



AGENDA REPORT

City Council Meeting

TODAY'S DATE: September 29, 2026

MEETING DATE: October 7, 2026

TO: MAYOR AND CITY COUNCIL

FROM: Rachel McKinley, Project Manager

SUBJECT: Approval to Submit an Application for Idaho Department of Environmental Quality's Sewer Overflow and Stormwater Planning Grant FY27 - Updating the 2016 Stormwater Facilities Plan project

BACKGROUND:

The City of Sandpoint's 2016 Stormwater Facilities Plan identifies stormwater infrastructure needs and improvements to address runoff, flooding, and water quality. The Plan was never adopted and is now outdated. An update is needed to evaluate current conditions, prioritize improvements, and address future stormwater management needs. This Plan, however, was never adopted and now is out of date.

Federal Aid: Sewer Overflow and Stormwater Planning Grant

The Idaho Department of Environmental Quality (DEQ) administers the State Revolving Fund (SRF), which obligated Bipartisan Infrastructure Law (BIL) funding for drinking water and wastewater systems. DEQ is offering additional funding opportunities under the SRF such as the Sewer Overflow and Stormwater Planning Grant (OSG).

The OSG is intended to address planning needs to address sanitary sewer overflows and municipal stormwater improvements for small (population under 10,000) or disadvantaged communities. The grants cover 50% of eligible project costs, with recipients responsible for the remaining 50%.

Projects must follow all applicable DEQ's program requirements and federal design, procurement, and documentation requirements for the grantee to remain eligible for federal reimbursement.

On January 7, 2026, Council authorized staff to submit a Letter of Interest for the Sewer Overflow and Stormwater Planning Grant 2027 of up to \$100,000 to DEQ for Updating the 2016 Stormwater Facilities Plan project (Resolution 26-004).

On July 1, 2026 the City of Sandpoint received a letter inviting the City to apply for \$60,000 in grant funding available for the project.

DESCRIPTION:

This project will update the 2016 Stormwater Facilities Plan to evaluate existing and future stormwater issues, prioritize infrastructure improvements, and prepare for future Municipal Separate Storm Sewer Systems (MS4) permit requirements.

The FY27 Adopted Annual Budget includes funding to update the Plan and provide the required 50% local match.

Upon Council approval, staff will complete and submit the grant application by October 31, 2026.

STAFF RECOMMENDATION:

Authorize staff to submit an FY27 Sewer Overflow and Stormwater Planning grant application to the Idaho Department of Environmental Quality requesting up to \$60,000 to update the 2016 Stormwater Facilities Plan.

ACTION:

Move to authorize staff to submit an FY27 Sewer Overflow and Stormwater Planning grant application to the Idaho Department of Environmental Quality requesting up to \$60,000 to update the 2016 Stormwater Facilities Plan.

WILL THERE BE ANY FINANCIAL IMPACT? Yes **HAS THIS ITEM BEEN BUDGETED?** N/A

ATTACHMENTS:

1. Proposed Resolution
2. DEQ's FY2027 Grant and Loan LOI Brochure
3. SRF Customer Handbook

LINKS:

1. 2016 Stormwater Facilities Plan 2021 <https://www.sandpointidaho.gov/media/3566>