



Construction Funding Application

Attachment SRF-02

Section I. Applicant Background Information

Application Type	<input checked="" type="checkbox"/> State Revolving Fund (SRF) Loan <input type="checkbox"/> Lead Service Line (LSL) Loan <input type="checkbox"/> Emerging Contaminant (EC) Loan <input type="checkbox"/> Legislative Supplemental Funding (LSF) <i>Note: Submit two separate applications if applying for SRF and LSL funding.</i>		
System Type	<input type="checkbox"/> Public Drinking Water System <input checked="" type="checkbox"/> Wastewater System <input type="checkbox"/> Other, please specify:		
Public Water System No:	N/A	IPDES/NPDES/Reuse Permit No:	ID0020842
System Name (Applicant): City of Sandpoint			
	Mailing Address: 1123 Lake Street		
	City: Sandpoint	State: ID	Zip Code: 83864
	County: Bonner	Phone: 208-263-3158	Tax ID: 826000258
	Fiscal Year End: 09/2026	E-mail:	
Presiding Official Name:	Jeremy Grimm	Title:	Mayor
	Mailing Address: 1123 Lake Street		
	City: Sandpoint	State: ID	Zip Code: 83864
	Phone: 208-263-3309	E-mail: jgrimm@sandpointidaho.gov	
	<input type="checkbox"/> Check if this is the system's primary contact		
Clerk/Treasurer Name:	Sarah Lynds	Title:	Finance Director
	Phone: 208-263-3557	E-mail: slynds@sandpointidaho.gov	
	<input type="checkbox"/> Check if this is the system's primary contact		
Consulting Engineer Name:	Kyle Meschko	Title:	Project Manager
	Company Name: Keller Associates	Mailing Address: 601 Sherman Avenue, Suite 1	
	City: Coeur d'Alene	State: ID	Zip Code: 83814
	Phone: 208-758-8601	E-mail: kmeschko@kellerassociates.com	
Financial Consultant Name:	Eric Heringer	Title:	Managing Director
	Company Name: Piper Sandler & Co.	Mailing Address: 950 W Bannock Street, Suite 1100	
	City: Boise	State: ID	Zip Code: 83702
	Phone: 208-344-8561	E-mail: eric.heringer@psc.com	
Legal Advisor Name:	Fonda Jovick	Title:	City Attorney
	Company Name: Lake City Law	Mailing Address: 435 W. Hanley Ave., Suite 101	
	City: Coeur d'Alene	State: ID	Zip Code: 83815
	Phone: 208-664-8115	E-mail: fjovick@lcattorneys.com	
Bond Attorney Name/Title:	Danielle Quade	Company Name:	Hawley Troxell
	Mailing Address: 704 E Sherman Ave		
	City: Coeur d'Alene	State: ID	Zip Code: 83814
	Phone: 208-765-7693	E-mail: dquade@hawleytroxell.com	

Section II. Project Overview and Financial Information

1. Physical Project Location (Address or Latitude/Longitude): **723 S Ella Ave, Sandpoint**

2. Project Description **SRF, LSF, OR EC APPLICANTS ONLY:**

The City of Sandpoint is requesting SRF Construction Loan funding for Phase 1 of the Wastewater Treatment Plant Improvements Project, as documented in the Preliminary Engineering Report (PER). The total estimated cost of the full WWTP improvements project is \$130,000,000. Phase 1 Improvements (Approx. \$60,000,000). The City intends to implement remaining improvements in future phases as funding becomes available.

3. Lead Service Line Applicants

a. Project Description:

N/A

b. **Inventory** Projects Only: In addition to the information below, please complete and attach the [Lead Service Line Inventory Methodology Form](#) to this application.

c. **Replacement** Projects Only: Describe means and methods to be employed to replace private side of service line (meter box to premise plumbing):

N/A

d. Estimated LSL **Inventory** Project Cost: _____

e. Estimated LSL **Replacement** Project Cost: _____

Note: No partial lead service replacement can be funded unless a portion of the line has previously been replaced. Please see our [Customer Handbook, Section 1.2.4 Lead Service Line Replacement](#) for additional information.

4. Project Financing **ALL APPLICANTS**

a. In accordance with IDAPA 58.01.041.05, DEQ funds may not be applied to costs incurred before a funding agreement is executed between DEQ and the applicant, unless preauthorized in writing by DEQ. The applicant should contact DEQ to discuss preauthorization and determine required supporting documentation before the costs are incurred.

Y N The applicant understands that previously incurred costs are not an allowable cost under DEQ funding and will contact DEQ if preauthorization is needed.

b. Total Estimated Project Cost: \$130,000,000.00

c. Specify other sources of funding for this project and funding status:

USDA-RD: _____ Awarded Pending Intend to Apply Date: 4/30/2026

ACOE: _____ Awarded Pending Intend to Apply Date: 4/30/2026

CDBG: _____ Awarded Pending Intend to Apply Date: _____

DEQ SRF: 38000000 Awarded Pending Intend to Apply Date: 3/31/2026

Applicant's contribution and funding source: _____ *The City respectfully requests consideration of up to \$60,000,000 in SRF financing for Phase 1*

Other Funding (please specify): _____ *The City understands that DEQ has indicated funding capacity of approximately \$38,000,000 in loan funds with \$3,000,000 in principal forgiveness in the current funding cycle. The City is prepared to proceed with phased implementation based on the amount awarded.*

d. Total funds available for this project: _____

e. Amount of DEQ financing sought: 60000000

(Amount sought from DEQ = Total cost – funds available for the project – other expected funding)

The City's current sewer rate structure was adopted assuming approximately \$60 million in SRF financing and demonstrates repayment capacity at that level.

5. **Do you intend to phase the project(s)?** Yes No **LSF APPLICANTS ONLY**

- a. If yes, please attach a project phasing plan that includes but is not limited to:*
- i. A detailed description of each phase of the project and how it fits into the overall project.
 - ii. A description of the technical and operational benefits associated with phasing the project.
 - iii. The anticipated timing of design and construction for each phase of the project.
 - iv. A description of the anticipated cost and funding sources for each phase of the project.
 - v. A description of how each phase of the project will be able to meet the project objectives and operate independently.

**Applicants may find it beneficial to discuss phasing plan with the DEQ regional office engineering staff prior to submitting the application. Phasing the project must be assessed for technical and operational feasibility to remain eligible.*

6. **Ability to Incur Debt DOES NOT APPLY TO LSF ONLY OR EC APPLICANTS**

- a. Bond type: Revenue Bond Bond Amount: 130000000
Bond election date: Nov 4, 2025 Passed: Y N
- b. Local Improvement District (LID): _____ Date Formed: _____
- c. Date of judicial decision to proceed with "Ordinary and Necessary" determination: _____

7. **Please indicate whether the system applying for this funding has the policies and/or plans outlined below.** Other water and sewer systems of comparable size may be good sources of sample policies. Please keep in mind that your written policies and procedures need only be as complex as the size and nature of your system.

- Y N NA **Personnel Policy:** The personnel policy typically includes guidance regarding hiring, probation, dismissal, and disciplinary procedures; provides detail on employee compensation and fringe benefits; establishes requirements for conduct and performance; describes job descriptions and expectations; and explains procedures for employee evaluation. Check "NA" if the applicant's system does not have personnel or has volunteers.
- Y N **Operating Emergency Plan:** Every sewer system should plan for natural disasters and other emergencies. Specifically, the sewer system management team should indicate what steps are to be taken and what actions are to be accomplished, given a variety of threats to service delivery.
- Y N **Safety and/or risk Management Plan:** Accidents can cause significant disruptions of water or sewer service and create unexpected financial liabilities. A safety and risk management policy attempts to confine the scope of authority of employees and managers in order to reduce the risk of such negative financial exposure. A system's insurance provider can offer assistance in establishing risk management guidelines to limit liability.
- Y N **Customer Service Policy:** A water and sewer system is in the business of providing safe drinking water and treating wastewater to its customers. By clarifying how the system will relate to its customers, a customer service policy strengthens the relationship between the two parties. The customer service policy should include public information guidance, complaint resolution procedures, problem response requirements, billing and other notification rules, and other actions the system can take to assure customers that the water and/or sewer system is being run in the most professional manner possible.

NOTE: systems with limited staff capacity to create these policies can borrow and adapt sample policies, which may be available from the following organizations:

- Rural Community Assistance Corporation
- Idaho Rural Water Association
- U.S. Environmental Protection Agency
- American Water Works Association

- a. Type of planning document prepared (i.e.: facility plan, engineering report) **NOT REQUIRED FOR LSL APPLICANTS:** Facility Plan; Preliminary Engineering Report
- b. Planning document date: 3/20/2026

8. Type of environmental clearance/determination. NOT REQUIRED LSF ONLY APPLICANTS

- a. Categorical Exclusion Finding of No Significant Impact Environmental Impact Statement
- b. Date of determination: _____
- c. Agency rendering the environmental clearance/determination: Idaho Department of Environmental Quality

9. Build America Buy America (BABA): DEQ will use this information to help screen applicants and SRF projects that will be required to comply with BABA. **NOT REQUIRED LSF ONLY APPLICANTS**

- a. Y N BABA is documented or anticipated to increase the total project costs by more than 25%. **(Attach Documentation)** Additional coordination with DEQ and EPA will likely be required.

Section III-A. Benefits Reporting for Drinking Water Projects NOT REQUIRED LSF ONLY APPLICANTS

1. Funding by Project Category: Provide estimated dollar amount of funding for each applicable project categories that will be funded DEQ:

Amount (\$)	Project Category	Amount (\$)	Project Category
_____	Treatment	_____	Restructuring
_____	Transmission & Distribution	_____	Purchase of Systems
_____	Storage	_____	Planning & Design
_____	Source	_____	Land Acquisition

2. Project purpose (select the statement below that best describes the project):

- Comply with upcoming requirements Address State listed contaminant
- Return to compliance Maintain compliance Other (assistance not compliance related)

3. Does this project have a disaster resilience component? Y N

4. Does this project consolidate systems? Y N

- a. If Y, how many systems will be eliminated?

5. Does this project create a new system? Y N If Y, how many systems will be created?

6. Estimate the number of lead service lines to be replaced:

Section III-B: Benefits Reporting for Clean Water Projects

1. Funding by Project Category: Provide estimated dollar amount of funding for each applicable project category below.

Amount (\$)	Project Category
_____	Centralized Wastewater Treatment – Secondary Treatment
_____	Centralized Wastewater Treatment – Advanced Treatment
_____	Centralized Wastewater Treatment – Infiltration/Inflow Correction
_____	Centralized Wastewater Treatment – Sewer System Rehabilitation
_____	Centralized Wastewater Treatment – New Collectors
_____	Centralized Wastewater Treatment – New Interceptors
_____	Centralized Wastewater Treatment – CSO Correction
_____	Stormwater – Gray Infrastructure
_____	Stormwater – Green Infrastructure
_____	Energy Conservation – Energy Efficiency
_____	Energy Conservation – Renewable Energy
_____	Water Conservation – Water Efficiency
_____	Water Conservation – Water Reuse
_____	Nonpoint Source
_____	Other – Planning and Assessments
\$0.00	TOTAL

2. Acres of land being conserved (only applies to non-point source projects):

3. Project Improvement/Maintenance of Water Quality: Select the statements below that best describe the project.

- a. How does this project contribute to the improvement or maintenance of the receiving waterbody?
 Improvement Maintenance N/A
- b. Allows the system to: Achieve compliance Maintain compliance N/A
- c. Affected water body is: Meeting standards Impaired Threatened Not assessed N/A
- d. Allows the system to address an: Existing TMDL Projected TMDL Watershed Management Plan N/A

4. Discharge Information (check all that apply): Select the type(s) of waterbody(ies) that the project affects the discharge to. At least one box must be checked. If this section is not applicable to the project, please choose no change/no discharge.

- Choose the “Eliminates Discharge” option when the project removes a discharge from the receiving waterbody, e.g., rerouting flow to another treatment facility. This allows us to focus on the environmental benefit to the waterbody even when the facility no longer actually discharges to it.
- If a regionalization/consolidation project decommissions a smaller, older plant on a river and sends its discharge to a newer, cleaner plant on the same river, the result is really just improved treatment. In this case, select "Surface Water".
- If the older plant had been discharging to a different waterbody segment and eliminating that discharge has a specific environmental impact on that segment, this could be the primary result of the project. In this case, also select "Eliminates Discharge"
- Check "Seasonal Discharge" if wastewater discharge is seasonal. **Important Note:** Seasonal discharge can be checked along with the other, above choices.

Wetland
 Surface Water (stream, river, or lake)
 Groundwater
 Land Application
 Other/Reuse
 Eliminates Discharge
 No Changes/No Discharge
 Seasonal Discharge

5. Contribution to Protection or Restoration of the Waterbody Uses: Identify both the designated surface water uses and other uses and outcomes that this project helps to protect or restore, if applicable. If the project maintains or improves water quality, or if it increases effluent loadings, but meets its permit, it contributes to protection of the uses you find when matching pollutants. If the project reduces loadings of a pollutant that is impairing a designated use (as specified in Section 303(d) of the Clean Water Act), the project contributes to restoration of that use. Visit <https://adminrules.idaho.gov/rules/current/58/580102.pdf> (see sections 100-160) to locate a designated surface water use.

- **Important Note:** If the Designated Surface Water Uses do not apply to the project or the appropriate Designated Use is not listed, select the applicable: **Water Use Not Applicable** **Water Use Not Found**
- **Primary and secondary uses:** Specify as primary those affected uses that drive a large portion of project financing. Often, a primary use will correspond to the largest pollutant reduction. In most cases, one and possibly two uses will qualify as primary. Specify secondary for other uses. If no use qualifies as primary, specify secondary for all applicable uses. A project can have multiple primary uses.

Water Use	Protect		Restore	
	Primary	Secondary	Primary	Secondary
Domestic Water Supply	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Primary Contact Recreation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Secondary Contact Restoration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Wildlife Habitats	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Industrial Water Supply	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Agricultural Water Supply	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Aesthetics	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Aquatic Life – Cold Water	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Aquatic Life – Salmonoid Spawning	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Aquatic Life Seasoned Cold Water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Aquatic Life – Warm Water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Aquatic Life – Modified	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 6. Other Uses and Outcomes.** Does the project:
- a. Contribute to regionalization/consolidation? Y N
 - b. Address nutrient loadings of nitrogen and phosphorus? Y N
 - c. Have a disaster resilience component? Y N
 - d. Contribute to public health (e.g. pathogen reduction)? Y N

Section IV. Required Attachments

1. Audited financial statements for the three previous years. NOT REQUIRED FOR LSF ONLY OR EC APPLICANTS

An independent audit provides expert testimony regarding an entity’s internal controls, integrity of financial statements, and adherence to generally accepted accounting standards. Periodic financial audits produce verifiable information that can be easily examined by the Applicant’s management team, as well as financial assistance providers and regulatory agencies. In terms of the annual business cycle, periodic financial audits contribute valuable information for analysis purposes. If your system has not been required to have audited financial statements (or to prepare financial statements in accordance with generally accepted accounting principles), then provide summarized statements of annual expenses and revenues, along with annual statements of assets (what you own) and liabilities (what you owe).

2. Operating budget and capital budget.

Effective operation of a water and sewer system requires use of an annual budget. A system’s budget should forecast planned revenues and expenditures for the coming year based on anticipated activities. The budget is then used to control activities and evaluate performance of the system. An example of a good budgeting technique would be a sewer system that keeps a cash reserve of one and one-half the monthly operational expenses. Such a system would be conscious of the need to be prepared for emergencies, payment delinquencies, and other short-term cash flow problems. The cash budget goal of one and one-half the monthly operational expenses is suggested because many small sewer systems may not be able to quickly assemble their board of directors to deal with cash-flow problems. Until the governing board can be convened, the costs of operation would be covered. The use of a multi-year capital budget is a positive indicator of financial management and supports the assessment of financial capacity conditions. A capital budget is an indication that the system is aware of the need for financing infrastructure upgrade and/or replacement.

3. Explanation of ability to repay loan (User Rate Charge System and/or Ordinance) NOT REQUIRED FOR LSF ONLY OR EC APPLICANTS

4. Engineering Agreement NOT REQUIRED FOR SYSTEMS ONLY APPLYING FOR LEAD SERVICE LINE FUNDING

5. Repayment schedule(s) for any other loan(s)

6. List of current board members

7. Board governance policy and/or By-Laws NOT REQUIRED FOR MUNICIPALITIES

The board governance policy reflects the protocols for the governing board’s activities. This policy includes qualifications for election of board members, the number of members who may serve and their terms of office, rules regarding the conduct of meetings, etc. Establishing board protocols can improve the efficiency of board meetings and result in effective use of officers’ time.

8. Financial controls policy (supported by official council and board adoption)

- Segregation of duties
- All aspects of cash handling
- Note: Example policies are available and can be requested at: grants.loans@deq.idaho.gov

9. Tax Assessment Roles (Local Improvement Districts only). NOT REQUIRED FOR LSF ONLY OR EC APPLICANTS

10. Nonprofit Corporations (e.g., homeowner’s association) Only:

- Provide a copy of a current articles of incorporation and certificate of existence from the Idaho Secretary of State
- Provide a current list of all property owners and the lots they own.
- Provide current copies of easements, deeds, and quitclaim deeds for any commonly held lots affected by the loan project.

11. Documentation showing the applicant’s [SAM.gov](https://www.sam.gov) active registration status and Unique Entity Identifier. See [Attachment SRF-06 Guidance for Registering with SAM and Obtaining a UEI Number](#) for additional information.

Section V. Application Authorization

I certify that, to the best of my knowledge, all information provided here is valid and correct:

Signature of Authorized Representative

Date

Printed Name of Authorized Representative

Section VI. Architectural and Engineering Service Procurement Certification

Project Name: _____

P.L. 113-121 Section 602(b)(14) of the Water Resources Reform and Development Act (WRRDA), 2014 states that: *(14) a contract to be carried out using funds directly made available by a capitalization grant under this title for program management, construction management, feasibility studies, preliminary engineering, design, engineering, surveying, mapping, or architectural related services shall be negotiated in the same manner as a contract for architectural and engineering services is negotiated under chapter 11 of title 40, United States Code, or an equivalent State qualifications-based requirement (as determined by the Governor of the State).*

To meet this requirement, the undersigned hereby certifies that all architectural and engineering services procured for the _____ identified as Project # _____ meets the requirements of the Act and more specifically, Idaho Code 67-2320.

Name of Loan Recipient: _____ Date: _____

Signature of Authorized Official

For questions or to submit the application, please contact:

Drinking Water Projects

Hayley Brown | Grant and Loan Analyst
Idaho Department of Environmental Quality
Email: hayley.brown@deq.idaho.gov
Office: (208) 373-0556

Wastewater Projects

Zoe McCarty | Grant and Loan Analyst
Idaho Department of Environmental Quality
Email: zoe.mccarty@deq.idaho.gov
Office: (208) 373-0574