



AGENDA REPORT

City Council Meeting

TODAY'S DATE: April 27, 2026

MEETING DATE: May 6, 2026

TO: MAYOR AND CITY COUNCIL

FROM: Holly Ellis, Public Works Director

SUBJECT: Authorization to Accept Legislative Supplemental Funding (LSF) Grant – Wastewater Treatment Plant Reconstruction Project (WW2604LSF)

DESCRIPTION/BACKGROUND:

The City of Sandpoint is advancing of the Wastewater Treatment Plant (WWTP) reconstruction project, which includes liquid treatment upgrades and supporting infrastructure necessary to maintain regulatory compliance and long-term system reliability.

As part of the project financing strategy, the Idaho Department of Environmental Quality (DEQ) has issued a Legislative Supplemental Funding (LSF) grant offer to the City in the amount of \$2,527,566.

This funding is authorized through Idaho House Bill 455 (2025) and is intended to support construction of wastewater infrastructure improvements.

The LSF grant is paired with the SRF loan and applies to the same Phase 1 project components. The grant is provided at 0% interest with no repayment obligation.

Acceptance of the grant requires compliance with DEQ requirements, including:

- Submission and approval of a project schedule
- Inclusion of SRF supplemental specifications in bidding documents
- DEQ authorization prior to construction contract award
- Adoption of a sewer use ordinance and provision of an approved operations and maintenance manual
- Compliance with federal and state laws, including audit and reporting requirements

The grant directly reduces the amount of debt required to complete the project.

STAFF RECOMMENDATION:

Authorize acceptance of the Legislative Supplemental Funding grant from the Idaho Department of Environmental Quality in the amount of \$2,527,566 for the Wastewater Treatment Plant Reconstruction Project and authorize the Mayor to execute all necessary documents.

ACTION:

Move to authorize acceptance of the LSF grant (WW2604LSF) from the Idaho Department of Environmental Quality in the amount of \$2,527,566 and authorize the Mayor to execute all necessary documents.

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

The grant reduces the overall project cost and borrowing needs. There is no repayment obligation associated with this funding.

ATTACHMENTS:

1. Proposed Resolution
2. DEQ LSF Grant Offer (WW2604LSF)
3. Project Schedule (Attachment A)
4. SRF Supplemental Specifications (Attachment C)