

BOND ELECTION ORDINANCE NO. _____

AN ORDINANCE CALLING A SPECIAL MUNICIPAL REVENUE BOND ELECTION TO BE HELD FOR THE PURPOSE OF SUBMITTING TO THE QUALIFIED ELECTORS OF THE CITY OF SANDPOINT, BONNER COUNTY, IDAHO, THE PROPOSITION OF THE ISSUANCE OF UP TO \$130,000,000 NEGOTIABLE WASTEWATER REVENUE BONDS OF THE CITY OF SANDPOINT, BONNER COUNTY, IDAHO, TO FINANCE THE DESIGN, ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS TO THE WASTEWATER SYSTEM AND FACILITIES OF THE CITY OF SANDPOINT, BONNER COUNTY, IDAHO, PROVIDING FOR THE ISSUANCE AND PAYMENT OF SUCH BONDS AND DESIGN AND CONSTRUCTION OF SAID IMPROVEMENTS, AND PROVIDING FOR RESERVE FUNDING AND PAYMENT OF COSTS OF ISSUANCE OF THE BONDS.

WHEREAS, the City of Sandpoint, Bonner County, Idaho (the “City”), owns and operates a wastewater treatment and collection system serving residents of the City (the “System”); and

WHEREAS, it is hereby determined by the City Council of the City (the “City Council”) to be necessary and essential to the safety and welfare of the inhabitants of the City to construct and make improvements to the System as hereinafter described (the “Improvements”); and

WHEREAS, the design, acquisition and construction of the Improvements is hereby deemed by the Mayor and City Council to be required for the public good and welfare, and for the improvement of the health, safety, comfort and convenience of the inhabitants of the City; and

WHEREAS, the System, as improved by the Improvements, shall be operated as a single revenue producing public utility of and for the City; and

WHEREAS, the City does not have funds available to pay the costs of the Improvements; and

WHEREAS, the City Council has determined that there exists a public necessity and it is advisable to finance the cost of the Improvements through the issuance of revenue bonds of the City pursuant to the provisions of Sections 50-1027 through 50-1042, Idaho Code, as amended (the “Revenue Bond Act”), and applicable provisions of chapter 4, Title 50, Idaho Code, chapter 2 of Title 57, Idaho Code, chapter 9 of Title 57, Idaho Code, and chapter 14 of Title 34, Idaho Code, and in order to do so desires to provide for the holding of a special election as required by said statutes.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Sandpoint, Bonner County, Idaho, as follows:

Section 1. The Improvements shall consist of construction, repair, replacement, rehabilitation, acquisition, or upgrade of facilities, equipment, and systems related to the System to address permit compliance and aging infrastructure, which may include, but not be limited to (i) upgrades to preliminary, primary, and secondary treatment processes, (ii) replacement of aging clarifiers, aeration basins, blowers, and grit removal systems, (iii) installation of new pumping and conveyance facilities, (iv) construction of new buildings for treatment, administration, and laboratory functions, (v) implementation of disinfection systems, (vi) improvements to solids handling processes, (vii) modernization of electrical and control systems, (viii) such other projects identified in the Plan (defined below) as determined by the City to be necessary, including all site and infrastructure work relating to any of the foregoing and (ix) expenses properly incident to the foregoing, including, but not limited to, administrative, engineering and other professional services, costs of issuance of the Bonds hereinafter described and defined, and any amounts necessary to establish Bond reserve funds, if any.

Section 2. The Improvements shall be designed, acquired and constructed pursuant to the 2025 Wastewater Treatment Plant Improvements Preliminary Engineering Report on file with the City prepared by Keller Associates dated April 11, 2025, as amended (the "Plan"), which Plan provides that the estimated cost of the Improvements is approximately \$130,000,000, plus the expenses properly incident thereto, consisting of, but not limited to, administrative, engineering and other related costs, the costs of issuance of the revenue bonds and any amounts necessary to establish bond reserve funds, if any.

Section 3. The design, acquisition and construction of the Improvements are hereby ordered.

Section 4. It is necessary and desirable to finance the costs of the Improvements by authorization of the issuance of revenue bonds in an amount not exceeding \$130,000,000 pursuant to a revenue bond election, as provided by the Revenue Bond Act.

Section 5. That a Special Municipal Revenue Bond Election (the "Bond Election") is hereby called to be held in the City on Tuesday, November 4, 2025, for the purpose of submitting to the qualified electors of the City the proposition set forth in the form of ballot appearing in Section 8 hereof.

Section 6. That pursuant to Sections 34-1401 and 50-403, Idaho Code, the Clerk of Bonner County, Idaho (the "County Clerk") shall administer the Bond Election, including scheduling the polling times; preparing and printing the ballots; publishing notice of the Bond Election and the sample ballot as required by Section 34-1406, Idaho Code; and conducting the Bond Election.

Section 7. The City Clerk shall notify the County Clerk that the City Council has called the Bond Election on behalf of the City by delivering to the County Clerk a copy of this Ordinance, including the forms of the ballot for the Bond Election set forth in Section 8 hereof and the notice of the Bond Election set forth in Section 9 hereof.

Section 8. That the City Council hereby approves the following form of ballot for the purposes of the Bond Election:

OFFICIAL BALLOT

SPECIAL MUNICIPAL REVENUE BOND ELECTION

**CITY OF SANDPOINT, BONNER COUNTY, IDAHO
TUESDAY, NOVEMBER 4, 2025**

QUESTION: Shall the City of Sandpoint, Bonner County, Idaho (the “City”) issue and sell its negotiable revenue bonds in the amount of up to \$130,000,000 for the purpose of financing the design, acquisition and construction of certain improvements to the City’s wastewater system and facilities (the “System”), the System constituting and being operated as a revenue-producing public utility, and to pay expenses properly incident thereto including costs issuance of such bonds, said bonds due in such installments as fixed by the City Council of the City, the last installment due and payable not more than forty (40) years from the date of the bonds, as more fully provided in Ordinance No. _____ adopted by the City Council of the City on August 20, 2025 (such revenue bonds shall be payable from the revenues of the System, as improved, and not from ad valorem property taxes)?

The project improvements to be financed by the sale of the proposed bonds consist of construction, repair, replacement, rehabilitation, acquisition, or upgrade of facilities, equipment, and systems related to the System to address permit compliance and aging infrastructure, which may include, but not be limited to (i) upgrades to preliminary, primary, and secondary treatment processes, (ii) replacement of aging clarifiers, aeration basins, blowers, and grit removal systems, (iii) installation of new pumping and conveyance facilities, (iv) construction of new buildings for treatment, administration, and laboratory functions, (v) implementation of disinfection systems, (vi) improvements to solids handling processes, (vii) modernization of electrical and control systems, (viii) such other projects identified in the 2025 Wastewater Treatment Plant Improvements Preliminary Engineering Report, as amended, on file with the City, as determined by the City to be necessary, including all site and infrastructure work relating to any of the foregoing and (ix) expenses properly incident to the foregoing, including, but not limited to, administrative, engineering and other professional services, costs of issuance of the bonds, and any amounts necessary to establish bond reserve funds, if any.

The interest rate anticipated on the proposed bond issue is 4.27% per annum. The total amount estimated to be repaid over the life of the bonds, based on the anticipated interest rate, is \$257,285,000, consisting of \$130,000,000 in principal and \$127,285,000 of interest. The term of the bonds will not exceed forty (40) years from the date of issuance. The estimated average annual cost to the taxpayer on the proposed bond is a tax of \$0 per \$100,000 of taxable assessed value, per year, based on current conditions.

As of November 4, 2025, the total existing indebtedness of the City, including interest accrued, is \$11,616,336.

IN FAVOR OF ISSUING REVENUE BONDS IN THE AMOUNT OF UP TO \$130,000,000 FOR THE PURPOSES PROVIDED BY ORDINANCE NO. ____	→	<input type="text"/>
AGAINST ISSUING REVENUE BONDS IN THE AMOUNT OF UP TO \$130,000,000 FOR THE PURPOSES PROVIDED BY ORDINANCE NO. ____	→	<input type="text"/>

(End of form of Official Ballot for the Bond Election)

Section 9. That the Notice of Bond Election shall be in substantially the following form:

NOTICE OF SPECIAL MUNICIPAL REVENUE BOND ELECTION

Pursuant to the laws of the State of Idaho and Ordinance No. _____ of the City Council of the City of Sandpoint, Bonner County, Idaho (the “City”), adopted on August 20, 2025, notice is hereby given that a Special Municipal Revenue Bond Election will be held in the City on Tuesday, November 4, 2025, beginning at the hour of 8:00 A.M. and closing at the hour of 8:00 P.M. on said date, on the question whether the City shall be empowered to issue special revenue bonds of the City in the principal amount of up to \$130,000,000 to be repaid not later than forty (40) years from the date of issuance of such bonds, to finance certain improvements to the City’s wastewater system and facilities, which system constitutes and is being operated as a revenue-producing public utility, and to pay expenses properly incident thereto including costs of issuance of such bonds.

Notice is further given that only qualified electors of the City, being United States citizens eighteen (18) years of age or older, who have resided in the City for thirty (30) days preceding the election, who are registered or who register at the polls on the day of the election, as provided by law, are entitled to vote at said election.

The project improvements to be financed by the sale of the proposed bonds consist of construction, repair, replacement, rehabilitation, acquisition, or upgrade of facilities, equipment, and systems related to the System to address permit compliance and aging infrastructure, which may include, but not be limited to (i) upgrades to preliminary, primary, and secondary treatment processes, (ii) replacement of aging clarifiers, aeration basins, blowers, and grit removal systems, (iii) installation of new pumping and conveyance facilities, (iv) construction of new buildings for treatment, administration, and laboratory functions, (v) implementation of disinfection systems, (vi) improvements to solids handling processes, (vii) modernization of electrical and control systems, (viii) such other projects identified in the 2025 Wastewater Treatment Plant Improvements Preliminary Engineering Report, as amended, on file with the City, as determined by the City to be necessary, including all site and infrastructure work relating to any of the foregoing and (ix) expenses properly incident to the foregoing, including, but not limited to, administrative, engineering and other professional services, costs of issuance of the bonds, and any amounts necessary to establish bond reserve funds, if any.

The interest rate anticipated on the proposed bond issue is 4.27% per annum. The total amount estimated to be repaid over the life of the bonds, based on the anticipated interest rate, is \$257,285,000, consisting of \$130,000,000 in principal and \$127,285,000 of interest. The term of the bonds will not exceed forty (40) years from the date of issuance. The estimated average annual cost to the taxpayer on the proposed bond is a tax of \$0 per \$100,000 of taxable assessed value, per year, based on current conditions.

As of November 4, 2025, the total existing indebtedness of the City, including interest accrued, is \$11,616,336.

Said election shall be held at the regular polling places for elections in Bonner County, Idaho, or by mail, as indicated below:

**[County Clerk to insert Precincts applicable to City
and Absentee Voting Material]**

(End Form of Notice of Special Municipal Revenue Bond Election)

Section 10. That if at the Bond Election a majority of the qualified registered electors of the City, eighteen (18) years of age or older who have resided in the City for thirty (30) days, voting thereat assent to the issuance of said bonds, as verified by the County Clerk's certified election results, the negotiable bonds of the City shall be issued as hereinabove provided and

shall mature within forty (40) years from their date and the annual bond maturities thereof shall be payable in accordance with the provisions of the Revenue Bond Act. Such issue will create a new debt to finance the design and construction of the Improvements, fund a reserve fund, if any, and to pay the costs of issuance of the bonds, in accordance with the provisions of the Revenue Bond Act.

Section 11. That said negotiable revenue bonds shall be issued if carried as aforesaid and payment shall be made from available sources of revenue of the System, as improved, until principal and interest on the bonds shall have been fully paid, all as to be more fully and particularly provided and set forth in an ordinance or ordinances hereafter passed by the City Council. Such bonds shall not be a debt of the City and the City shall not be liable thereon, nor shall the bonds be payable out of any funds other than the revenue above specified. Such bonds shall not be payable from ad valorem property taxes.

Section 12. The proper officer or officers of said City are hereby authorized and directed to do all things requisite and necessary to carry out the provisions of this Ordinance.

Section 13. This Ordinance shall take effect from and after its passage and publication of the summary substantially in the form attached hereto as Exhibit A, in the manner as required by law.

PASSED by the City Council of the City this 20th day of August, 2025.

CITY OF SANDPOINT,
BONNER COUNTY, IDAHO

By: _____
Mayor

ATTEST:

By: _____
City Clerk

EXHIBIT A

Summary of Bond Election Ordinance No. _____, passed August 20, 2025

AN ORDINANCE CALLING A SPECIAL MUNICIPAL REVENUE BOND ELECTION TO BE HELD FOR THE PURPOSE OF SUBMITTING TO THE QUALIFIED ELECTORS OF THE CITY OF SANDPOINT, BONNER COUNTY, IDAHO, THE PROPOSITION OF THE ISSUANCE OF UP TO \$130,000,000 NEGOTIABLE REVENUE BONDS OF THE CITY OF SANDPOINT, BONNER COUNTY, IDAHO, TO FINANCE THE DESIGN, ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS TO THE WASTEWATER SYSTEM AND FACILITIES OF THE CITY OF SANDPOINT, BONNER COUNTY, IDAHO, PROVIDING FOR THE ISSUANCE AND PAYMENT OF SUCH BONDS AND DESIGN AND CONSTRUCTION OF SAID IMPROVEMENTS, AND PROVIDING FOR RESERVE FUNDING AND PAYMENT OF COSTS OF ISSUANCE OF THE BONDS.

Section 1. Describes the Improvements to the wastewater treatment and collection system and facilities (the “System”) for the citizens of the City of Sandpoint, Bonner County, Idaho (the “City”) as follows: construction, repair, replacement, rehabilitation, acquisition, or upgrade of facilities, equipment, and systems related to the System to address permit compliance and aging infrastructure, which may include, but not be limited to (i) upgrades to preliminary, primary, and secondary treatment processes, (ii) replacement of aging clarifiers, aeration basins, blowers, and grit removal systems, (iii) installation of new pumping and conveyance facilities, (iv) construction of new buildings for treatment, administration, and laboratory functions, (v) implementation of disinfection systems, (vi) improvements to solids handling processes, (vii) modernization of electrical and control systems, (viii) such other projects identified in the Plan (defined below), as determined by the City to be necessary, including all site and infrastructure work relating to any of the foregoing and (ix) expenses properly incident to the foregoing, including, but not limited to, administrative, engineering and other professional services, costs of issuance of the bonds, and any amounts necessary to establish bond reserve funds, if any.

Section 2. The Improvements shall be designed, acquired and constructed pursuant to the 2025 Wastewater Treatment Plant Improvements Preliminary Engineering Report on file with the City prepared by Keller Associates dated April 11, 2025, as amended (the “Plan”), which Plan provides that the estimated cost of the Improvements is approximately \$130,000,000, plus the expenses properly incident thereto, consisting of, but not limited to, administrative, engineering and other related costs, the costs of issuance of the revenue bonds and any amounts necessary to establish bond reserve funds, if any.

Section 3. Orders the design, acquisition and construction of the Improvements to the System.

Section 4. Deems it necessary and desirable to finance the Improvements by authorizing the revenue bonds in an amount not exceeding \$130,000,000 pursuant to Sections 50-1027 through 50-1042, Idaho Code, as amended (the “Revenue Bond Act”).

Section 5. Calls a Special Municipal Revenue Bond Election to be held in the City on Tuesday, November 4, 2025 (the “Bond Election”), to submit to the qualified electors of the City the proposition whether the City shall issue and sell its revenue bonds to finance the Improvements and related costs and expenses, as set forth in the form of ballot approved therein.

Section 6. Provides that the Clerk of Bonner County, Idaho (the “County Clerk”), shall administer the Bond Election pursuant to Sections 34-1401 and 50-403, Idaho Code.

Section 7. Provides that the City’s Clerk shall deliver to the County Clerk a copy of the Ordinance with the forms of the ballot and notice of the Bond Election.

Section 8. Approves the form of ballot for the Bond Election.

Section 9. Sets forth the substantial form of the Notice of Special Municipal Revenue Bond Election.

Section 10. Sets forth that if a majority of the qualified registered electors of the City voting at the Bond Election assent to the issuance of the bonds, the bonds of the City shall be issued, which bonds shall mature within forty (40) years of their date with annual bond maturities payable in accordance with the Revenue Bond Act.

Section 11. Provides that payment of the revenue bonds shall be made from available sources of revenue of the System, as improved, until fully paid, as more fully provided in an ordinance to be passed by the City Council. Such bonds shall not be payable from ad valorem property taxes.

Section 12. Authorizes the proper officers of the City to do all things requisite and necessary to carry out the provisions of the Ordinance.

Section 13. Provides that the Ordinance shall take effect from and after its passage and publication of this summary as required by law.

Exhibit A: Sets forth this summary for publication.

The full text of Bond Election Ordinance No. _____ is available at the office of the City Clerk of the City of Sandpoint, Idaho, and will be provided to any citizen upon personal request during normal business hours.

Approved this 20th day of August, 2025.

CITY OF SANDPOINT,
BONNER COUNTY, IDAHO

Mayor

ATTEST:

City Clerk

CERTIFICATION OF COUNSEL

I, the undersigned, the legal advisor to the City of Sandpoint, Idaho, hereby certify that I have read the attached Summary of Bond Election Ordinance No. _____ of the City, and that the same is true and complete and provides adequate notice to the public of the contents of said ordinance.

Dated as of this 14th day of August, 2025.



By: Zachary Jones

CERTIFICATE OF THE CLERK

I DO HEREBY CERTIFY that I am the duly chosen, qualified and acting Clerk of the City of Sandpoint, Bonner County, Idaho (the “City”), and keeper of the records of the City Council (the “City Council”); and

I HEREBY CERTIFY:

1. That the attached is a true and correct copy of Bond Election Ordinance No. _____ of the City (the “Ordinance”), as finally passed at a special meeting of the City Council held on the 20th day of August, 2025, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a legally sufficient number of members of the City Council voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ of _____, 2025.

Clerk