



Our vision of Coeur d'Alene is of a beautiful safe city
that promotes a high quality of life and sound economy
through excellence in government

PUBLIC WORKS COMMITTEE
with
Council Members McEvers, Miller & English
January 8, 2018, 4:00 p.m.
AGENDA

- Item 1 Sole Source Purchase of Portable Radios – Chief Lee White
- Item 2 Water Rate Study – Consultant Services Agreement with FCS Group, Inc. – Terry Pickel
- Item 3 Declare Surplus Used Equipment and Vehicles – Tim Martin
- Item 4 V-18-1, Vacation of a portion of Lee Court right-of-way adjoining the southerly boundary of the adjusted Lot 4, Block 2, Moen Subdivision in the City of Coeur d'Alene – Dennis Grant
- Item 5 Reduction of Bond for Garden Grove Subdivision Improvements – Chris Bosley

Library Community Room
702 Front Street

The City of Coeur d'Alene will make reasonable accommodations for anyone attending this meeting who requires special assistance for hearing, physical or other impairments. Please contact Amy Ferguson, Public Works Committee Liaison, at (208) 666-5754 at least 24 hours in advance of the meeting date and time.



Coeur d'Alene Police

Protect and Serve with Excellence

Chief Lee White

3818 SCHREIBER WAY
COEUR D'ALENE, ID 83815
208-769-2320 – FAX 208-769-2307
www.cdapolicy.org

To: Purchasing
From: Bill Tilson
Date: December 14, 2017
Ref: Sole Source Radios

The Coeur d'Alene Police Department utilizes the Kootenai County Communications Center for radio communications. The trunking system we utilize is administered by Kootenai County employees. All equipment in use is optimized for Motorola currently.

We would request a sole source of using Motorola products for several reasons including:

- Motorola Solutions provides the radio equipment compatible with the County's radio trunking system. Using these radios ensures law enforcement and support staff can properly respond to and function in a life-threatening situation or any situation which is detrimental
- Computer support. We have personnel who have been trained in the maintenance, programming, and encryption of Motorola radios. Other radio vendors are not compatible with these programs / equipment currently in use by the Department.
- External support. Currently employees of Kootenai County assigned to communications can assist us with technological issues that are greater than what we can handle currently but only with Motorola products. They do not have the same familiarity with other radios and cannot guarantee all features in use will work on other manufacturer radios.
- Prevent additional costs. Changing to a different radio vendor will also incur additional costs including new digital encryption tools (usually in the thousands of dollars to replace), OTAP (Over the Air Programming) servers, programming software and hardware including cables and connectors, and other equipment to Kootenai County's system to maintain connectivity. Additional gateways may also be needed to connect to the system if another manufacture was chosen. The gateways would need to be authorized by the 9-1-1 Advisory Board along with any other hardware that needs to be attached to the system.

Additionally, there are no other local companies that sell specialized law enforcement Motorola communications equipment. Having access to a company only 25 minutes away allows us to have technical expertise immediately and keeps our personnel safe and working in the field conducting their various duties.

For these paramount considerations, we request Motorola Solutions as the sole source provider for the Department's radios.

CITY COUNCIL
STAFF REPORT

DATE: December 14, 2017

FROM: Lee White, Chief of Police

SUBJECT: Purchase of 15 portable radios

Decision Point: The Police Department requests authorization to make a sole source purchase of 15 Motorola portable radios from Motorola Solutions.

History: The police department uses several different Motorola models of portable radio: The XTS 1500 and XTS 2500 and the APX 1000, 4000, and APX 6000. Four APX 1000 and eleven XTS 1500 radios currently used by our agency need to be replaced.

In the mid 2000's emergency services were required to move to a P25 compliance standard set forth by the Federal Government. The Coeur d'Alene Police Department purchased the XTS series radios in 2008. The XTS 1500 radios are old, suffer from transmission strength issues, and cannot be encrypted so they do not get all of our channels. The APX 1000 radios suffer from strength and encryption issues in addition to not being user friendly.

The request for a sole source purchase under Idaho Code § 67-2808 is based on the following: The Coeur d'Alene Police Department utilizes the Kootenai County Communications Center for radio communications. The trunking system we utilize is administered by Kootenai County employees. All equipment in use is optimized for Motorola radios. Department personnel have used Motorola equipment for years, have confidence in their products, and personnel have been trained in the maintenance, programming, and encryption of Motorola radios. Changing to a different radio system would mean additional expense in training our personnel to maintain the same level of support. Currently employees of Kootenai County assigned to communications can assist us with technological issues that are greater than what we can handle, but they can do so only with Motorola products. They do not have the same familiarity with other radios and cannot guarantee all features will work with other manufacturer radios. Finally, changing to a different radio manufacturer will also result in additional costs, including new digital encryption tools (usually in the thousands of dollars to replace), OTAP (Over the Air Programming) servers, programming software, and hardware including cables, connectors, and other equipment to maintain connectivity with Kootenai County's system. Additional gateways may also be needed to connect to the system if another manufacture were to be chosen. The gateways would need to be authorized by the 9-1-1 Advisory Board along with any other hardware that needs to be attached to the system. These considerations are paramount in the Department's decision to purchase replacement radios. Motorola Solutions sets the price for all Motorola radios and licenses local agents to complete sales. These Motorola radios are not available from any other

vendor. Legal has verified that these reasons justify a sole source purchase from Motorola Solutions.

Financial Analysis: The cost for one APX 6000 is approximately \$4870; replacing all fifteen radios will cost \$73,028. The cost of the new radios includes factory programming, encryption capabilities, and accessories such as batteries, chargers, and microphones that are needed to place the radios into service. The police department will be attempting to find funds in our current budget.

Over the next few years, we will need to replace the remaining 102 portable radios and we will attempt to find funding through grant opportunities or our regular budgeting process.

**PUBLIC WORKS COMMITTEE
STAFF REPORT**

DATE: January 8, 2018
FROM: Terry Pickel, Water Superintendent
SUBJECT: Water Rate Study – Consultant Services Agreement with FCS Group, Inc.

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DECISION POINT: Staff is requesting authorization to enter into a Consultant Services Agreement with FCS Group, Inc. for a Water Rate Study.

HISTORY: Per the Water Department standard practices, staff routinely schedules a rate study every 5 years as is recommended industry practice. The last rate study was completed in 2012 along with the Comprehensive Plan Update. The rate study element was performed by FCS Group during the plan update. The recommended incremental rate and capitalization fee increases were initiated in fiscal year 2013 and will conclude the end of December 2018. Staff proposes to have the proposed rate study completed near the end of fiscal year 2018 and presented to Council for approval and implementation prior to Jan 1, 2019.

FINANCIAL ANALYSIS: Funding for the proposed rate study is included in the current fiscal year budget. The line item is budgeted at \$60,000.00. The only submission received during the Request for Proposals was from FCS Group, Inc. Their initial budget proposal was for \$73,080.00. Through negotiations and minor revisions of the scope of services, the proposed budget was reduced to \$60,435.00. This will sufficiently provide the necessary services to effectively review operation and management necessities and ensure a thorough review of capitalization fees and the related structure to ensure the city is in compliance with recent regulatory clarifications. The proposed budget line item overage is less than 1% and staff will see significant budget savings on other projects which will effectively cover the cost with no budget amendment required.

PERFORMANCE ANALYSIS: As previously mentioned, FCS Group performed the last water rate analysis in 2012. Consequently their staff is very familiar with our rate and capitalization structures. This will prove beneficial as FCS staff will be able to plug current financial information into an existing database format to provide updated revenue forecasts. Several large projects in the previous plan were heavily dependent on developer participation, which did not occur. In this analysis, adequate funding sources will be determined based on the anticipated benefits of infrastructure improvements.

DECISION POINT/RECOMMENDATION: Staff is requesting City Council authorization for the Mayor to enter into a Consultant Services Agreement with FCS Group, Inc. to conduct a Water Rate Study.

AGREEMENT

for

PROFESSIONAL SERVICES

between

CITY OF COEUR D'ALENE

and

FCS GROUP, INC.

for

CITY OF COEUR D'ALENE WATER RATE STUDY

THIS AGREEMENT, made and entered into this ____ day of _____, 2018 between the **CITY OF COEUR D'ALENE**, Kootenai County, Idaho, a municipal corporation organized and existing under the laws of the state of Idaho, hereinafter referred to as the "City," and **FCS GROUP, INC.**, a Washington corporation, with its principal place of business at 7525 166th Avenue NE, Suite D-15, Redmond, WA 98052, hereinafter referred to as the "Consultant."

W I T N E S S E T H:

WHEREAS, The City needs to revise and renew its existing Water rate study, and

WHEREAS, Consultant is available and is willing to provide personnel and services to accomplish the work according to the City's schedule.

NOW THEREFORE, the City and the Consultant agree as follows:

Section 1. Definitions. In this agreement:

- A. The term "City" means the City of Coeur d'Alene, 710 Mullan Avenue, Coeur d'Alene, Idaho 83814.
- B. The term "Consultant" means FCS GROUP, Inc., 7525 166th Avenue NE, Suite D-15, Redmond, WA 98052.
- C. The term "Mayor" means the mayor of the City of Coeur d'Alene or Mayor's authorized representative.

D. The term "Fixed Fee" shall mean compensation based on the cost breakdown as shown in Attachment "A."

Section 2. Employment of Consultant. The City hereby agrees to engage the Consultant and the Consultant hereby agrees to perform the services hereinafter set forth.

Section 3. Scope of Services. The Consultant shall perform the services described in Attachment "A," entitled Water Rate and Capitalization Fee Study Scope of Services and Budget, subject to and consistent with the terms of Attachment "A," attached hereto and incorporated herein by reference.

Section 4. Personnel.

A. The Consultant represents that it has or will secure at its own expense all personnel required to perform its services under this agreement. Such personnel shall not be employees of or have any contractual relationship with the City.

B. All of the services required hereunder will be performed by the Consultant or under his direct supervision, and all personnel engaged in the work shall be fully qualified and shall be authorized under state and local law to perform such services.

C. The Consultant agrees to maintain Workmen's Compensation coverage on all employees, including employees of subcontractors, during the term of this agreement as required by Idaho Code Section 72-101 through 72-806. Should the Consultant fail to maintain such insurance during the entire term hereof, the Consultant shall indemnify the City against any loss resulting to the City from such failure, either by way of compensation or additional premium liability. The Consultant shall furnish to the City, prior to commencement of the work, such evidence as the City may require guaranteeing contributions which will come due under the Employment Security Law including, at the option of the City, a surety bond in an amount sufficient to make such payments.

Section 5. Time of Performance. The services of the Consultant shall commence upon written "Notice To Proceed" following execution of this agreement and shall be completed on or about January 17, 2018.

Section 6. Compensation.

A. Subject to the provisions of this Agreement, the City shall pay the Consultant the total sum of Sixty Thousand, Four Hundred Thirty Five Dollars and No / 100 (\$60,435.00).

B. Total compensation for all services and expenses for the term of this Agreement shall not exceed the amount provided in Attachment "A" without amendment of this Agreement. The amount of compensation shall be subject to renegotiation only if the scope of the services are significantly expanded or modified beyond the tasks identified herein.

C. Consultant is not obligated to continue performance hereunder or otherwise to incur costs in excess of the total estimated fee cited above as Consultant's compensation for all or part of the Project, unless and until the City has notified Consultant in writing that such total estimated fee has been increased and specifying the estimated fee then allocated for the Services to be covered by the Consultant's Compensation.

D. Except as otherwise provided in this agreement, the City shall not provide any additional compensation, payment, use of facilities, service or other thing of value to the Consultant in connection with performance of agreement duties.

Section 7. Method and Time of Payment. Consultant invoices will be submitted once every month and will be based upon services completed at the time of the billing. Invoices shall reflect the total work performed during the invoice period and shall show the costs incurred as well as a percentage of the total fixed fee. The invoicing of the fixed fee shall correspond to the Consultant's estimate of the work completed. The Consultant shall maintain records documenting all labor and material charges for this project. The Consultant will notify the City when 75% of the total cost is attained and will determine how the remainder of the work will be completed for the remaining cost authorization. Documentation of major expenditures shall be submitted with the monthly invoices. Payment will be made on the 4th Tuesday of the month for invoices that are received and reviewed as being acceptable by the second Tuesday of that month.

Section 8. Termination of Agreement for Cause. If, through any cause within Consultant's reasonable control, the Consultant shall fail to fulfill in a timely and proper manner his obligations under this agreement, or if the Consultant shall violate any of the covenants, agreements, or stipulations of this agreement, the City shall thereupon, after providing Consultant reasonable time to remedy the deficiency, have the right to terminate this agreement by giving written notice to the Consultant of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. In that event, all finished or unfinished hard copy documents, data, studies, surveys, and reports or other material prepared by the Consultant under this agreement shall at the option of the City become its property, and the Consultant shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and materials. Equitable compensation shall not exceed the amount reasonably billed for work actually done and expenses reasonably incurred.

Section 9. Termination for Convenience of City. The City may terminate this agreement at any time by giving ten (10) days written notice to the Consultant of such termination and specifying the effective date of such termination. In that event, all finished or unfinished hard copy documents, data, studies, surveys, and reports or other material prepared by the Consultant under this agreement shall at the option of the City become its property, and the Consultant shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and materials. Equitable compensation shall not exceed the amount reasonably billed for work actually done and expenses reasonably incurred.

Section 10. Modifications. The City may, from time to time, require modifications in the general scope of initial basic services of the Consultant to be performed under this agreement. The type and extent of such services cannot be determined at this time; however, the Consultant agrees to do such work as ordered in writing by the City, and the City agrees to compensate the Consultant for such work accomplished by written amendment to this agreement.

Section 11. Equal Employment Opportunity.

A. The Consultant will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Consultant shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such actions shall include, but not be limited to the following: employment, upgrading, demotions, or transfers; recruitment or recruitment advertising; layoffs or terminations; rates of pay or other forms of compensation; selection for training, including apprenticeship; and participation in recreational and educational activities. The Consultant agrees to post in conspicuous places available for employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause. The Consultant will, in all solicitations or advertisements for employees placed by or on behalf of the Consultant, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin. The Consultant will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this agreement so that such provisions will be binding upon each subconsultant, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

B. The Consultant shall keep such records and submit such reports concerning the racial and ethnic origin of applicants for employment and employees as the City may require.

C. The Consultant will make efforts to award subconsultant agreements to Minority and Women-owned business (MBE/WBE). Consultant will document efforts to negotiate contracts with MBE/WBE firms.

Section 12. Interest of Members of City and Others. No officer, member, or employee of the City and no member of its governing body, and no other public official of the governing body shall participate in any decision relating to this agreement which affects his personal interest or the interest of any corporation, partnership, or association in which he is, directly or indirectly, interested or has any personal or pecuniary interest, direct or indirect, in this agreement or the proceeds thereof.

Section 13. Assignability.

A. The Consultant shall not assign any interest in this agreement and shall not transfer any interest in the same (whether by assignment or novation) without the prior

written consent of the City thereto. Provided, however, that claims for money due or to become due to the Consultant from the City under this agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the City.

B. The Consultant shall not delegate duties or otherwise subcontract work or services under this agreement without the prior written approval by the City.

Section 14. Interest of Consultant. The Consultant covenants that he/she presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this agreement. The Consultant further covenants that in the performance of this agreement, no person having any such interest shall be employed.

Section 15. Findings Confidential. Any reports, information, data, etc., given to or prepared or assembled by the Consultant under this agreement which the City requests to be kept confidential shall not be made available to any individual or organization by the Consultant without the prior written approval of the City.

Section 16. Publication, Reproduction and Use of Materials. No material produced, in whole or in part, under this agreement shall be subject to copyright in the United States or in any other country. The City shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, any reports, data, electronic files, or other materials prepared under this agreement. Consultant shall provide copies of such work products to the City upon request.

City may make and retain copies of Documents for information and reference in connection with use on the Project by the City. Such Documents are not intended or represented to be suitable for reuse by City or others on extensions of the Project or on any other project. Any such reuse or modification without written verification or adaptation by the Consultant, as appropriate for the specific purpose intended, will be at the City's sole risk and without liability or legal exposure to the Consultant and Consultant's subconsultants. The City shall indemnify and hold harmless the Consultant and Consultant's subconsultants from all claims, damages, losses, and expenses, including attorneys' fees arising out of or resulting therefrom.

Section 17. Audits and Inspection. Consultant shall provide access for the City and any duly authorized representatives to any books, documents, papers, and records of the Consultant that are directly pertinent to this specific agreement for the purpose of making audit, examination, excerpts, and transcriptions. Consultant shall retain all records pertinent to the project for three years after final payment and all other pending matters are closed.

Section 18. Jurisdiction; Choice of Law. Any civil action arising from this agreement shall be brought in the District Court for the First Judicial District of the State of Idaho at Coeur d'Alene, Kootenai County, Idaho. The law of the state of Idaho shall govern the rights and obligations of the parties.

Section 19. Non-Waiver. The failure of the City at any time to enforce a provision of this agreement shall in no way constitute a waiver of the provisions, nor in any way affect the validity of this agreement or any part thereof, or the right of the City thereafter to enforce each and every protection hereof.

Section 20. Permits, Laws and Taxes. The Consultant shall acquire and maintain in good standing all permits, licenses and other documents necessary to its performance under this agreement. All actions taken by the Consultant under this agreement shall comply with all applicable statutes, ordinances, rules, and regulations. The Consultant shall pay all taxes pertaining to its performance under this agreement.

Section 21. Relationship of the Parties. The Consultant shall perform its obligations hereunder as an independent contractor of the City. The City may administer this agreement and monitor the Consultant's compliance with this agreement but shall not supervise or otherwise direct the Consultant except to provide recommendations and to provide approvals pursuant to this agreement.

Section 22. Integration. This instrument and all appendices and amendments hereto embody the entire agreement of the parties. There are no promises, terms, conditions, or obligations other than those contained herein; and this agreement shall supersede all previous communications, representations or agreements, either oral or written, between the parties.

Section 23. City Held Harmless.

A. The Consultant shall save, hold harmless, indemnify, and defend the City, its officers, agents and employees from and against any and all damages or liability arising out of the Consultant's wrongful acts or negligence, including costs and expenses, for or on account of any and all legal actions or claims of any character resulting from injuries or damages sustained by any person or persons or property arising from Consultant's performance of this agreement and not arising from Consultant's professional services. To this end, Consultant shall maintain general liability insurance of at least Five Hundred Thousand Dollars (\$500,000.00).

B. The Consultant shall save, hold harmless and indemnify the City, its officers, agents, and employees from and against damages or liability arising out of the Consultant's negligent acts, errors, or omissions, including costs and expenses for or on account of any and all legal actions or claims of any character resulting from injuries or damages sustained by persons or property to the extent arising from Consultant's negligent performance of this agreement, including but not limited to Consultant's professional services. To this end, Consultant shall maintain Errors and Omissions insurance of at least Two Million Dollars (\$2,000,000.00).

Section 24. Notification. Any notice under this agreement may be served upon the Consultant or the City by mail at the address provided in Section 1 hereof.

Section 25. Special Conditions. Standard of Performance and Insurance.

A. Consultant shall maintain general liability insurance naming the City, its entities, and its representatives as additional insureds in the amount of at least \$500,000.00 for property damage or personal injury, death or loss as a result of any one occurrence or accident regardless of the number of persons injured or the number of claimants, it being the intention that the minimum limits shall be those provided for under Chapter 9, Title 6, Section 24 of the Idaho Code.

B. In performance of professional services, the Consultant will use that degree of care and skill ordinarily exercised under similar circumstances by members of the Consultant's profession. Should the Consultant or any of the Consultants' employees be found to have been negligent in the performance of professional services from which the City sustains damage, the Consultant has obtained Errors and Omission Insurance in at least the amount of two million dollars (\$2,000,000.00). The Consultant shall maintain, and furnish proof thereof, coverage for a period of two years following the completion of the project.

C. The Consultant shall obtain and maintain auto liability insurance in the amount of \$500,000.00 for the duration of the project.

D. Prior to work under this agreement, the Consultant shall furnish to the City certificates of the insurance coverages required herein, which certificates must be approved by the City Attorney. Insurance provider shall provide Consultant thirty (30) days notice prior to cancellation of the policy for any reason, in which case the Consultant shall promptly notify the City.

IN WITNESS WHEREOF, this agreement executed the day and year first written above.

CITY OF COEUR D'ALENE

FCS GROUP, INC.

Steve Widmyer, Mayor

Angie Sanchez Virnoche, Principal

ATTEST:

ATTEST:

Renata McLeod, City Clerk

Name / Title

STATE OF IDAHO)
) ss.
County of Kootenai)

On this 20th day of March, 2012, before me, a Notary Public, personally appeared **Steve Widmyer and Renata McLeod**, known to me to be the Mayor and City Clerk, respectively, of the City of Coeur d'Alene that executed the foregoing instrument and acknowledged to me that said City of Coeur d'Alene executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for Idaho
Residing at _____
My Commission expires: _____

STATE OF _____)
) ss.
County of _____)

On this ____ day of _____, 2012, before me, a Notary Public, personally appeared _____ and _____ of **FCS GROUP, Inc.**, and the persons who executed the foregoing instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for _____
Residing at _____
My Commission Expires: _____

ATTACHMENT A

CITY OF COEUR d' ALENE

WATER RATE AND CAPITALIZATION FEE STUDY

SCOPE OF SERVICES

The following scope of services identifies the individual tasks to be completed as part of the Water Rate and Capitalization Fee Study. As illustrated in the work plan, we follow a structured method to arrive at conclusions, which will enable us to perform the work in an orderly, efficient and results-oriented manner.

TASK 1 | KICK-OFF MEETING

A project kickoff meeting will be scheduled before the commencement of the project with the consultant and City project team. This meeting will establish the goals and objectives of the overall project and focus the efforts of the project team. The items covered at the meeting include review of the scope of work, identify project objectives, expectations and deliverables, outline the project schedule and key milestone review points and discuss appropriate lines of communication.

Attendees should include a representative from departments that can address issues related to finance, engineering, customer service and administration.

The kick-off meeting task includes:

- Onsite meeting with the consultant team and City staff. A remote session is optional to reduce budget.

TASK 2 | DATA COLLECTION AND VALIDATION

FCS GROUP will provide a data needs list encompassing historical and projected financial, operational, billing, capital and planning information. Validation of the customer statistics data with demands and revenue generation is critical to the rate study. This approach offers consistency throughout the study process by using one validated data set to develop revenue, cost distributions, allocation factors and alternative rate structure designs.

The data collection and validation task includes:

- Data request identifying data needs to complete the study
- Detailed customer statistics validation and reconciliation with actual revenue levels. Forecast of customers and demand.

TASK 3 | MODEL ARCHITECTURE PLANNING

The financial planning model forms the framework and foundation of the rate study. This task is intended to conceptualize the architecture of the model and will be completed as part of the kick-off meeting. We will work with the City to identify the expectations and objectives to be achieved by the model toolset. The model developed will promote transparency, functionality, flexibility, and usability such that it can inform how proposed changes may impact rates and the financial

requirements of the water system and improve decision making through quantifying the impact of changes in key activities and/or assumptions. We will discuss how the City will use the model, what answers need to be generated by the tool and what user interface will be most effective.

The model architecture task will provide:

- Modeling toolset for future internal use by the City

TASK 4 | REVENUE REQUIREMENT ANALYSIS

Establishes a sustainable, multi-year financial management plan that meets the projected total financial needs of the water utility through generation of sufficient, sustainable revenue.

This analysis establishes near- and long-term revenue needs to ensure that rates and other utility fees can fully recover the costs of service. Costs include annual obligations for maintenance, operations, and administration; new and existing debt service obligations, capital costs; and prevailing fiscal management policies. Emphasis will be placed on development of a capital funding strategy to accomplish known and estimated capital improvement programs. In addition, the revenue requirement will evaluate the impact of a dedicated rate funded component for system rehabilitation and replacement of aging infrastructure.

The revenue requirement analysis includes:

- A multi-year financial plan that identifies annual operating, capital and fiscal policy requirements of the water system
- Annual capital funding plan to meet future capital improvement needs
- An annual rate strategy that meets the water system financial obligations
- Fiscal policy evaluation and recommendations
- Up to 3 sensitivity analysis that evaluates impacts to the revenue requirement and rate strategy based on changes to key assumptions (e.g. growth, capital needs and timing, enhanced programs or initiatives, funding sources, etc.)

TASK 5 | COST OF SERVICE ANALYSIS (COSA)

Establishes a defensible basis for assigning “cost shares” and establishing “equity” for system customers based on industry standard methodologies that are tailored to the City’s unique water system and customer characteristics.

The cost of service analysis includes:

- Review of customer classifications to evaluate (residential, multi-family, commercial, multi-use, irrigation, etc.)
- Calculate cost to provide water service to key customer classifications.
- Identify any warranted cost shifts between customer classifications to improve equity
- Identify the unit cost for each cost category (e.g. base, peak, fire, strength, customer, etc.)
- Evaluate infrastructure assets and operating costs to determine cost differentials for customers in different booster zones
- Calculate a cost based differential for customers served outside of the city limits. This analysis requires a utility basis methodology different from the cash basis methodology used for existing

rate setting.

TASK 6 | RATE DESIGN

Rate design determines how the target level of revenue will be collected from each customer class through the system of fixed and variable rates charged to customers. Rate design must balance the objectives of resource conservation efforts, revenue stability and low-income affordability. Each developed rate design alternative should generate sufficient revenue to meet the revenue requirement forecast and begin to address any material inequities identified in the COSA findings. In addition, rate designs will be consistent with the City's fiscal policies, billing system capabilities, and goals.

To align the rate structures with the priorities and goals of the City a rate structure prioritization exercise may be considered. The exercise will identify the priority ranking of key rate setting priorities (e.g. conservation, affordability, revenue stability, etc.). The results will inform what rate design improvements may be warranted to better align the existing rate structures to overall system objectives.

The rate design task includes:

- Rate structure prioritization exercise (optional)
- Evaluation of existing rate structure for conformance with best practices and industry standards
- Bill frequency analysis for the residential class that evaluates how effective the current tiered rate structure is achieving objectives or if a stronger pricing signal and/or revision of rate blocks is warranted.
- Develop up to 3 rate structure alternatives – possible considerations include:
 - Changes to meter size equivalency factors
 - Alternative fixed and variable rate weightings (more in fixed charge, etc.)
 - Irrigation conservation rate structure
 - Revision of residential rate blocks (size or differential)
 - Others identified by staff.

TASK 7 | CAPITALIZATION FEE UPDATE

Capitalization fees are one time fees for new or redevelopment used to recover a proportional share of the value of facilities required to provide service. In the 2015 Idaho Supreme Court Case: NIBCA v the City of Hayden the court referenced a methodology and calculation used in Loomis v. City of Hailey for calculation of capitalization fees. The court held that the Cap Fee must be based on the cost of replacing the pipe and equipment that is in the ground today (i.e. the value of the existing system). The value of the system should represent that portion of the system capacity that the new user will utilize at that point in time – in essence, future capital projects are not allowed in the capitalization fee calculation until they are constructed and placed in to service.

Since the Court's ruling, the methodology presented in **Exhibit 1** has been used by municipalities in Idaho to update their connection/capitalization fees.

Exhibit 1: Capitalization Fee Calculation

Gross Present Day Replacement Value of System
<i>Less: Bond Principal</i>
<i>Less: Unfunded Depreciation</i>
= Net Present Day Replacement Value
÷ Number of Users Current System Can Support
= Total Capitalization Fee per equivalent unit

The capitalization fee update includes:

- Calculation of gross present day replacement value of system
- Identify allowable deductions for bond principal and unfunded depreciation
- Calculate net present day replacement value
- Working with City staff and consulting engineer determine the number of users the current system can support
- Updated capitalization fee per equivalent unit

TASK 8 | PRESENTATION & COMMUNICATION

A rate study will not be successful without effective public engagement. As experts, educators, and influencers in utility rate standards, FCS GROUP consultants are well-positioned to lead the public involvement process necessary for successful adoption of rate outcomes.

The City has outlined two (2) presentations to the City Council. The first presentation will present preliminary findings and the proposed rate and fee structure. The second presentation will be to the Council and public to present study results.

The presentation & communication task includes:

- Two (2) presentations to the City Council
- Each meeting includes preparation, travel and meeting time
- Development of presentation material(s)

We are more than happy to provide additional presentations to the Council, public or stakeholder groups, at the City's request.

TASK 9 | DOCUMENTATION

The City will be provided a written document that outlines the study findings as a baseline for future reference and comparison. We note that the rate study is a “living plan” that should be routinely used to compare the planned strategy to actual outcomes and be recalibrated regularly for significant or unexpected changes.

The documentation task includes:

- 10 bound copies of written report
- Electronic copy of report with full technical exhibits

Attachment A

City of Coeur d'Alene

Water Rate and Capitalization Fee Study

Task	Principal	PM	Analyst	Admin.	Total	Labor
	Sanchez	Tarasov	Various	Support	Estimated Hours	Budget
Hourly Billing Rates	\$255	\$185	\$145	\$85		
Water Rate Study						
Task 1: Kick-off Meeting*	4	4		2	10	\$1,930
Task 2: Data Collection			4	2	6	750
- Customer Statistics Validation		4	24		28	4,220
Task 3: Model Architecture		-	8		8	1,160
Task 4: Revenue Requirement	8	8	28		44	7,580
Task 5: Cost of Service	8	16	32		56	9,640
Task 6: Rate Design (3 alternatives)	4	8	28		40	6,560
- Rate Structure Prioritization	-	-			-	0
Total Rate Study Technical Analysis	24	40	124	4	192	\$31,840
Task 7: Capitalization Fee Technical Analysis	10		32		42	\$7,190
Total All Technical Analysis	34	40	156	4	234	\$39,030
Process Tasks						
Project Team Review Meetings						
- Revenue Req & COSA (1 onsite; 2 remote @ 2 hours)	12	12			24	\$5,280
- Rate Design/Capitalization Fee (2 remote)	4	4			8	1,760
- Finalize Technical Analysis All (2 remote)	4	4			8	1,760
Task 8: Presentations and Communication (2 Council meetings)	20		12		32	6,840
Task 9: Documentation (Executive level report)	3		20	4	27	4,005
Total Process Tasks	43	20	32	4	99	\$19,645
Mileage (3 onsite meetings- hotel/air/car)						\$1,760
TOTAL ALL (labor and expenses)	77	60	188	8	333	\$60,435

* kick-off meeting is assumed to be either remote or scheduled when in town on other business

PUBLIC WORKS STAFF REPORT

DATE: January 8th, 2018
FROM: Tim Martin, Street & Engineering Director
SUBJECT: **DECLARE SURPLUS USED EQUIPMENT AND VEHICLES**

DECISION POINT:

The purpose of this report is for consent to declare various pieces of used assets and items to be deemed surplus and authorization to auction.

HISTORY:

The description of the auction items has historically gone through the Public Works committee prior to Council for consent.

PERFORMANCE ANALYSIS

This equipment/ vehicles have been deemed of little or no value to departments. We looked to provide or offer in-house before we sent items to surplus.

FINANCIAL ANALYSIS

There is no cost to the taxpayers. The Auction house takes a percentage of the bid auction item. There is a very minimal cost to the department for us to shuttle items to Post Falls.

DECISION POINT:

The purpose of this report is to ask for Council Consent to declare this equipment surplus.

List of items

Here is a brief description of each item,

- The water vehicle 1966 ford 1 ton VIN # F60BR713809. Odometer reads 67754 (pretty sure it has turned over a time or two.
- The bucket truck is a 1987 GMC 7000 with 36,209 miles. The boom is overdue for the regularly required complete overhaul that bucket trucks are subject to, there is a noisy piston in the engine, on outrigger cylinder is leaking and many hoses are weather checked.





PUBLIC WORKS COMMITTEE

STAFF REPORT

DATE: January 8, 2018
FROM: Dennis J. Grant, Engineering Project Manager
SUBJECT: **V-18-1, Vacation of a portion of Lee Court right-of-way adjoining the southerly boundary of the adjusted Lot 4, Block 2, Moen Subdivision in the City of Coeur d'Alene.**

DECISION POINT

The applicant, GVD Partners, LP, is requesting the vacation of a portion of Lee Court right-of-way that adjoins the southerly boundary of their property on Lee Court (1619 W. Appleway Avenue).

HISTORY

The requested right-of-way was relinquished to the City of Coeur d'Alene through an agreement with the Idaho Transportation Department effective on December 30, 2004.

FINANCIAL ANALYSIS

The vacation of the requested right-of-way would not have any financial impact on the City and would add approximately 0.396 Acres (17,263 Square Feet) to the County tax roll. Although a minor amount, it would be a benefit to the municipality as tax revenue, and, to the land owner whose lot adjoins the strip of usable property.

PERFORMANCE ANALYSIS

The purpose of this request is to realign the excess right-of-way to match the existing public improvements. All utilities are existing and in place, and there is no foreseeable use for this additional right-of-way. Therefore, the vacation of this portion of right-of-way adjoining this parcel would not impact the City and would be a benefit to the property owner.

RECOMMENDATION

Staff recommends to the Public Works Committee to proceed with the vacation process as outlined in Idaho Code Section 50-1306, and, to recommend to the City Council the setting of a public hearing for the item on February 6, 2018.

WINCO FOODS

RIGHT-OF-WAY VACATION

FRONTING ADJUSTED LOT 4, BLOCK 2, MOEN SUBDIVISION
IN THE SW ¼ SEC. 2, T.50N., R.4W., B.M.
IN THE CITY OF COEUR D'ALENE,
KOOTENAI COUNTY, IDAHO

APPLEWAY

AVENUE

N85°42'22"W
5.28'BUILDING
PAD
1486 W.
APPLEWAY
6,000 SF

ADJUSTED LOT 3

INST# 2624405000

ADJUSTED LOT 3 AREA= 47,680 SF

ADJUSTED LOT 4

INST # 2624404000

ADJUSTED LOT 4 AREA= 67,772 SF

R.O.W. VACATION AREA = 17,263 SF

TOTAL LOT 4 AREA,
FOLLOWING ADJUSTMENT
AND VACATION= 85,035 SFR.O.W. VACATION
(AREA = 17,263 SF)

LEE COURT

NEW 31' R.O.W.

Curve Table

Curve #	Length	Radius	Delta	Chord Direction	Chord Length
C3	24.05	140.04	9°50'24"	N86° 14' 38"E	24.02
C4	101.89	48.00	121°37'11"	N20° 30' 51"E	83.81
C1	38.18	854.08	2°33'41"	S79° 43' 20"E	38.18
C2	134.51	1110.77	6°56'17"	S85° 22' 01"E	134.42
C5	5.78	410.10	0°48'26"	N40° 41' 10"W	5.78

EXHIBIT OF RIGHT-OF-WAY VACATION
LEE COURT FRONTING BLOCK TWO,
MOEN SUBDIVISION

SCALE: NTS

DATE: 12/15/17

FILE: M72H

FRAME & S METANA, PA
Consulting Engineers

603 North 4th Street, Coeur d'Alene, Idaho, 83814
Ph. (208) 664-2121 / Fax (208) 765-5502 / Email: smetana@roadrunner.com

ES

SHEET
1 OF 1

**PUBLIC WORKS COMMITTEE
STAFF REPORT**

DATE: JANUARY 8, 2018
FROM: CHRIS BOSLEY, CITY ENGINEER AND SEAN HOLM, SENIOR PLANNER
SUBJECT: REQUEST TO REDUCE IMPROVEMENT INSTALLATION SECURITY FOR THE GARDEN GROVE PUD FOR COMPLETED WORK PER CITY CODE 16.45.030

=====

DECISION POINT:

Pepper Smock is requesting a reduction of the installation security (bond), held by the City of Coeur d'Alene, for completed and inspected work for the Garden Grove subdivision and PUD.

HISTORY:

City Council approved the annexation of the subject property February 2, 2016, known then as 2810 & 2980 W. Prairie Ave. Following the approval of the Garden Grove PUD and subdivision, construction began. When all health and safety improvements were completed, the applicant posted an improvement installation security for the remaining improvements onsite, which allowed for the recordation of the final plat to allow for the sale of lots.

Since then, a majority of the improvements have been completed. Only a portion of the open space improvements and two turf blocks remain, and due to this snowy time of year, installation must wait until more favorable weather prevails. This is the reason for the request.

FINANCIAL ANALYSIS:

There is no financial impact to the City of Coeur d'Alene.

PERFORMANCE ANALYSIS:

Per City Code requirement outlined in Section 16.45.030, Mr. Smock has requested approval of a partial release of the bond. He has submitted a map highlighting the remaining areas to be improved and an updated installation security estimate prepared by Verdis engineer Merle Van Houten (attached). Staff has reviewed and agrees with the estimate.

16.45.030: REDUCTION OF INSTALLATION SECURITY:

A. A developer may request one reduction or partial release of the improvement installation security by submitting a written request to the city engineer along with a detailed estimate of the value of the work remaining to be completed. Upon receipt of the request, the city engineer will inspect the improvements completed and verify the value and percentage of work remaining. If the city engineer determines that the work has been satisfactorily completed and that the submitted estimates are correct, he or she will recommend that the city council reduce or partially release the improvement installation security subject to the following conditions:

1. No reduction will be made when more than fifty percent (50%) of the work remains to be completed.
2. No reduction will result in reducing the security to less than ten percent (10%) of the amount of the original security.
3. Reduction of security will be construed as formal acceptance of only those improvements completed at the time of reduction.
4. Reduction of security does not apply to warranty or monument security. (Ord. 3485, 2014)

The initial installation security amount of \$379,359.18 is requested to be reduced to \$152,742.08, which represents 40% of the original security which satisfies the requirements of City Code 16.45.030.

DECISION POINT/RECOMMENDATION:

Staff recommends approval of the installation security reduction for Mr. Smock.

EXHIBIT A

Garden Grove PUD Performance Bond 12/13/2017				
DESCRIPTION	UNIT	QUANTITY	COST PER UNIT	TOTAL ITEM COST
Concrete Sidewalks, 4" Thickness, Outside ROW	SY	320	\$ 34.24	\$ 10,956.80
Survey Property Pins	LS	1	\$ 5,500.00	\$ 5,500.00
Place/Shape Topsoil @ 3" Depth Over Turf/Shrub Areas	CY	327	\$ 9.37	\$ 3,063.99
LANDSCAPING				
Fine Grading	SF	34,237	\$ 0.20	\$ 6,847.40
6" Mow Curb	LF	422	\$ 3.95	\$ 1,666.90
Turf Block	SF	412	\$ 12.00	\$ 4,944.00
Benches	EA	4	\$ 1,200.00	\$ 4,800.00
Shade Trellis - Main Park	EA	2	\$ 3,850.00	\$ 7,700.00
BBQ Grills - Main Park	EA	2	\$ 648.00	\$ 1,296.00
Picnic Tables - Main Park	EA	2	\$ 1,375.00	\$ 2,750.00
Volleyball Net Post Sleeves - Main Park	EA	2	\$ 250.00	\$ 500.00
Special Paving Under Trellis - Main Park	SF	200	\$ 12.00	\$ 2,400.00
Gazebo - Community Garden	EA	1	\$ 7,440.00	\$ 7,440.00
Garden Boxes - Community Garden	EA	16	\$ 300.00	\$ 4,800.00
Pea Gravel - Around Garden Boxes	TON	25	\$ 50.00	\$ 1,250.00
Hydroseed - Lawn	SF	34,237	\$ 0.08	\$ 2,738.96
1.5" Cal. Deciduous Shade Trees	EA	18	\$ 250.00	\$ 4,500.00
1.5" Cal. Flowering Accent Trees	EA	0	\$ 250.00	\$ -
Shrubs & Groundcovers, 1 gal	EA	123	\$ 16.00	\$ 1,968.00
Bark Mulch (2" depth)	CY	9	\$ 40.00	\$ 360.00
Shrub Fertilizer (granular/time released plant tabs)	LS	1	\$ 400.00	\$ 400.00
Automatic System to include all HOA areas	LS	1	\$ 25,946.00	\$ 25,946.00
ROW Irrigation	SF	0	\$ 0.60	\$ -
ROW Swale Seed	SF	0	\$ 0.08	\$ -
Fine Grading	SF	0	\$ 0.20	\$ -
12'-15' Buffer Trees - Deciduous @ 2.5" Caliper Min.	EA	0	\$ 400.00	\$ -
2" Cal. Street Trees	EA	0	\$ 310.00	\$ -
COST OF REMAINING IMPROVEMENTS				\$ 101,828.05
PERFORMANCE BOND VALUE (150% OF REMAINING IMPROVEMENTS)				\$ 152,742.08

December 7, 2017

Mr. Sean Holm
Senior Planner
City of Coeur d'Alene
710 E. Mullan Ave.
Coeur d'Alene, ID 83814

RE: Garden Grove – Remaining Improvements

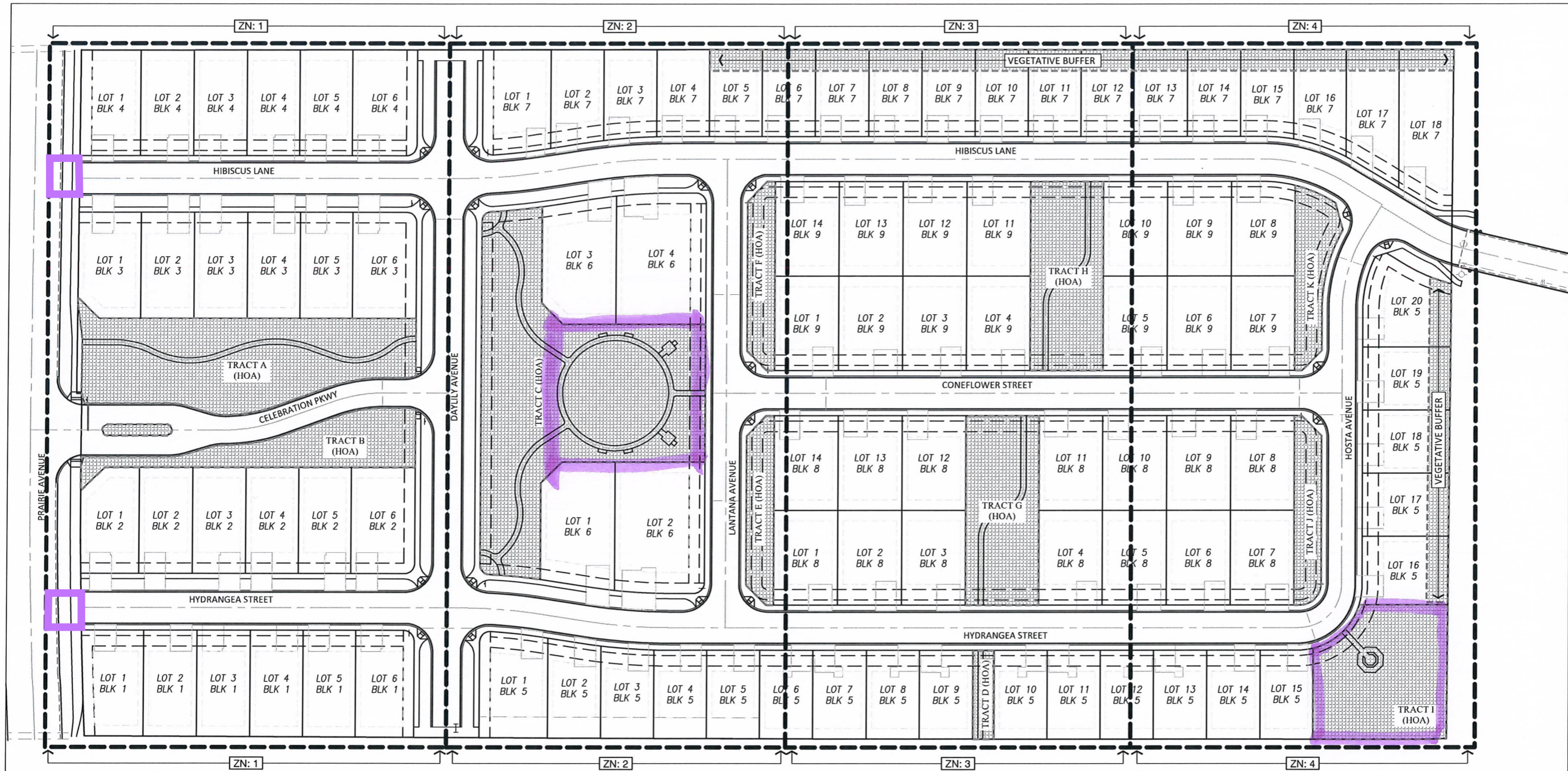
Mr. Holm:

The itemized list of improvements for the Garden Grove PUD provided to you today will be completed in the spring of 2018. We greatly appreciate the patience and understanding shown by the City and nearby residents as we take the necessary measures to construct a lasting high quality development.

Sincerely,

A handwritten signature in black ink that reads "Donald Smock". The signature is written in a cursive, slightly stylized font. The first name "Donald" is written in a more formal cursive, while "Smock" is written with a more casual, slanted cursive. The signature is positioned below the word "Sincerely,".

Donald Smock
Harmony Homes, LLC
Managing Member



SYMBOL LEGEND



- ZN: 1** LANDSCAPE ZONE 1 - SEE SHEETS PUD 9-10
ZN: 2 LANDSCAPE ZONE 2 - SEE SHEETS PUD 11-13
ZN: 3 LANDSCAPE ZONE 3 - SEE SHEET PUD 14
ZN: 4 LANDSCAPE ZONE 4 - SEE SHEETS PUD 15-16

ADDITIONAL LANDSCAPE FEATURES/PLANS

1. SEE SHEET PUD 19 FOR LANDSCAPE NOTES/DETAILS



Physical Address:
601 E. Front Avenue, Ste. 205
Coeur d'Alene, ID 83814
Mailing Address:
PO Box 580
Coeur d'Alene, ID 83816

Phone:
P: (208) 667-1214
Web:
www.verdisnw.com

GARDEN GROVE PUD

LANDSCAPE FEATURES/ZONES OVERVIEW

DATE: 01-05-17

JOB: 15-249

DRAWN: SPK

CHECKED: SPK

REVISIONS:

NO: DESCRIPTION:

△

△

△

△

△

PROJECT:

GARDEN GROVE

CLIENT:

HARMONY HOMES, LLC

ADDRESS:

PRAIRIE AVE

DRAWING FILE:

PUD.dwg

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PUD 8

SHEET 2 of 13

