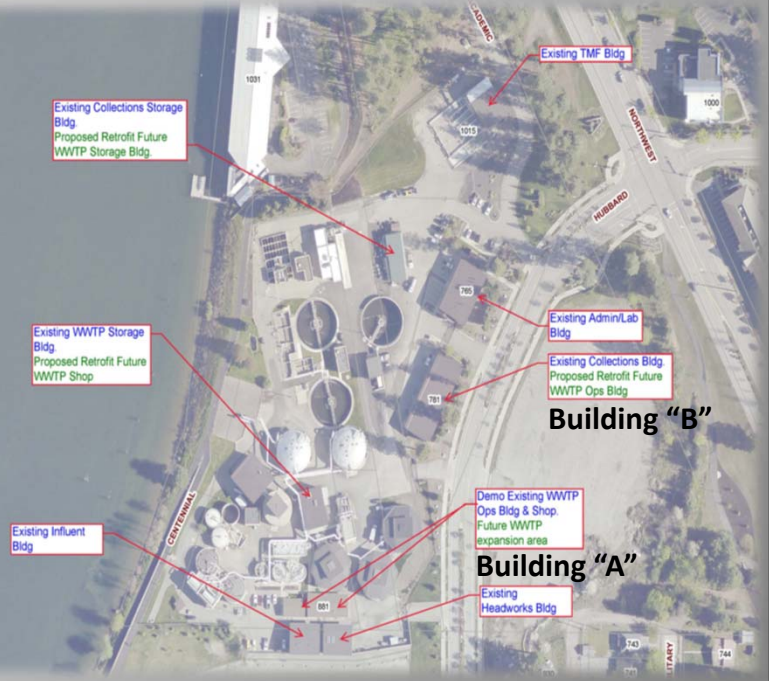


PHASE 2 – TI'S WASTEWATER OPERATIONS BUILDING



PHASE 2 - BENEFITS

- REPLACE EXISTING OPERATIONS BLDG. WARM SHELL
- INCREASE OFFICE SPACE, CONTROL/OPERATIONS, LOCKER ROOMS & TRAINING/CONFERENCE ROOM
- ENVIRONMENTAL HEALTH & SAFETY
- FREES UP REAL ESTATE FOR NEXT INFLUENT UPGRADE PROJECT (DEMO BLDG. AT LATER DATE)
- CENTRALLY LOCATE PLANT OPERATIONS WITHIN AWTP PROPERTY
- RELOCATE & INCREASE EQUIPMENT & CHEMICAL STORAGE (HEATED SPACE)
- RELOCATE & INCREASE MAINTENANCE SHOP
- NO INTERIM PLANT OPERATIONS BLDG.



DECISION POINT/RECOMMENDATION:

COUNCIL SHOULD AUTHORIZE THE WASTEWATER DEPARTMENT (WW) TO EXECUTE A CONTRACT AMENDMENT WITH ARCHITECTS WEST, INC. FOR DESIGN IMPROVEMENTS FOR THE ADVANCE WASTEWATER TREATMENT PLANT (AWTP) OPERATIONS BUILDING AND A NEW SEWER COLLECTIONS BUILDING AT AN ADDITIONAL COST OF \$22,787.



QUESTIONS?



ADDENDUM TO THE PROFESSIONAL SERVICES AGREEMENT
WITH
ARCHITECTS WEST, INC.

THIS ADDENDUM is entered into this ____ day of September, 2020, between the City of Coeur d'Alene, Kootenai County, Idaho, a municipal corporation duly organized and existing under and by virtue of the laws of the state of Idaho, and Architects West, Inc., a Washington corporation authorized to do business in the state of Idaho.

WITNESSETH:

WHEREAS, pursuant to Resolution No. 19-020 adopted the 18th day of June, 2019, the City of Coeur d'Alene entered into a Professional Services Agreement with Architects West, Inc., for the renovation of the Wastewater Treatment Operations Building; and

WHEREAS, the City and Architects West, Inc., desire to enter into an addendum to said Professional Services Agreement to provide for the renovation of the current Collections Building to be used as the Wastewater Treatment Operations Building and to design a new Collections Building to be constructed at the Compost Facility.

NOW THEREFORE,

The City and Architects West, Inc., hereby enter into an Addendum to that Professional Services Agreement entered into on June 18, 2019, pursuant to Resolution 19-020. Architects West, Inc., hereafter shall perform design services to modify the current Collections Building (Building "B") so as to create a new Wastewater Treatment Operations Building, and to perform design services to create a new Collection Building to be constructed at the Compost Facility, as directed by the Wastewater Department's Capital Programs Manager. All other provisions in the original Professional Services Agreement adopted pursuant to Resolution No. 19-020 shall remain in full force and effect.

IN WITNESS WHEREOF, the Wastewater Superintendent and Architects West, Inc., have executed this Addendum on behalf of said City, the day and year first above written.

CITY OF COEUR D'ALENE

ARCHITECTS WEST, INC.

By _____
Mike Anderson, Wastewater Superintendent

By _____
Its: _____

PUBLIC WORKS COMMITTEE

STAFF REPORT

DATE: September 21, 2020
FROM: Dennis J. Grant, Engineering Project Manager
SUBJECT: **V-20-04, Vacation of a portion of 4th Street right-of-way adjoining the westerly boundary of Lots 9-14 of the Simms Addition to the City of Coeur d'Alene.**

DECISION POINT

The applicant, Gordon Dobler, Dobler Engineering, is requesting the vacation of a portion of 4th Street right-of-way that adjoins the westerly boundary of the property on the northeast corner of 4th Street and Poplar Avenue (1802 & 1818 N. 4th Street).

HISTORY

The requested right-of-way was originally dedicated to the City of Coeur d'Alene in the Simms Addition plat in 1905.

FINANCIAL ANALYSIS

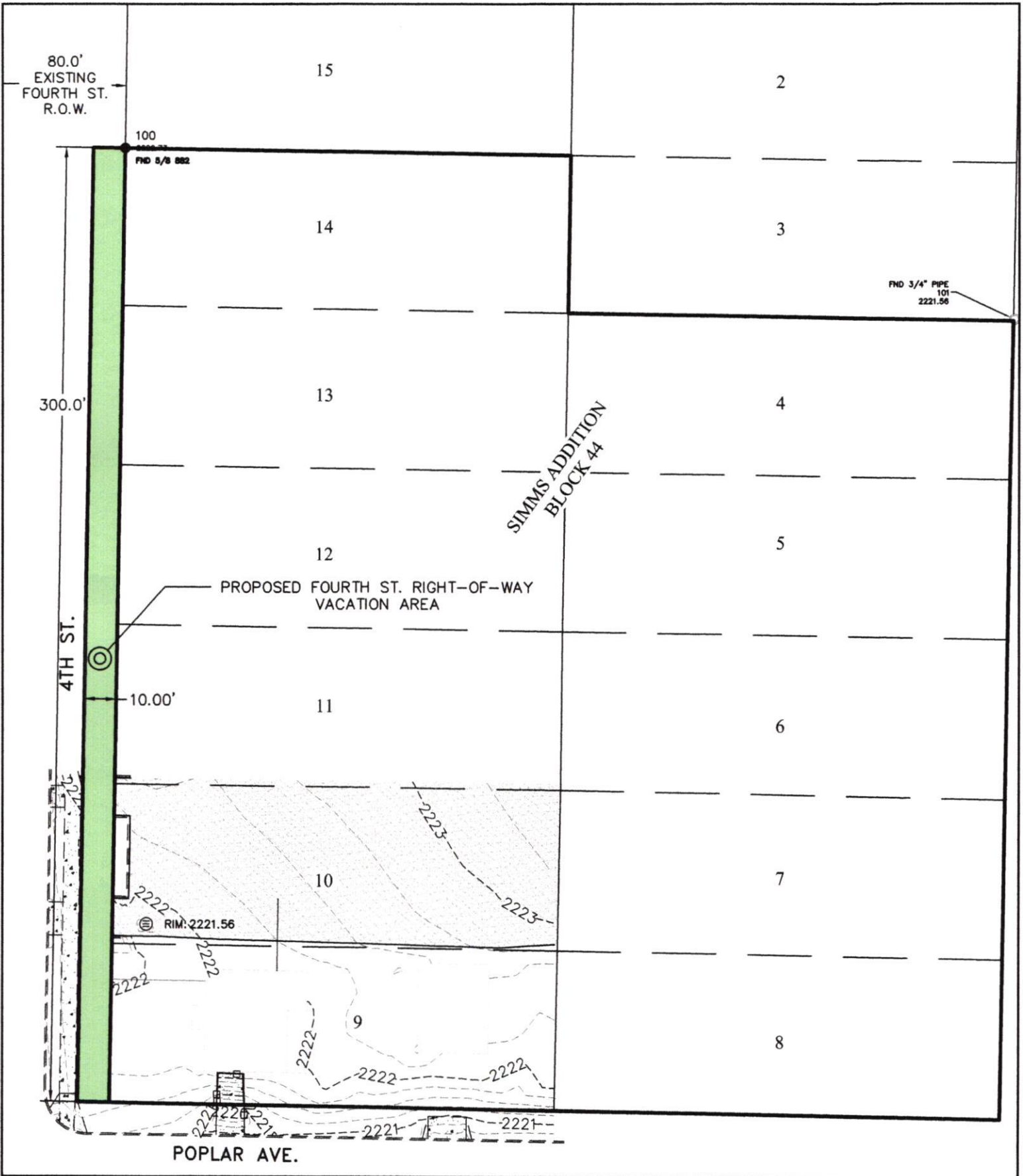
The vacation of the requested right-of-way would not have any financial impact on the City and would add approximately 3000 square feet to the County tax roll. Although a minor amount, it would be a benefit to the municipality as tax revenue and to the land owner whose lot adjoins the strip of usable property.

PERFORMANCE ANALYSIS

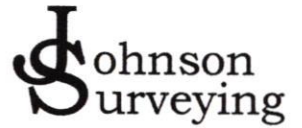
The purpose of this request is to vacate a 10' foot strip of 4th Street right-of-way that adjoins the westerly boundary of the abutting property. 4th Street is developed to its ultimate width in this location and the additional right-of-way can be incorporated into the development of the adjoining property. In addition, the right-of-way width to the north of this property is narrower, preventing future widening without acquisition of additional right-of-way. All utilities are existing and in place, and there is no foreseeable use for the additional right-of-way. The Development Review Team was informed about this vacation.

RECOMMENDATION

Staff recommends to the Public Works Committee to proceed with the vacation process as outlined in Idaho Code Section 50-1306 and recommends the setting of a public hearing for the item on October 20, 2020.



FOURTH ST. VACATION PROPOSAL EXHIBIT
SECTION 12, TOWNSHIP 50 NORTH, RANGE 4 WEST
BOISE MERIDIAN, KOOTENAI COUNTY, COUER D'ALENE, IDAHO



DATE SURVEYED: 07/2020	DRAFTED BY: ERH	PLOT DATE: 09/16/20	SHEET 1 / 1
FILE NAME: G-4	CHECKED BY: CJJ	PROJECT No.: 20-132	

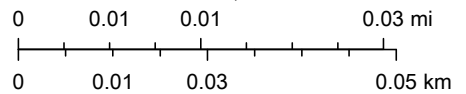
P.O. Box 2544 Post Falls, ID 83877
 208-660-2351
 johnsonsurveyingnw.com

PROPOSED RW VACATION



8/24/2020 3:34:51 PM

1:1,000



- Access Line
- SEASONAL ROAD
- 📍 Structure Point
- STATE HIGHWAY
- ✚ Railroads
- U.S. HIGHWAY
- Roads 5000
- 🏠 kootenaicounty.SDE.KC_Legal_Areas
- 🛣 INTERSTATE
- 📐 Parcel Polygon
- LOCAL ROAD

**GENERAL SERVICES/PUBLIC WORKS COMMITTEE
STAFF REPORT**

DATE: September 21, 2020
FROM: Mike Anderson, Wastewater Superintendent
SUBJECT: Wastewater Tertiary SRF Loan Funding

DECISION POINT:

This is a presentation on the State Revolving Fund (SRF) loan which Council approved in 2015. The project for which this loan was requested is now completed and we are ready to close this loan. As per that loan agreement, a request will be brought to Council to approve a Supplemental Ordinance and issuance of a bond on October 6 and no decision is required at this time.

HISTORY:

In 2015, City Council approved Resolution 15-047 accepting a loan offer from the State of Idaho Department of Environmental Quality (DEQ) Clean Water State Revolving Fund in the amount of \$20,000,000 for the design and construction of the City of Coeur d'Alene Wastewater Department's Tertiary Treatment Phase 2 project. This loan was amended in 2018 for an additional \$500,000 to fund an overhead crane for servicing the TMF equipment installed during this project.

The installation of this equipment was necessary to meet the requirements set forth in the National Pollutant Discharge Elimination System (NPDES) discharge permit issued in 2014 by the United States Environmental Protection Agency (EPA).

FINANCIAL ANALYSIS:

The total loan amount of \$20,500,000 will be paid in biannual installments over 20 years at an interest rate of 2.75%. Following a rate analysis, it was decided that funding this project via a low interest rate SRF loan would place the department in an advantageous position and allow the Wastewater Fund to maintain its cash reserves.

PERFORMANCE ANALYSIS:

Funding of this project via this low interest loan with no pre-payment penalties has placed the Wastewater Utility in the favorable position of meeting treatment requirements and minimizing the financial impact by distributing the cost over 20 years. American Iron & Steel (AIS) requirements as well as Disadvantaged Business Requirements (DBE) are intended to benefit our community on a macro scale as well.

DECISION POINT/RECOMMENDATION: No decision is required, a formal Supplemental Ordinance will be brought to City Council on October 6, at which time action will be requested.

**STATE OF IDAHO
DEPARTMENT OF ENVIRONMENTAL QUALITY
LOAN OFFER, ACCEPTANCE AND AGREEMENT
FOR WASTEWATER TREATMENT FACILITY
DESIGN AND CONSTRUCTION**

SECTION I. INTRODUCTION

The State of Idaho (State) is authorized by Title 39, Chapter 36 (Act), Idaho Code, to make loans from the Wastewater Treatment Facility Loan Account (Account) to assist municipalities in the construction of wastewater treatment facilities. The Idaho Board of Environmental Quality, through the Department of Environmental Quality (Department), is authorized to administer the Act. The Department has determined that the City of Coeur d'Alene (Borrower) has established eligibility for a loan under the terms of the Act and IDAPA 58.01.12, the Idaho Rules for Administration of Water Pollution Control Loans (the Rules).

The Borrower is a public entity created for the purposes, among other purposes, of operating and maintaining the waste water treatment system located at 881 W. Hubbard Avenue, Coeur d'Alene, Idaho and taking all necessary actions to ensure that the waste water system meets all applicable laws. The Department hereby offers a loan to the Borrower according to the terms and conditions contained in this document and the Rules.

SECTION II. DESCRIPTION OF PROJECT

This loan agreement is for design and construction of the following project:

- A. Loan Project Number: WW1601
- B. Name and Address of Borrower: City of Coeur d'Alene
710 E. Mullan Avenue
Coeur d'Alene, Idaho 83814
- C. Project Description: This loan is for construction of additional primary treatment improvements (including a new primary clarifier), secondary treatment improvements (including a new secondary clarifier), expansion of the tertiary filtration system to treat current and future plant flows, and modifications to the existing chemical systems.
- D. Terms: \$20,000,000 at 2.75% (interest of 1.75% and loan fee of 1.00%) to be repaid in biannual installments over 20 years.

E. Estimated Project Budget:

1.	Administrative/Legal Costs	\$ 100,000
2.	Engineering Fees	\$ 2,840,000
3.	Advance Treatment Construction	\$ 9,000,000
4.	Secondary Treatment Construction	<u>\$ 8,060,000</u>
5.	Total	<u>\$ 20,000,000</u>

SECTION III. GENERAL CONDITIONS

This offer may only be accepted by signature by an authorized representative of the Applicant. Upon acceptance by the Applicant, this offer shall become a loan agreement (Agreement) and the Applicant shall become a Borrower. By accepting this offer, the Borrower agrees to all terms and conditions set forth in this document and the Rules:

The Borrower agrees:

- A. To not transfer, assign or pledge any beneficial interest in this Agreement to any other person or entity without the prior written consent of the Director of the Department of Environmental Quality (Director). To not enter into sale, lease or transfer of any of the property related to the Agreement. To not make any additional material encumbrances to the project without the prior written consent of the Director. To not incur any liabilities that would materially affect the funds pledged to repay this loan without the prior written consent of the Director. To not delegate legal responsibility for complying with the terms, conditions, and obligations of this Agreement without the prior written consent of the Director. Notwithstanding any other provision of this paragraph, the Borrower may sell or otherwise dispose of any of the works, plant, properties and facilities of the project or any real or personal property comprising a part of the same which shall have become unserviceable, inadequate, obsolete or unfit to be used in the operation of the project, or no longer necessary, material or useful in such operation, without the prior written consent of the Director.
- B. To enter into such contractual arrangements with third parties as it deems advisable to assist it in meeting its responsibilities under this Agreement.
- C. To fulfill all declarations, assurances, representations and statements in the application and all other documents, amendments and communications filed with the Department by the Borrower in support of the request for this loan. Which application is attached hereto and incorporated by reference herein.
- D. To comply with applicable State and Federal employment requirements including, but not

limited to, Equal Employment Opportunity and Civil Rights requirements.

- E. To make efforts to award subagreements to Disadvantaged Business Enterprises (DBE) which includes Minority and Women-owned businesses (MBE/WBE).
 - a. The separate fair share goals for MBE and for WBE, will be in bid solicitations and documentation of efforts to obtain MBE/WBE participation will be required of any contractor who fails to attain the goals; and,
 - b. Semi-annual reports of MBE/WBE utilization will be prepared on forms supplied by the Department; and,
 - c. Include the following language in all procurement contracts *“The contractor shall not discriminate on the basis of race, color, national origin or sex in the performance of this contract. The contractor shall carry out applicable requirements of 40 CFR Part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the contractor to carry out these requirements is a material breach of this contract which may result in the termination of this contract or other legally available remedies.”*
- F. The Borrower has provided the Department with documentation evidencing ownership of, and/or the right of access or easements for real property on which the project is proposed to be constructed. Clear title or legal right to access all real property necessary for the successful operation of the facilities shall be guaranteed by the Borrower for the useful life of the project, prior to commencement of construction. Land acquisitions shall only be reimbursed by DEQ if obtained from a willing seller.
- G. That if prior to completion of this Agreement the project is damaged or destroyed, there will be no reduction in the amounts payable by the Borrower to the Department.
- H. That in the event there is any default in the payment of either the principal amount, loan fee or the interest due under this Agreement, or any breach by the Borrower of any of the terms or conditions of this Agreement, the entire principal amount and whatever interest and fees are due to the date of payment may be declared due and immediately payable. The procedure for events of default and remedies by the Borrower are set forth in the Borrower’s Wastewater Bond Ordinance No. 3453, adopted November 29, 2012, as supplemented. The amount of such default shall bear the same interest and fee rate as applies to the principal of this loan from the date of default until the date of payment by the Borrower. All costs incurred by the Department due to such default, including court costs and attorney's fees, shall be repaid by the Borrower to the Department.
- I. That any waiver by the Department at any time of the rights or duties under this Agreement shall not be deemed a waiver of any subsequent or additional rights or duties under this Agreement.
- J. That the use by the Department of any remedy specified in this Agreement for its enforcement is not exclusive and shall not deprive the Department of the right to seek any other appropriate legal or equitable remedy.

- L. That this Agreement is binding upon the Borrower and the Department, and any person, office or entity succeeding the Borrower or the Department.
- M. To comply with all applicable federal, state and local laws.
- N. In the event any term of this Agreement is held to be invalid or unenforceable by a court, the remaining terms of this Agreement will remain in force.
- O. The total loan funds disbursed per this Agreement are considered federal financial assistance per the Single Audit Act of 1984, as amended by the Single Audit Act Amendments of 1996 (SAA), 31 U.S.C. §§7501-7507. (2000). If Borrower expends more than \$750,000 of any federal funds in a fiscal year, Borrower shall conduct an audit in accordance with the SAA. In such case, Borrower shall provide the Department a copy of the SAA audit within nine (9) months of the end of the audit period per the SAA. Borrower recognizes that it is responsible for determining if the \$750,000 threshold is reached and if a SAA audit is required. Additionally, Borrower shall inform the Department, in writing, of findings or recommendations pertaining to the State Revolving Fund contained in any SAA audits conducted by Borrower.
- P. Comply with all federal requirements applicable to the Agreement (including those imposed by the 2014 Consolidated Appropriations Act (Public Law 113-76, Section 436) and related SRF Policy Guidelines) which includes requirements that all of the iron and steel products used in the Project are to be produced in the United States (“American Iron and Steel Requirement”) unless (i) the Borrower has requested and obtained a waiver from Department pertaining to the Project or (ii) Department has otherwise advised the Borrower in writing that the American Iron and Steel Requirement is not applicable to the Project.

Comply with all record keeping and reporting requirements under the Clean Water Act (Section 1386 of Title 33), including any reports required by a Federal agency or Department such as information on costs and project progress.

The Borrower understands that (i) each contract and subcontract related to the project is subject to audit by appropriate federal and/or state entities and (ii) failure to comply with the Clean Water Act and this Agreement may be a default hereunder that results in a repayment of the loan in advance of the maturity of the Bonds and/or other remedial actions.

- Q. As per Executive Order 12549, 2 CFR 180 and 2 CFR 1532 the Borrower agrees to not enter into covered transactions with any contractors or subcontractors that have been suspended or debarred, and to include a similar term or condition in all lower tier covered contracts and transactions.

SECTION IV. PROJECT MANAGEMENT

The Borrower agrees to:

- A. Require the prime engineering firm(s) and their principals retained for engineering services to carry professional liability indemnification to protect the public from the engineer's negligent acts and errors of omission of a professional nature. The total aggregate of the engineer's professional liability indemnification shall be at least one hundred thousand dollars (\$100,000) or twice the amount of the engineer's fee, whichever is greater. Professional liability indemnification must cover all services rendered for all phases of the project, whether or not those services are state funded, until the certification of project performance is accepted by the Department.
- B. Comply with the Public Works Contractors License Act and the Public Contracts Bond Act, Title 54, Chapter 19, Idaho Code, including requiring the prime construction contractor retained for construction to carry performance and payment bonds equal to one hundred percent (100%) of the contract price. The bond will be released when the constructed facility is accepted by the Borrower.
- C. Assure that contracts related to the project which provide for arbitration allow appeal of any resulting arbitration decision to a district court or allow the arbitration to be non-binding on both parties if either party desires not to use arbitration as a method of dispute settlement.
- D. Jointly with an engineering consultant provide assurances that the physical and operational integrity of the works, when constructed, will achieve the level of treatment provided for in the design specifications.
- E. Provide for the accumulation of funds through charges made for services, assessments on property owners or otherwise, for the purposes of (1) establishing a fund dedicated solely to the repayment of principal, interest and loan fee on this loan, (2) capital replacement and (3) future improvement, betterment, and extension of such works occasioned by increased usage on the facility.
- F. Provide a plan and program for an equitable user charge system for payment of operation and maintenance of constructed facilities. Make available on an equitable basis the services of the project to the residents and commercial and industrial establishments of the area it was designed to serve. The user charge system shall be approved by the Department and enacted by the Borrower prior to receiving final payment.
- G. Review and update the user charge system at least biennially during the life of this Agreement to assure that all costs including applicable debt retirement, operation and maintenance are offset by sufficient revenues.
- H. Develop and adopt a sewer use ordinance prior to receiving final payment of State loan

funds.

- I. Provide an operation and maintenance manual for the system approved by the Department prior to receiving final payment of State loan funds.
- J. Provide adequate staffing and qualified operation and maintenance personnel as specified in the operation and maintenance manual approved by the Department.
- K. Assure that the operator in charge of the treatment facility has a licensure commensurate with the nature of the collection and treatment facility per the Wastewater Rules, IDAPA 58.01.16.
- L. Assure that facility personnel shall participate in operator training programs approved by the Department and designed to assure competence in the operation and maintenance of the facility.
- M. Commence satisfactory operation and maintenance of the sewage treatment facility on completion of the project in accordance with applicable provisions, rules of the Department and any other applicable law, rule or regulation and not discontinue operation or dispose of the treatment facility without the written approval of the Department.
- N. Maintain project accounts in accordance with generally accepted accounting principles.
- O. Certify whether or not the project is performing in accordance with the design performance standards after the project has been in operation for one year. If the project cannot meet these standards, the Borrower must submit a corrective action report and a schedule for bringing the project into compliance to the Department.
- P. All laborers and mechanics employed by the prime construction contractor and subcontractors in the project using State Revolving Fund (SRF) loans shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality in accordance with the labor standards, including prevailing wage rates and instructions for reporting, as established by the United States Department of Labor (subchapter IV of Chapter 31 of title 40, United States Code). Borrower agrees that all procurement contracts must include as a term and condition that contractors and subcontractors must obtain wage determinations from the Department of Labor and comply with Department of Labor guidance and regulations implementing wage rate requirements applicable to SRF funds. Wage determinations shall be finalized prior to final bid submissions. Specific requirements related to Davis Bacon compliance are included in Chapter 6, Form C, of the CWSRF Loan Handbook, located at http://www.deq.idaho.gov/media/578581-form_6_c.pdf (current as of 08/03/2014).

SECTION V. SPECIAL CONDITIONS

- A. The Borrower shall complete the attached project schedule and submit to the Department for approval on or before 60 days from the date of this loan offer. No funds shall be disbursed per this Agreement until a project schedule has been approved by the Department. The Department approved project schedule shall be attached to this Agreement as Attachment A and incorporated by reference as if fully set forth herein. The Borrower shall complete the project in accordance with the approved project schedule.
- B. All amendments to the project schedule must be approved by the project engineer in the Department's Coeur d'Alene regional office, prior to becoming effective.
- C. Manage direct and indirect environmental impacts from that project that are specified in the environmental determination.
- D. If your community receives \$750,000 or more in Federal monies, in any single fiscal year, during the period under which you are receiving loan disbursements, than you must submit a Single Audit Act audit report to DEQ (for each and every year the threshold is met).
- E. Provide for continuing acceptance and treatment of local septage waste, if such facilities were constructed under this Agreement.
- F. A technical memorandum shall be developed and submitted during the detailed design phase for each Green Project Reserve (GPR) component identified in the Letter of Interest. The memorandum shall fully detail the GPR justification according to the current EPA guidance for determining project eligibility and comparable to the examples provided on the Department's website. Please review the following URLs for guidance (*current as of 08/03/2015*):
1. http://kia.ky.gov/NR/rdonlyres/08C6B5D5-BD95-4DC7-A579-9CAA7AEAA7AB/0/EPA_GPR_Guidance_May2011.pdf
 2. http://water.epa.gov/grants_funding/dwsrf/upload/dwsrf_gpr_business_case_examples_508_compliant.pdf
 3. <http://www.deq.idaho.gov/water-quality/grants-loans/green-project-reserve.aspx>
- G. If there is an existing capital replacement fund, the Borrower shall continue the same or increase contribution until a new or updated capital budget and rate structure has been implemented. The new or updated capital budget shall include life-cycle (at least 20 year) replacement of short-term and intermediate-term capital items and be funded and supported by the new or updated capital improvement plan for the alternative selected in the approved facility plan document. The User Charge system shall provide full-cost pricing for at least the life of the loan.

- H. Implement green building management (based on Leadership in Energy and Environmental Design [LEED] operation and maintenance [O&M] criteria) that was developed in the approved facility plan document.
- I. Conduct a professional energy audit and substantially implement its recommendations.

SECTION VI. SECURITY REQUIREMENTS

The Borrower agrees:

- A. This loan will be evidenced and secured by a promissory note or bond in the amount of \$20,000,000 (twenty million dollars). The promissory note or bond will be issued upon project completion and incorporated by reference into this Agreement.
- B. There will be a reserve fund equal to one year's payment of principal, fees and interest on the loan established. The Borrower has ten years to establish the reserve, setting aside 10% (ten percent) of one year's payment into the reserve fund each year.

SECTION VII. LOAN DISBURSEMENTS

The Borrower agrees:

- A. This loan shall be used solely to aid in the financing of the Borrower's project described in Section II.
- B. Requests for actual disbursement of loan funds will be made by the Borrower using forms provided by the Department. Upon approval of the disbursement request by the Department loan funds shall be released to the Borrower.
- C. The costs set forth in Section II have been determined by the Department to be eligible costs for funding. Some of the costs however, have been estimated, and the actual costs may differ from such estimated costs. A project review by the Department will determine final eligible costs for the project.
- D. If the actual eligible cost of the project is determined by the Department to be lower than the estimated eligible cost, the loan amount will be reduced accordingly.
- E. An increase in the loan amount as a result of an increase in eligible project costs shall be considered, provided funds are available. Documentation supporting the need for an increase must be submitted to the Department for approval prior to incurring any costs above the eligible cost ceiling.
- F. Payment of the final five percent (5%) of this loan shall be withheld until the following requirements are met:

1. The Borrower's engineer certifies (a) that the project has been constructed according to plans and specifications previously approved by the Department, (b) an operations manual has been completed and (c) that the project is fully operational; and
 2. The Department has inspected the project and verifies the engineer's certification.
- G. Payment of the final ten percent (10%) of this loan shall be withheld until the following requirements are met:
1. The Special Conditions in Section V have been met; and
 2. A responsible charge operator (RCO) has been designated who is licensed at or above the classification level of the system. At such times as the RCO is not available, a substitute RCO shall be designated to replace the RCO, who is licensed at or above the classification level of the system.
- H. This offer is subject to the existence of the offered sum of money in the Account at the time of payment. Should the offered sum of money not be available in the Account at the time of payment, the Department hereby agrees to pay the Borrower the offered sum of money on the basis of the Borrower's priority position immediately upon the accrual of said sum in the Account.

SECTION VIII. REPAYMENT TERMS AND SCHEDULE

The Borrower agrees:

- A. This loan shall be repaid in the manner set forth in the promissory note or bond, which shall be attached to this Agreement and incorporated by reference. The payment terms of the promissory note or bond shall be consistent with this Agreement.
- B. To pay biannual payments of principal, fees and interest and to fully amortize this loan not later than twenty (20) years from project completion. Interest will begin accruing with the first disbursement of funds. At the time of closing, accrued interest will be either paid to the Department or incorporated into the final loan amount if the approved amount has not been exceeded.
- C. At the time of closing, the Department may elect to impose a loan fee (not to exceed 1%) pursuant to the Rules. If a loan fee is imposed, the loan interest rate will be reduced by the amount of the loan fee. The loan fee will be assessed against the final loan balance, which shall include the entire principal balance and may include capitalized interest. Any loan fee shall be due and payable concurrently with scheduled loan principal and interest repayments over the repayment period.
- D. This Agreement shall remain in full force and effect until all loan proceeds, including

principal, interest and loan fee, have been paid in full or the Agreement is otherwise suspended or terminated by the Department.

SECTION IX. PROHIBITIONS

The Borrower agrees:

Expansion of collection systems in excess of reserve capacity of the treatment works will be prohibited unless prior to expansion, provisions for adequate treatment are provided in writing by the Borrower to the Department and approved by the Department.

SECTION X. SUSPENSION OR TERMINATION OF LOAN AGREEMENT

- A. The Director may suspend or terminate this Agreement prior to final disbursement for failure of the loan recipient or its agents, including engineering firm(s), contractor(s), or subcontractor(s) to perform. This Agreement may be suspended or terminated for good cause including, but not limited to, the following:
1. Commission of fraud, embezzlement, theft, forgery, bribery, misrepresentation, conversion, malpractice, misconduct, malfeasance, misfeasance, falsification or unlawful destruction of records, receipt of stolen property or any form of tortious conduct; or
 2. Commission of any crime for which the maximum sentence includes the possibility of one (1) or more years imprisonment or any crime involving or affecting the project; or
 3. Violation(s) of any term of this Agreement; or
 4. Any willful or serious failure to perform within the scope of the project, plan of operation and project schedule, terms of engineering subagreements, or contracts for construction; or
 5. Utilizing a contractor or subcontractor who has been suspended or debarred by order of any federal or state agency from working on public work projects funded by that agency.
- B. The Director will notify the Borrower in writing and by certified mail of the intent to suspend or terminate this Agreement. The notice of intent shall state:
1. Specific acts or omissions which form the basis for suspension or termination; and
 2. Availability of a contested case hearing before the Board of Environmental Quality conducted as provided for in the Rules of Administrative Procedure Before the Board of Environmental Quality, IDAPA 58.01.23.

- C. If the Borrower does not initiate a contested case hearing before the Board by filing a petition within the time period specified by the Rules of Administrative Procedure Before the Board of Environmental Quality, IDAPA 58.01.23., the Department may thereafter terminate or suspend the Agreement by written notice to the Borrower. If the Borrower initiates a contested case, the termination or suspension shall be determined by the Board.
- D. The Borrower shall perform no work under the Agreement after receiving a notice of intent to suspend or terminate until all administrative proceedings and appeals therefrom are final or the Department reinstates the Agreement or it is terminated as provided herein.
- E. Upon written request by the Borrower with evidence that the cause(s) for suspension no longer exists, the Director may, if funds are available, reinstate the Agreement. If a suspended Agreement is not reinstated, the loan will be amortized and a repayment schedule prepared in accordance with the provisions of this Agreement.
- F. No terminated loan shall be reinstated. Terminated loans will be amortized and a repayment schedule prepared in accordance with the provisions of this Agreement.

SECTION XI. ACCESS AND INDEMNIFICATION

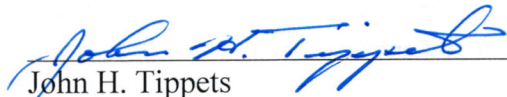
The Borrower agrees to:

- A. Provide the Director, or his/her authorized agents, and the U.S. Environmental Protection Agency, access to all files, records, accountings and books relating to the management and accountability of this loan.
- B. Indemnify and hold harmless the State of Idaho, its agents and its employees from any and all claims, actions, damages, liabilities and expenses directly or indirectly connected to the Borrower or its agents, employees, contractors, or assignees actions related to the location, design, construction, operation, maintenance, repair, failure or deactivation of the project or any part of the project.

SECTION XII. OFFER

The offer set forth herein must be accepted, if at all, on or before 60 days from the date of this loan offer. An acceptance must be accompanied by a resolution of the Applicant's governing body authorizing the signator to sign on the Applicant's behalf for the purpose of this agreement.

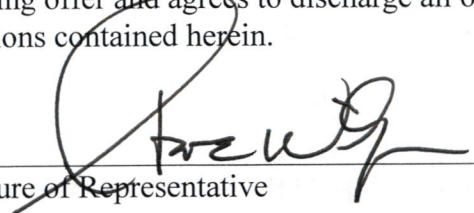
Dated August 31ST, 2015.



John H. Tippetts
Director
Department of Environmental Quality

SECTION XIII. ACCEPTANCE

The City of Coeur d'Alene, by and through its undersigned representative(s), accepts the foregoing offer and agrees to discharge all obligations and to comply with all terms and conditions contained herein.



Signature of Representative

Steve Widmyer, Mayor
Name and Title of Representative - type or print

09-16-15
Date



MUNICIPAL SERVICES DEPARTMENT
OFFICE OF THE CITY CLERK

CITY HALL, 710 E. MULLAN
COEUR D'ALENE, IDAHO 83816-3964
208/769-2231
FAX (208)769-2388

April 5, 2018

MaryAnna Peavey
Idaho Department of Environmental Quality
1410 North Hilton
Boise, Idaho 83706

RECEIVED BY
APR 10 2018
IDAHO DEPT. OF
ENVIRONMENTAL QUALITY

RE: Amendment to Loan #WW1601

Dear Ms. Peavey:

Enclosed please find the fully executed Loan Offer Agreement Amendment as noted above.

If I may be of any further assistance to you, please do not hesitate in communicating with me.

Sincerely,


Renata McLeod, CMC
Director of Municipal Services/City Clerk

Enclosure

IDAHO DEPARTMENT OF ENVIRONMENTAL QUALITY WASTEWATER
LOAN OFFER AGREEMENT AMENDMENT

Amendment No. 1 to the Loan Offer Agreement (Agreement), Project Number WW1601, between the Idaho Department of Environmental Quality (DEQ) and City of Coeur d'Alene.

TO BE ATTACHED AND MADE PART OF the above referenced Agreement.

THE DEQ AND THE CITY OF COEUR D'ALENE AGREE TO AMEND THE AGREEMENT AS FOLLOWS:

1. Section II.D., Terms: Change \$20,000,000 to read \$20,500,000.
2. Section II.E., Estimated Project Budget (replace the existing schedule with the following):

	Original Project Costs	Amendment 1 Increase	Total Project Costs
a. Administrative	\$100,000	\$0	\$100,000
b. Engineering Fees	\$2,840,000	\$0	\$2,840,000
c. Advance Treatment Const.	\$9,000,000	\$500,000	\$9,500,000
d. Secondary Treatment Const.	\$8,060,000	\$0	\$8,060,000
e. Contingency	\$0	\$0	\$0
Total	\$20,000,000	\$500,000	\$20,500,000

3. Section VI.A., Security Requirements:
Change to read: The loan will be evidenced and secured by promissory note or bond in the amount of \$20,500,000 (twenty million five hundred thousand dollars). The promissory note or bond will be issued upon project completion and incorporated by reference into this Agreement.

Dated this 2nd day of March, 2018.



John H. Tippetts
Director
Department of Environmental Quality

This Amendment shall become effective upon acceptance by the City of Coeur d'Alene and must be accepted, if at all, on or before 60 days from the date of this DEQ amended loan offer. If the City of Coeur d'Alene finds the Amendment acceptable, it shall sign the document and return it to DEQ.

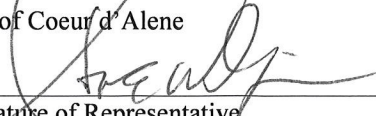
ALL OTHER CONDITIONS AND TERMS IN THE ORIGINAL AGREEMENT REMAIN THE SAME.

City of Coeur d'Alene

Signature of Representative

Date

Name and Title of Representative



Steve Widmyer, Mayor

04/23/18

Date