

No: 26-
Date: May 6, 2026

RESOLUTION
OF THE CITY COUNCIL
CITY OF SANDPOINT

TITLE: AUTHORIZING ACCEPTANCE OF A CLEAN WATER STATE REVOLVING FUND LOAN FROM THE IDAHO DEPARTMENT OF ENVIRONMENTAL QUALITY FOR THE WASTEWATER TREATMENT PLANT RECONSTRUCTION PROJECT (WW2604)

WHEREAS: The City of Sandpoint owns and operates a single wastewater treatment plant discharging to the Pend Oreille River;

WHEREAS: Portions of the wastewater treatment facility date back to the 1940s and have exceeded their useful life;

WHEREAS: Although the facility remains in regulatory compliance, hydraulic limitations during wet weather events and long-term reliability concerns necessitate full reconstruction of the wastewater treatment plant;

WHEREAS: In December 2025, the City completed an updated Preliminary Engineering Report confirming the need for comprehensive reconstruction, with an estimated total project cost of approximately \$130,000,000;

WHEREAS: The City has developed a phased financing strategy for the project, with Phase 1 including liquid treatment upgrades and supporting infrastructure such as aeration basins, secondary clarifiers, and standby power systems;

WHEREAS: On April 13, 2026, the Idaho Department of Environmental Quality issued a funding offer to the City for a Clean Water State Revolving Fund loan in the principal amount of \$38,000,000 for the project;

WHEREAS: The loan terms include a 30-year repayment period at an effective interest rate of 2.00%, consisting of 1.00% interest and 1.00% loan fee, and include \$3,016,332 in principal forgiveness;

WHEREAS: The loan represents the first installment of a larger anticipated State Revolving Fund financing package, with the potential for additional funding in future cycles;

WHEREAS: Acceptance of the loan requires compliance with applicable federal and state requirements, including environmental review, Build America, Buy America provisions, Davis-Bacon prevailing wage requirements, and approval by the Idaho Department of Environmental Quality of plans, specifications, and construction contracts; and

WHEREAS: The City is required to submit and adhere to a project schedule approved by the Idaho Department of Environmental Quality and to maintain a user charge system sufficient to meet repayment obligations;

NOW, THEREFORE, BE IT RESOLVED THAT: The City Council hereby authorizes acceptance of the Clean Water State Revolving Fund loan offer from the Idaho Department of Environmental Quality in the amount of \$38,000,000 for the Wastewater Treatment Plant Reconstruction Project (WW2604).

BE IT FURTHER RESOLVED THAT: On behalf of the City, the Mayor is hereby authorized and directed to execute all documents and take all actions necessary to accept and implement the loan in accordance with its terms and applicable requirements.

Jeremy Grimm, Mayor

ATTEST:

Meri Jane Bohn, City Clerk