



AGENDA REPORT

City Council Meeting

TODAY'S DATE: December 31, 2025

MEETING DATE: January 7, 2026

TO: MAYOR AND CITY COUNCIL

FROM: Rachel McKinley, Project Manager

SUBJECT: Approval to Submit a Letter of Interest 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 is a comprehensive guide for managing the city's stormwater infrastructure. This Plan outlines strategies to address water runoff, prevent flooding, and protect water quality in Sandpoint's local waterways. By focusing on both upgrades to existing systems and the implementation of sustainable stormwater solutions, the Plan ensures that the city can effectively manage stormwater while supporting environmental health and community safety. This essential framework helps Sandpoint remain resilient as it continues to grow. This Plan, however, was never adopted and now is out of date.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 (communities with a population under 10,000) or disadvantaged communities. These grants cover 50% of eligible costs. Grant recipients providing the other half.

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

DESCRIPTION:

This project is to update the 2016 Stormwater Facilities Plan to manage and address existing and future stormwater/flooding issues along with preparing for future Municipal Separate Storm Sewer Systems (MS4) permit requirements.

This grant would support an estimated cost of \$100,000 of professional services and staff time. The FY26 Adopted Annual Budget allocated \$100,000 to update this Plan funded by General and Wastewater funds, which will provide the 50% local match.

Upon approval of this item, staff will complete the Letter of Interest (LOI) form and submit it by the deadline - January 9, 2026.

STAFF RECOMMENDATION:

Authorize 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.

ACTION:

Move to authorize 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

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

ATTACHMENTS:

1. DEQ's FY2027 Grant and Loan LOI Brochure

LINKS:

1. 2016 Stormwater Facilities Plan 2021 <https://www.sandpointidaho.gov/media/3566>
2. Idaho Department of Environmental Quality's Sewer Overflow and Stormwater Planning Grant FY27 form; <https://www2.deq.idaho.gov/admin/LEIA/api/document/download/24057>