



AGENDA REPORT

City Council Meeting

TODAY'S DATE: August 11, 2026

MEETING DATE: August 18, 2026

TO: Mayor and City Council

FROM: Holly Ellis, Public Works Director

SUBJECT: Approve the second amendment Professional Services Agreement with Keller Associates for the Wastewater Treatment Plant Replacement Preliminary Engineering Report (No. A24-3257-1)

DESCRIPTION/BACKGROUND:

The City of Sandpoint is continuing development of the Preliminary Engineering Report (PER) for replacement of the Wastewater Treatment Plant (WWTP). The PER identifies the recommended treatment approach, project phasing, design criteria, and estimated project costs and is an important document for DEQ review and future funding.

The current WWTP improvement project is estimated at approximately \$130 million. Given the cost of the project and the potential impact to wastewater rates, the City continues to look for opportunities to reduce project costs while meeting regulatory requirements and providing adequate treatment capacity. The City has also invested significantly in reducing inflow and infiltration (I/I) in the collection system; however, wet-weather flows remain a significant factor in sizing the future treatment plant.

Through ongoing coordination with DEQ, the City has an opportunity to further evaluate auxiliary treatment for peak wet-weather flows. Rather than sizing all secondary treatment facilities to accommodate intermittent I/I-related peak flows, auxiliary treatment could provide another way to appropriately manage those flows. If this approach is determined to be feasible and acceptable to DEQ, it could significantly reduce the size and cost of the WWTP improvements.

The proposed amendment would authorize Keller Associates to revise portions of the PER and complete the additional analysis and DEQ coordination needed to evaluate this approach. The work would include evaluation of I/I and wet-weather flows, auxiliary treatment alternatives, potential permitting requirements, and updates to treatment alternatives, facility sizing, cost estimates, and recommendations.

There is risk in revising the PER before DEQ issues a new discharge permit or formally approves an auxiliary treatment approach. The final permit requirements could differ from the assumptions used in the PER and result in additional revisions. However, waiting for the permit also carries risk. It could delay the project or result in the City advancing a significantly more expensive treatment approach before determining whether a lower-cost alternative is feasible.

The potential benefit of completing this evaluation now outweighs that risk. It allows the City to continue working with DEQ while the PER is still being developed and before major design decisions are made.

The overall objective remains the same: provide a reliable wastewater treatment facility that meets regulatory requirements while minimizing costs to ratepayers. Revising the PER now gives the City an opportunity to determine whether the project can be delivered at a significantly lower overall cost.

STAFF RECOMMENDATION:

Staff recommends approval of amendment 2 contract A24-3257-1 – Keller Associates in the total amount of \$736,936.25 for the Wastewater Treatment Plant Replacement Preliminary Engineering Report and authorize the Mayor to sign the amendment.

ACTION:

Move to approve approval of amendment 2 contract A24-3257-1 – Keller Associates in the total amount of \$736,936.25 for the Wastewater Treatment Plant Replacement Preliminary Engineering Report and authorize the Mayor to sign the amendment.

WILL THERE BE ANY FINANCIAL IMPACT? Yes HAS THIS ITEM BEEN BUDGETED? Yes

ATTACHMENTS:

Proposed A24-3257-1 Keller Associates Professional Services Agreement Amendment 2

A24-3257-1 Keller Associates Professional Services Agreement with Amendment 1