



Coeur d'Alene

CITY COUNCIL MEETING

October 5, 2010

MEMBERS OF THE CITY COUNCIL:

Sandi Bloem, Mayor

Councilmen Edinger, Goodlander, McEvers, Bruning, Hassell, Kennedy

CONSENT CALENDAR

**MINUTES OF A REGULAR MEETING OF THE CITY
COUNCIL OF THE CITY OF COEUR D'ALENE, IDAHO,
HELD AT THE LIBRARY COMMUNITY ROOM
September 21, 2010**

The Mayor and Council of the City of Coeur d'Alene met in a regular session of said Council at the Coeur d'Alene City Library Community Room September 21, 2010 at 6:00 p.m., there being present upon roll call the following members:

Sandi Bloem, Mayor

Woody McEvers) Members of Council Present
Mike Kennedy)
John Bruning)
Deanna Goodlander)

A. J. Al Hassell, III) Members of Council Absent
Loren Ron Edinger)

CALL TO ORDER: The meeting was called to order by Mayor Bloem.

INVOCATION was led by Pastor Ron Hunter, Church of the Nazarene.

PLEDGE OF ALLEGIANCE: The pledge of allegiance was led by Councilman McEvers.

PRESENTATIONS:

STORMWATER STENCILING PROGRAM: Bonnie Niles and Emily Davis from the Idaho Department of Labor introduced the youth participants in the program who presented a power point report on the storm water stenciling program and the purpose of the program.

COMMUNITY CANOPY PROGRAM: Katie Kosanke, Deputy City Urban Forester, explained the purpose of the Community Canopy Program and explained the different causes of damage to urban trees. She presented a Landscape of Excellence award to The Village Condominiums for their excellent work in tree care and landscaping practices. Terry Newcomb from the Village Condominiums Homeowners Association accepted the award.

PUBLIC COMMENT:

SKATEBOARD PARK: Chase Turner, 880 S. Fairmont Loop, reported on the Skateboard Park and that several users have been looking at other skateboard parks for new ideas to be added to the City's Skateboard Park and that he and his friends have been trying to keep the park clean of graffiti.

POLICE/FIRE RADIOS: Gil Marmon, 504 N. 16th, believes that the new radios the City is planning to purchase for the Fire and Police Departments are not FCC mandated and are an unnecessary expense. Police Lieutenant Bill McLeod and Deputy Fire Chief Jim Washko explained that although the City's current radios have the capability of going to narrowband, in order to create an interoperable communications system throughout the State, the City would need

to purchase new radios for 700 Mhz which allows Fire and Police as well as 911 Dispatch and every public safety department in the county to communicate with each other during crises. Deputy Fire Chief Jim Washko also noted that the City did participate in a grant program in order to pay for the radios. Lt. McLeod noted that the Police Department has applied for and received grant funding for the purchase of the radios which will cover more than half the total cost of the radios. Councilman Kennedy noted that it was learned during the 9-11 Twin Towers catastrophe that the Police and Fire Departments could not communicate with each other during their emergency response and that is why narrow banding is now being required.

CONSENT CALENDAR: Motion by Kennedy, seconded by McEvers to approve the Consent Calendar as presented.

1. Approval of minutes for September 7, 2010.
2. Setting the General Services Committee and the Public Works Committee meetings for Monday, September 27th at 12:00 noon and 4:00 p.m. respectively.
3. RESOLUTION 10-036: A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO AUTHORIZING THE BELOW MENTIONED CONTRACTS AND OTHER ACTIONS OF THE CITY OF COEUR D'ALENE INCLUDING APPROVING THE ANNUAL RENEWAL OF KOOTENAI MEDIAL CENTER THERAPEUTIC POOL USE AGREEMENT, APPROVING THE RENEWAL OF ANIMAL HOUSING AGREEMENT WITH KOOTENAI HUMANE SOCIETY, AND APPROVING A CONTRACT WITH THORCO FOR CONSTRUCTION OF FIBER AND CONDUIT FROM WASTEWATER TREATMENT PLANT TO KOOTENAI COUNTY ADMINISTRATION BUILDING.
4. Approval of bills as submitted and on file in the Office of the City Clerk.
5. Setting of public hearing for O-4-10 (amendments to shorelines regulations) for October 19, 2010.
6. Declaring the Wastewater Treatment Plant's 1987 16-ft. Blazer Open Bow boat as surplus.
7. Authorizing the solicitation of bids for WWTP Secondary Clarifier #2 Coating Refurbishment.
8. SS-4-10 – Final plat approval for Hamilton Woods Subdivision.
9. Approval of beer/wine license transfer from Caruso's Sandwich Co. at 202 W. Ironwood.

ROLL CALL: Kennedy, Aye; McEvers, Aye; Bruning, Aye; Goodlander, Aye. Motion carried.

ADMINISTRATOR'S REPORT: Deputy City Administrator Jon Ingalls reported that the Pedestrian and Bicycle Advisory Committee organized a bike ride along the newly created 15th Street bike lane. September 25th is another scheduled prescription drug turn-in opportunity to be located at the Library. There is a vacancy on the Library Board, anyone interested may contact Library Director Bette Ammon at 769-2315. Ped/Bike Committee's tip of the week is that vehicles should yield to pedestrians at any intersection, marked or not. Camp All-Stars received a \$4,436 grant from Inland Northwest Community Foundation. The "big blue bins" are coming the week of Oct. 11th which will enable residents to recycle more than is currently allowed. Residents will be notified when they can start placing the new bins in the street for Waste Management to pickup their recyclables. Planning Commission also has a vacancy, contact Shana Stuhlmiller at 769-2240. The Noise Abatement Board also has a vacancy, please contact Susan Weathers at 769-2231. Questions regarding winterizing your lawn and garden irrigation systems can be answered by Greg Schrempp or Gary Nolan at the City Water Dept. The City is currently accepting applications for Police Dept. Executive Assistant until October 1st.

ORDINANCE NO. 3394
COUNCIL BILL NO. 10-1020

AN ORDINANCE OF THE CITY OF COEUR D'ALENE, IDAHO, AUTHORIZING THE ISSUANCE AND SALE OF THE CITY'S LOCAL IMPROVEMENT DISTRICT NO. 149 BONDS, 2010, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$125,320.21, PAYABLE FROM ASSESSMENTS ON PROPERTY WITHIN LID 149, ESTABLISHING THE TERMS OF THE BONDS, AUTHORIZING THE CITY TO PURCHASE THE BONDS, AND FIXING THE INTEREST RATE ON ASSESSMENTS IN LID 149.

STAFF REPORT: Finance Director reported that staff is recommending the sale of bonds in the amount of \$125,320.21. He noted that the City will finance the bonds at an interest rate of 4%.

Motion by Kennedy, seconded by Bruning to pass the first reading of Council Bill No. 10-1020.

ROLL CALL: Goodlander, Aye; Kennedy, Aye; McEvers, Aye; Bruning, Aye. Motion carried.

Motion by Kennedy, seconded by Bruning to suspend the rules and to adopt Council Bill No. 10-1020 by its having had one reading by title only.

ROLL CALL: Goodlander, Aye; Kennedy, Aye; McEvers, Aye; Bruning, Aye. Motion carried.

PUBLIC HEARING – AMENDMENTS TO ANNUAL APPROPRIATION ORDINANCE FOR FISCAL YEAR 2009-2010: Mayor Bloem read the rules of order for this public hearing. Finance Director Troy Tymesen gave the staff Report.

Mr. Tymesen reported that the Building permit revenues and interest income were below budget this fiscal year. The budget amendment reflects those differences as well as some revenues that will be over budget such as franchise fees and federal and state grants. On the expenditure side the budget amendment shows some increases in expenditures due to carryovers of projects, some grant expenditures, and an unexpected overage due to the Fernan Court Project. Fund balance of \$217,011 is projected to be needed to cover the increased expenses and the revenue short fall for the fiscal year.

PUBLIC COMMENTS: Mayor Bloem called for public comments with none being received.

ORDINANCE NO. 3395
COUNCIL BILL NO. 10-1019

AN ORDINANCE AMENDING ORDINANCE 3366, THE ANNUAL APPROPRIATION ORDINANCE FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2009 APPROPRIATING THE SUM OF ~~\$73,729,435~~ \$77,469,739, WHICH SUM INCLUDES ADDITIONAL MONIES RECEIVED BY THE CITY OF COEUR D'ALENE IN THE SUM OF \$3,740,604; REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING AN EFFECTIVE DATE HEREOF.

Motion by Kennedy, seconded by Bruning to pass the first reading of Council Bill No. 10-1019.

ROLL CALL: Goodlander, Aye; Kennedy, Aye; McEvers, Aye; Bruning, Aye. Motion carried.

Motion by Kennedy, seconded by Bruning to suspend the rules and to adopt Council Bill No. 10-1019 by its having had one reading by title only.

ROLL CALL: Goodlander, Aye; Kennedy, Aye; McEvers, Aye Bruning, Aye. Motion carried.

EXECUTIVE SESSION: Motion by Bruning, seconded by McEvers to enter into Executive Session as provided by I.C. 67-2345 § C: To conduct deliberations concerning labor negotiations or to acquire an interest in real property, which is not owned by a public agency; and § F: To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel as executive session does not satisfy this requirement.

ROLL CALL: Kennedy, Aye; McEvers, Aye; Bruning, Aye; Goodlander, Aye. Motion carried. Motion carried.

The session began at 7:15 p.m. Members presented were the Mayor, City Council, City Administrator, Deputy City Administrator and City Attorney.

Matters discussed were those of litigation, and property acquisition. No action was taken and the Council returned to regular session at 8:18 p.m.

ADJOURNMENT: Motion by McEvers, seconded by Goodlander that, there being no further business before the Council, this meeting is adjourned. Motion carried.

The meeting adjourned at 8:18 p.m.

Sandi Bloem, Mayor

ATTEST:

Susan Weathers, CMC
City Clerk

RESOLUTION NO. 10-037

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO AUTHORIZING THE BELOW MENTIONED CONTRACTS AND OTHER ACTIONS OF THE CITY OF COEUR D'ALENE INCLUDING APPROVING THE 2010 – 2011 BENEFIT PLAN CHANGES AND RENEWAL RATES AND APPROVING CHANGE ORDER NO. 2 FOR CONTRACTORS NORTHWEST FOR THE WWTP PHASE 5B

WHEREAS, it has been recommended that the City of Coeur d'Alene enter into the contract(s), agreement(s) or other actions listed below pursuant to the terms and conditions set forth in the contract(s), agreement(s) and other action(s) documents attached hereto as Exhibits "1 through 2" and by reference made a part hereof as summarized as follows:

- 1) Approving the 2010 – 2011 Benefit Plan Changes and Renewal rates;
- 2) Approving Change Order No. 2 for Contractors Northwest for the WWTP Phase 5B;

AND;

WHEREAS, it is deemed to be in the best interests of the City of Coeur d'Alene and the citizens thereof to enter into such agreements or other actions; NOW, THEREFORE,

BE IT RESOLVED, by the Mayor and City Council of the City of Coeur d'Alene that the City enter into agreements or other actions for the subject matter, as set forth in substantially the form attached hereto as Exhibits "1 through 2" and incorporated herein by reference with the provision that the Mayor, City Administrator, and City Attorney are hereby authorized to modify said agreements or other actions so long as the substantive provisions of the agreements or other actions remain intact.

BE IT FURTHER RESOLVED, that the Mayor and City Clerk be and they are hereby authorized to execute such agreements or other actions on behalf of the City.

DATED this 5th day of October, 2010.

Sandi Bloem, Mayor

ATTEST

Susan K. Weathers, City Clerk

Motion by _____, Seconded by _____, to adopt the foregoing resolution.

ROLL CALL:

COUNCIL MEMBER BRUNING Voted _____

COUNCIL MEMBER GOODLANDER Voted _____

COUNCIL MEMBER MCEVERS Voted _____

COUNCIL MEMBER HASSELL Voted _____

COUNCIL MEMBER KENNEDY Voted _____

COUNCIL MEMBER EDINGER Voted _____

_____ was absent. Motion _____.

MEMORANDUM

DATE: September 27, 2010
TO: Mayor & Council
FROM: Pam MacDonald
Human Resources Director
SUBJECT: Benefit Plan Changes and Renewal Rates

DECISION POINT:

City Council is requested to approve the following benefit plan changes and renewal rates effective October 1, 2010. The benefit plan contracts include, Group Health Options, Blue Cross of Idaho Dental, Willamette Dental, United Heritage Life Insurance; Long-term Disability and Magnuson, and McHugh & Company Flexible Spending Account.

HISTORY:

The Medical Review Committee's goal is to minimize rate increases and strategically address employee cost sharing for medical benefits. The Committee, per contract, consists of representatives from the Lake City Employee's Association, Fire Union, Police Association, Non-represented and Exempt employees. They meet regularly throughout the year to understand market trends, review alternate medical and dental plans and consider changes.

This year the City was initially faced with a proposed medical premium increase of 12.9%. The Committee's diligent work resulted in an overall 10% increase for the Fiscal Year 2010-11 plans.

FINANCIAL ANALYSIS:

The following changes are effective October 1, 2010 through September 30, 2011. The health coverage changes were recommended by the Medical Insurance Review Committee:

- Blue Cross Dental administration fee increase is 1.10% with services remaining the same as in the previous year.
- Willamette Dental increase is 0% with benefit coverage remaining the same.
- Benefit coverage for the three current Group Health Options plans were updated to include only Health Reform mandated changes and the overall rate increase is 10%. Also the City agreed to pay up to 12% of the plan premium increase for FY2010-11 only.
 - The United Heritage Life insurance and long-term disability premium cost remain the same and benefit coverage increased to \$50,000 for LCEA and Fire Union represented employees.
 - Only Health Reform mandated benefit changes were made to the City's Flexible Spending Account with Magnuson, McHugh & Company, P.A.

PERFORMANCE ANALYSIS:

Once the new plan document contracts and rates are updated, they will be forwarded to the City for signatures.

DECISION POINT/RECOMMENDATION:

City Council is requested to approve the benefit plan changes and renewal rates.

City of Coeur d'Alene

Group #10030789

Blue Cross Renewal Rates Effective 10/1/10 - 9/30/11

	<u>10/1/09</u>	<u>10/1/10</u>	<u>% Change</u>
Administration PEPM:			
Dental	\$5.12	\$5.38	5.00%
Commission	<u>\$1.96</u>	<u>\$1.78</u>	-9.09%
Total	\$7.08	<u>\$7.16</u>	1.10%

Administrative Fee for Runout: 10% of Paid Claims for 12 Months

Suggested Dental Funding Rates*:			
Enrollee	\$45.07	\$40.97	-9.09%
Enrollee + Spouse	\$90.19	\$81.99	
Enrollee + 1 Child	\$69.53	\$63.21	
Enrollee + Children	\$88.49	\$80.44	
Ee + Sp + Child(ren)	\$136.12	\$123.75	

*Please provide funding rates if different than shown.

Optional Services (fees not included in suggested funding rates):

COBRA (PEPM): \$1.25 Yes / No

The Group agrees to pay out-of-area processing, access, surcharge and / or fees, if any, as outlined in the Group's Administrative Services Agreement.

The Group is self-funding its health benefit plan(s) and agrees to set up the appropriate trust agreement and comply with any other ERISA and / or state requirements.

On behalf of the Group, I accept the rates and terms as outlined.

Authorized Group Administrator:
 Printed Name: _____
 Date: _____

Authorized Independent/ Agency Producer:
 Printed Name: _____
 Date: _____



*Celebrating 40 Years of
Moving Dentistry Forward*

Willamette Dental
Mailing Address:
6950 NE Campus Way
Hillsboro, OR 97124

Administration • 503-952-2000
FAX • 503-952-2200

June, 2010

MR GREG HELBLING
HELBLING BENEFIT CONSULTING INC
250 NORTHWEST BLVD SUITE 211
COEUR D' ALENE ID 83814

Re: Renewal for City of Coeur d' Alene (#Z1357)
Effective: October 01, 2010

Dear Mr. Helbling:

We have completed our annual review and have utilized the experience period of May 1, 2009 through April 30, 2010 for this renewal action. We are pleased to be able to provide the City of Coeur d' Alene a rate pass for the policy period effective October 1, 2010 through September 11, 2011.

Commission payable is 2%

0% Increase

<u>Active EE & Early Retirees</u>	<u>Current</u>	<u>Eff. 10/1/10</u>	<u>Enrolled</u>
Employee Only	\$44.60	\$44.60	14
Employee & Spouse	\$89.25	\$89.25	11
Employee & Child	\$68.80	\$68.80	3
Employee & Children	\$87.60	\$87.60	5
Employee & Family	\$134.75	\$134.75	40
			73

Please contact Nate Pierce at (208) 639-4711 for further information or assistance on this matter or this renewal. Thank you for your help with this renewal. We appreciate your business.

Sincerely,

Jeanine Myers
Associate Underwriter

C: (WDII) Marketing,
(WDII) Insurance,
(WDII) Compliance

Rates Confirmation

City of Coeur d'Alene Total Replacement

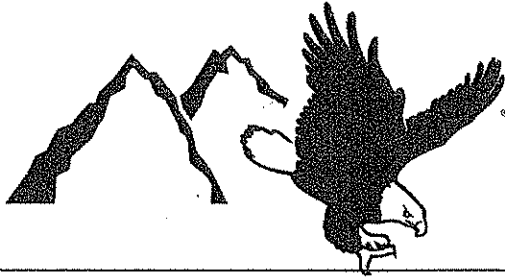
Effective Date 10/1/2010 thru 10/1/2011



The below rates have been quoted for Group Health Options, Inc. plan(s). Please sign below to confirm rates.

Group No. 10	Core Options	Buy-Up 1 Options	Buy-Up 2 Options
	City of Coeur d'Alene \$500 Deductible Plan 8018700 RQ-35872	City of Coeur d'Alene \$200 Deductible Plan 8043000 RQ-35872	City of Coeur d'Alene Copay Plan 0884900 RQ-35872
Rates by Tier	EE \$ 464.84	EE \$ 507.62	EE \$ 537.24
	EE/S \$ 1,008.14	EE/S \$ 1,100.92	EE/S \$ 1,165.14
	EE/1C \$ 672.49	EE/1C \$ 734.37	EE/1C \$ 777.21
	EE/2+C \$ 763.72	EE/2+C \$ 834.00	EE/2+C \$ 882.65
	EE/S/C \$ 1,145.57	EE/S/C \$ 1,251.00	EE/S/C \$ 1,323.97

Signature _____ Date _____



REC'D JUN 07 2010

*Copy to Tracy
& Sheri
6/9/10*

UNITED HERITAGE
Life Insurance Company

June 4, 2010

PAM MCDONALD
CITY OF COEUR D'ALENE
710 E. MULLAN AVE
COEUR D'ALENE, ID 83814-3958

RE: Your Group Policy GD, GL-1393

Dear Ms. McDonald,

We have completed our renewal of your group insurance coverage, and are pleased to tell you that we will continue your coverage at the present rates. They are:

Benefit	Rates
Employee Life (per \$1,000)	\$.24
AD&D (per \$1,000)	\$.08
Dependent Life (per family)	\$.31
Long Term Disability (per \$100)	\$.75

These rates will be guaranteed not to increase before October 1, 2011, subject to the provisions of the policy.

It has been a pleasure working with you. If we can do anything for you or your employees, please let us know.

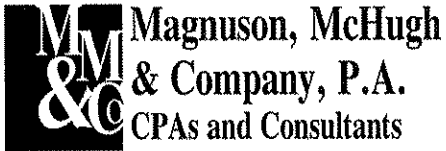
Sincerely,

Rebecca Johnson

Rebecca Johnson
Group Support

cc: Helbling Benefits # 9104

United Heritage Life Insurance Company
(208) 493-6100 – Toll-Free – 1-800-657-6351
707 E. United Heritage Ct., Meridian, Idaho 83642-3527
P.O. Box 7777 -- Meridian, Idaho 83680-7777
unitedheritage.com



September 17, 2010

CAFETERIA PLAN ELECTION FORM ENCLOSED:

To participate in the 2010-2011 Plan – please complete and return the attached election form to:

**Human Resource Department or
Magnuson, McHugh & Co.**

OPEN ENROLLMENT : ends on Friday, September 24, 2010. You must have your election form completed and submitted by this date. The new Plan Year starts **October 1, 2010.**

GRACE PERIOD:

Plan Year is October 1, 2009 through September 30, 2010 but you have until December 15, 2010 to incur medical cost against this plan year. You have until December 29, 2010 to submit the Request for Reimbursement form and qualified receipts.

REQUEST FOR REIMBURSEMENTS:

Requests are entered in the order they are received. Please allow 5 business days to process. **Monthly automatic reimbursement requests for daycare must be resubmitted at the start of the new plan year.**

CHECK YOUR ACCOUNT ON-LINE AT:

www.mmccpa.com "My Take Care" Access

Review account activity and balances, print forms and calculate estimated tax saving on-line. You can even watch a five minute video explaining the flex plan and the flex debit card.

FLEX DEBIT CARDS:

Pay for qualified medical expenses with a flex debit card and the money is instantly deducted from your flex account. No more paying for the expense, filing a claim and waiting to get reimbursed. The **take care** flex debit card can be ordered on-line, one for you and one for each of your dependents.

BENEFIT CHANGES:

Changes as of 1/1/2011

Over-the-Counter medicines or drugs must be prescribed by your physician (except insulin). Over-the-Counter items that are not medicines or drugs such as bandages, crutches or blood-pressure monitor are not subject to this change.

Coverage Changes Immediately

Employees' children under the age 27 qualify for coverage under the Cafeteria Flexible Spending Arrangement even if the child is no longer a tax dependent.

**Paige Woods, Marilyn Higgs or Kelly Wolf
Magnuson, McHugh & Co.**

**PUBLIC WORKS COMMITTEE
STAFF REPORT**

DATE: September 27, 2010
FROM: David E. Shults, Capital Program Manager *D.E.S.*
SUBJECT: Change Order #2 for Contractors Northwest for WWTP Phase 5B

DECISION POINT:

The City Council is requested to approve Change Order #2, for an increased cost of \$78,850 to the City's agreement with Contractors Northwest, Inc. for a total construction contract amount of \$10,759,751.

HISTORY:

Construction of the Phase 5B improvements has progressed substantially over the last seven months. The Phase 5B facilities include an administration/lab building, a multi-bay garage, a biosolids digester, a digester control building, a biogas control building, extension of the below-grade utilidor, improvements to the operator control building, and improvements to the solids control building.

Several changes to the plans and specifications were made by project consultant, HDR Engineering to address issues related to the building permits for the various structures, to add design details that were omitted from the original plans and specifications, to address unanticipated site conditions, and to accept credits offered by the contractor for substitutions involving materials. Change Order #1 to the construction contract with Contractors Northwest, Inc. was approved by the City Council in August. Proposed Change Order #2 includes additional changes for similar reasons costing \$124,310. That amount is reduced by a portion of the amount included in CNI's bid for unanticipated work.

Change Order #2 includes 25 items, all of which are described in the attached letter from HDR. Seven items address issues that were not originally specified, but are necessary. Eight items address improvements that the City's building department asserted must be added to comply with building code requirements. Six items include site conditions different than anticipated in the design. Four items are cost reductions for substitutions of materials and coatings. No rework is necessary, and the change order work can be accomplished without adding any days to the required completion days for CNI's work. HDR and city staff negotiated the elements and costs of the proposed change order, and believe they are fair and reasonable, and that the changes are necessary.

FINANCIAL ANALYSIS:

Phase 5B Construction Cost Estimate

Building Permits	82,948
Equipment Prepurchase	125,000
Archeological Monitoring	7,486
Construction Engineering and Inspection	1,999,478
Construction Bid	10,632,100
Construction Change Order #1	48,801
Construction Change Order #2 (Proposed)	78,850
<u>Contingency (5% of Construction and Engineering)</u>	<u>631,579</u>

Total Phase 5B construction project cost 13,606,242

Funding: Construction of Phase 5B is a two year project partially funded by a loan from DEQ at an annual interest rate of 0.5% repayable over a 20 year period, and partially funded by approximately \$1,200,000 cash reserves in the City's Wastewater Fund. The City budget for the first year in FY 09/10 was \$8,514,436. The current FY 10/11 City budget for the second year is \$7,500,000.

DISCUSSION:

The project team has identified and quickly resolved several different types of issues that have cropped up on this project; a project that includes seven different structures and associated building permits. The project also involves a combination of heavy industrial construction and architectural commercial building construction. To further make the project very interesting, the loan funding agreement mandates use of only American made materials, payment of Davis-Bacon prevailing wages, and unprecedented documentation and reporting. The cooperation of the team of contractors, engineers, building officials, plant operators, and loan officials has allowed the work to progress rapidly, with resolution of unexpected changes at costs that are within reason and without significant delay. The contractors' initial bid price includes four bid items for various types of unanticipated work that total \$212,100, and would only be authorized if needed. Credit of \$147,141 from these specific bid items is applied to the \$274,792 total value of the changes in C.O. #1 and #2, which results in a net increase to the CNI construction contract of \$127,651. A balance of \$64,959 remains from the bid items for unanticipated work, which is available for future change orders for this project.

DECISION POINT/RECOMMENDATION:

The City Council is requested to approve Change Order #2, for an increased cost of \$78,850 to the City's agreement with Contractors Northwest, Inc. for a total construction contract amount of \$10,759,751.

Attachment

c. Katy Baker

IDEQ, Cd'A

dcs1413



September 21, 2010

Mr. Dave Shults, Capital Program Manager
City of Coeur d'Alene Wastewater Department
710 E. Mullan Ave.
Coeur d'Alene, Idaho 83814

**RE: City of Coeur d'Alene Wastewater Treatment Plant
Phase 5B Solids Processing Improvements
Change Order No. 2 for Contractors Northwest, Inc.**

Dear Mr. Shults:

Please find attached, for your review and approval, the recommended Change Order No. 2 for the above referenced project. This Change Order incorporates the Change Proposal Requests (CPRs) attached to this letter of transmittal and as summarized below:

CPR No. 001 – Administration Laboratory Building Elevator Sump Pit. This Change Proposal Request involved providing the necessary materials, labor and equipment to construct a sump in the elevator pit in the Administration Laboratory Building as required by the Idaho Division of Building Safety. This change item was an additional cost of \$1,164.00. A change to the contract duration was not included with this change item.

CPR No. 003 – Administration Laboratory Building Elevator Beam. This Change Proposal Request involved providing the necessary materials, labor and equipment to add a lifting beam at the head of the elevator structure in the Administration Laboratory Building. The lifting beam was a requirement of the Idaho Division of Building Safety. This change item was an additional cost of \$3,084.00. An extension to the contract duration was not included with this change item.

CPR No. 004 – Administration Laboratory Building Cable Guardrail System Modification. This Change Proposal Request involved providing the necessary materials, labor and equipment to modify the cable guardrail system in the Administration Laboratory Building to use steel intermediate support posts in lieu of the aluminum posts included in the original design due to the aluminum posts being unable to support the required cable tension. This change item was an additional cost of \$1,641.00. An extension to the contract duration was not included with this change item.

CPR No. 005 – Administration Laboratory Building Stairwell Dimensions. This Change Proposal Request involved providing the necessary materials, labor and equipment to adjust the Administration Laboratory Building north stairwell dimensions to meet the architectural requirements for the stairs. This change item was an additional cost of \$1,075.00. An extension to the contract duration was not included with this change item.

HDR Engineering, Inc.

412 E. Parkcenter Blvd.,
Suite 100
Boise ID 83706-6659

Phone: (208) 387-7000
Fax: (208) 387-7100
www.hdrinc.com

CPR No. 008 – Administration Laboratory Building Permit Changes. This Change Proposal Request involved providing the necessary materials, labor and equipment as required to address comments from the Coeur d’Alene Building Department during the building permit review process. Changes included redesigning the moment frame base plate anchors; modifying door layouts to allow for the required maneuvering distance on the pull side of the doors; clarifying the requirement for tempered glass next to mandooors; clarifying ADA requirements in the restroom, kitchen and stairwell areas; adding the required floor drainage and conditioned air supply to the south stair due to the relocation of the reduced pressure backflow preventer; clarifying the requirement for fire rated walls around the elevator mechanical room; and adding specified requirements to the drawings at the City’s request. This change item was an additional cost of \$13,314.00. An extension to the contract duration was not included with this change item.

CPR No. 011 – Utilidor Elevation Modifications. This Change Proposal Request involved providing the necessary materials, labor and equipment as required to modify the Utilidor and Digester Control Building interface including eliminating a floor drain and associated piping and to add two steps at the Utilidor and Biogas Control Building interface. This change item was a *credit* of \$694.00. A change to the contract duration was not included with this change item.

CPR No. 012 – Collections Maintenance Garage Permit Changes. This Change Proposal Request involved providing the necessary materials, labor and equipment as required to address comments from the Coeur d’Alene Building Department during the building permit review process. Changes included clarifying the requirement for tempered glass next to man doors; adding an ADA-compliant drinking fountain to the Lunchroom; clarifying ADA requirements in the Lunchroom, Men’s Locker Room and Women’s Locker Room; adding a mop sink and associated fixture; adding an expansion tank to the water heater; adding a bollard to protect the water heater; and up-sizing the below slab vent pipes to 2 IN. This change item was an additional cost of \$9,458.00. An extension to the contract duration was not included with this change item.

CPR No. 014 – Digester Control Building Permit Changes. This Change Proposal Request involved providing the necessary materials, labor and equipment as required to address comments from the Coeur d’Alene Building Department during the building permit review process. Changes included adding two window wells and basement windows for ventilation purposes in the event of a fire; clarifying the handrail requirements for the guardrail system; and clarifying ADA requirements in the Restroom. This change item was an additional cost of \$22,734.00. Of this additional cost, \$5,663.00 was applied to Bid Item No. 5 – Additional Concrete Work (Section 13922). An extension to the contract duration was not included with this change item.

CPR No. 017 – Natural Gas System Modifications. This Change Proposal Request involved providing the necessary materials, labor and equipment to modify the natural gas system. Items included in this CPR included the addition of two new gas pressure regulators; rental of an Avista portable natural gas trailer for the Low Phosphorus Building while a new

gas pressure regulator was being installed under a separate contract; modifying the common utility trench (natural gas, hot water supply and hot water return systems) between the Utilidor and Collections Maintenance Garage to accommodate for flexibility in the location of future Primary Clarifier Nos. 3 and 4; removal and disposal of unanticipated asphalt; credit for installing the electrical utilities in the common trench; and modifying the pipe burial depth for the hot water supply and return pipes in the common trench from 4 FT minimum bury to continuously rising to prevent high points in the pipelines and the need for air release systems. This change item was an additional cost of \$23,076.00. An extension to the contract duration was not included with this change item.

CPR No. 018 – Fire Extinguishers. This Change Proposal Request involved providing the necessary materials, labor and equipment to provide additional fire extinguishers for the Collections Maintenance Garage and Digester Control Building to address comments from the Coeur d’Alene Building Department during the building permit review process. This change item was an additional cost of \$3,245.00. An extension to the contract duration was not included with this change item.

CPR No. 023 – Digester Pipe Encasement Modifications. This Change Proposal Request involved providing the necessary materials, labor and equipment to modify the rebar configuration for the pipe encasement and to modify the weep ring detail at the penetration in the digester concrete slab. This change item was an additional cost of \$3,250.00. All of this additional work was applied to Bid Item No. 5 – Additional Concrete Work (Section 13922) resulting in no additional cost to Change Order No. 2. An extension to the contract duration was not included with this change item.

CPR No. 025 Revision 1 – Joist Coating Credit. This Change Proposal Request involved providing the necessary materials, labor and equipment to modify the painting requirements established in CPR No. 025 for the steel joists. The coating system proposed in CPR No. 025 was incompatible with the manufacturer standard dip primer and needed to be changed. Additionally, after discussions with the paint manufacturer representative and City staff, it was decided to provide a slightly higher level of coating protection by adding an additional top coat to the high performance industrial coating system proposed in CPR No. 025. This change item was an additional cost of \$3,821.00 thus reducing the original *credit* of \$22,300.00 to \$18,479.00. A change to the contract duration was not included with this change item.

CPR No. 028 – Utilidor Wall Relocation. This Change Proposal Request involved providing the necessary materials, labor and equipment to modify the Utilidor wall at the connection to the Solids Building basement due to a buried electrical duct bank being located differently than on available plans and too close to allow installation of the anticipated shoring system and formwork. The unforeseen condition resulted in the use of the shoring system as the formwork and leaving the system in place after placement of the concrete wall. This item also includes a credit for the anticipated shoring system that was not used. This change item was an additional cost of \$3,757.00. An extension to the contract duration was not included with this change item.

CPR No. 030 – Solids Building Sump Pump Electrical Modifications. This Change Proposal Request involved providing the necessary materials, labor and equipment to install new conduit, junction boxes and conductors for the existing sump pumps to remain in service after the existing electrical conduit is demolished due to the new access hole in the basement wall. This change item was an additional cost of \$1,095.00. All of this additional cost was applied to Bid Item No. 8 – Additional Electrical and Instrumentation Work (Section 13955) resulting in no additional cost to Change Order No. 2. An extension to the contract duration was not included with this change item.

CPR No. 033 – Asbestos Cement Pipe Replacement. This Change Proposal Request involved providing the necessary materials, labor and equipment to remove an existing section of asbestos cement pipe that was uncovered during installation of the common trench and to replace it with a section of AWWA C-900 PVC pipe per City standards. This change item was an additional cost of \$3,565.00. An extension to the contract duration was not included with this change item.

CPR No. 034 – Digester Control Building Circulating Sludge Pipe Modification. This Change Proposal Request involved providing the necessary materials, labor and equipment to provide 6" x 4" concentric reducers and 4" expansion joints on the discharge of Circulating Sludge Pumps P-78024 and P-78026. This change item was an additional cost of \$1,073.00. An extension to the contract duration was not included with this change item.

CPR No. 039 – Collections Maintenance Garage Cart Storage Roll-up Door Electrical Power. This Change Proposal Request involved providing the necessary materials, labor and equipment to provide conduit, conductors, and a manual motor starter for power to and control of the roll-up door for the Cart Storage room in the Collections Maintenance Garage. This change item was an additional cost of \$767.00. All of this additional cost was applied to Bid Item No. 8 – Additional Electrical and Instrumentation Work (Section 13955) resulting in no additional cost to Change Order No. 2. An extension to the contract duration was not included with this change item.

CPR No. 040 – Digester No. 5 Coatings and Dampproofing. This Change Proposal Request involved providing the necessary materials, labor and equipment to delete the requirement to coat the interior concrete surfaces of Digester No. 5 with a high performance industrial coating and to add dampproofing to the exterior concrete surfaces below grade. This change item was a *credit* of \$17,360.00. An extension to the contract duration was not included with this change item.

CPR No. 043 – Electrical Substation Modifications. This Change Proposal Request involved providing the necessary materials, labor and equipment to provide a 400A plug for the Operations Control Center breaker rather than the complete breaker as included in the original design. This change item was a *credit* of \$9,449.00. An extension to the contract duration was not included with this change item.

CPR No. 052 – Flow Meter Size Changes. This Change Proposal Request involved providing the necessary materials, labor and equipment to modify six sludge flow meters to be a minimum size of 4 IN to eliminate restrictions in the sludge piping systems. This change item was an additional cost of \$5,921.00. All of this additional cost was applied to Bid Item No. 8 – Additional Electrical and Instrumentation Work (Section 13955) resulting in no additional cost to Change Order No. 2. An extension to the contract duration was not included with this change item.

CPR No. 060 – Low Voltage Power to Administration Laboratory Building. This Change Proposal Request involved providing the necessary materials, labor and equipment to relocate Hand Hole HH-60; extend six 4” and five 1” conduits to the new location of HH-60; move Hand Hole HH-80 next to the location of Hand Hole HH-30 in the island near the Administration Laboratory Building; provide two spare 4” conduits between HH-60 and HH-80; provide a new Hand Hole HH-80FO at the previous location of HH-80 for intercepting the existing fiber optic conduits; route Conduit S-8001CFO from HH-8 to new HH-80FO and then the Secondary Control Building; install concrete cap above buried conduits; and modify the routing for Conduit S-81015 for the automatic gate contact conductors to accommodate the new gate location. This change item was an additional cost of \$25,359.00. All of this additional cost was applied to Bid Item No. 8 – Additional Electrical and Instrumentation Work (Section 13955) resulting in no additional cost to Change Order No. 2. An extension to the contract duration was not included with this change item.

CPR No. 061 – Repair Exhaust Fan and Louver Damper. This Change Proposal Request involved providing the necessary materials, labor and equipment to repair existing Exhaust Fan EF-727 and its’ associated Louver Damper DPR-728. Non-functional equipment was replaced in kind. This change item was an additional cost of \$2,196.00. An extension to the contract duration was not included with this change item.

CPR No. 062 – Flow Indicators. This Change Proposal Request involved providing the necessary materials, labor and equipment to provide Flow Indicators FI-7701 and FI-7702 for the Digester No. 5 foam suppressor supply water and foam suppressor overflow water. This change item was an additional cost of \$3,405.00. All of this additional cost was applied to Bid Item No. 8 – Additional Electrical and Instrumentation Work (Section 13955) resulting in no additional cost to Change Order No. 2. An extension to the contract duration was not included with this change item.

CPR No. 063 – Trail and Asphalt Modifications. This Change Proposal Request involved providing the necessary materials, labor and equipment to remove the existing asphalt patches near the north access gate and replace them with a new roadway section, to modify the bike trail path to 13 FT wide and to provide additional asphalt near the existing out-building west of the Administration Laboratory Building for additional parking as requested by City staff. This item also includes pricing for the asphalt curb that was mistakenly not included in the previously executed CPR No. 007. This change item was an additional cost of \$13,860.00. An extension to the contract duration was not included with this change item.

Mr. Dave Shults
Page 6

CPR No. 064 – Buried Concrete Slab Removal. This Change Proposal Request involved providing the necessary materials, labor and equipment to remove an unforeseen piece of concrete slab that was located near the bottom of the excavation for the new Utilidor. It was concluded that this large piece of concrete slab is a remnant of the original secondary clarifier that demolished during the Phase 2 work in 1984. This change item was an additional cost of \$4,953.00. An extension to the contract duration was not included with this change item.

The total for the recommended Change Proposal Requests included in Change Order No. 2 is \$124,310.00. However, \$45,460.00 of these change items was applied to the Additional Work Bid Item Nos. 5 and 8. This results in a contract price increase of \$78,850.00 to the contract price of \$10,680,901.00, resulting in a new contract price of \$10,759,751.00. The original contract duration as described in the Agreement remains unchanged.

Please contact me if you require additional explanation or information (208-387-7089).

Sincerely,

HDR ENGINEERING, INC.



Michael Zeltner, P.E
Project Engineer

- c. Dan Harmon, HDR Engineering, Inc.
- Dave Thompson, HDR Engineering, Inc.
- David Keil, HDR Engineering, Inc.
- Don McIntosh, Contractors Northwest, Inc.

Enclosures. Change Order No. 2 w/ associated CPRs

HDR Engineering, Inc.



CHANGE ORDER NO. 2

OWNER: City of Coeur d'Alene, ID

DATE: September 21, 2010

CONTRACTOR: Contractors Northwest, Inc.

HDR PROJECT NO.: 134317

PROJECT: City of Coeur d'Alene Wastewater Treatment Plant
Phase 5B Solids Processing Improvements

CONTRACT DATE: January 19, 2010

CONTRACT PERIOD: July 30, 2010 to September 20, 2010

It is agreed to modify the Contract referred to above as follows:

Provide all materials, labor and equipment necessary for the work outlined in CPR Nos. 001, 003, 004, 005, 008, 011, 012, 014, 017, 018, 023, 025 Rev 1, 028, 030, 033, 034, 039, 040, 043, 052, 060, 061, 062, 063 and 064.

The cost summary of this Contract modification is as follows:

CPR	Description	Cost
001	Administration Laboratory Building Elevator Sump Pit	\$1,164.00
003	Administration Laboratory Building Elevator Beam	\$3,084.00
004	Administration Laboratory Building Cable Guardrail System Modification	\$1,641.00
005	Administration Laboratory Building Stairwell Dimensions	\$1,075.00
008	Administration Laboratory Building Permit Changes	\$13,314.00
011	Utilidor Elevation Modifications	(\$694.00)
012	Collections Maintenance Garage Permit Changes	\$9,458.00
014	Digester Control Building Permit Changes	\$22,734.00
017	Natural Gas System Modifications	\$23,076.00
018	Fire Extinguishers	\$3,245.00
023	Digester Pipe Encasement Modifications	\$3,250.00
025 Rev 1	Joist Coating Credit	\$3,821.00
028	Utilidor Wall Relocation	\$3,757.00
030	Solids Building Sump Pump Electrical Modifications	\$1,095.00
033	Asbestos Cement Pipe Replacement	\$3,565.00
034	Digester Control Building Circulating Sludge Pipe Modification	\$1,073.00
039	Collections Maintenance Garage Cart Storage Roll-up Door Electrical Power	\$767.00
040	Digester No. 5 Coatings and Dampproofing	(\$17,360.00)
043	Electrical Substation Modifications	(\$9,449.00)
052	Flow Meter Size Changes	\$5,921.00
060	Low Voltage Power to Administration Laboratory Building	\$25,359.00
061	Repair Exhaust Fan and Louver Damper	\$2,196.00
062	Flow Indicators	\$3,405.00
063	Trail and Asphalt Modifications	\$13,860.00
064	Buried Concrete Slab Removal	\$4,953.00
CHANGE PROPOSAL REQUESTS TOTAL AMOUNT		\$124,310.00

UTILIZATION OF ADDITIONAL WORK BID ITEMS

Bid Item No. 5 – Additional Concrete Work (Section 13922)	\$14,500.00
- Change Order No. 1 (CPR 007 and CPR 019)	\$5,587.00
- CPR 014 (Applicable portions including Contractor's Fee)	\$5,663.00
- CPR 023 (Applicable portions including Contractor's Fee)	<u>\$3,250.00</u>
Remaining Portion of Bid Item No. 5	\$0.00
Bid Item No. 6 – Additional Underground Utilities Work (Section 13933)	\$50,100.00
-Change Order No. 1 (CPR 002)	<u>\$50,100.00</u>
Remaining Portion of Bid Item No. 6	\$0.00
Bid Item No. 7 – Additional Mechanical Work (Section 13944)	\$27,000.00
- Change Order No. 1 (CPR 002 and CPR 016)	<u>\$27,000.00</u>
Remaining Portion of Bid Item No. 7	\$0.00
Bid Item No. 8 – Additional Electrical and Instrumentation Work (Section 13955)	\$120,500.00
- Change Order No. 1 (CPR 048)	\$18,994.00
- CPR 030 (Applicable portions including Contractor's Fee)	\$1,095.00
- CPR 039 (Applicable portions including Contractor's Fee)	\$767.00
- CPR 052 (Applicable portions including Contractor's Fee)	\$5,921.00
- CPR 060 (Applicable portions including Contractor's Fee)	\$25,359.00
- CPR 062 (Applicable portions including Contractor's Fee)	<u>\$3,405.00</u>
Remaining Portion of Bid Item No. 8	\$64,959.00
TOTAL ADDITIONAL WORK BID ITEMS	\$212,100.00
TOTAL UTILIZATION OF ADDITIONAL WORK BID ITEMS – CHANGE ORDER No. 1	(\$101,681.00)
TOTAL UTILIZATION OF ADDITIONAL WORK BID ITEMS – CHANGE ORDER No. 2	<u>(\$45,460.00)</u>
REMAINING ADDITIONAL WORK BID ITEMS	\$64,959.00

CHANGE ORDER SUMMARY

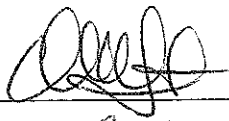
Contract Price:


Contract Price prior to this Change Order		\$10,680,901.00
-Change Proposal Requests total	\$124,310.00	
-Utilization of Additional Work Bid Items – Change Order No. 2	<u>(\$45,460.00)</u>	
Net Increase/Decrease of this Change Order		<u>\$78,850.00</u>
Revised Contract Price with all Approved Change Orders		\$10,759,751.00

Contract Time:

	Substantial Completion of Bid Item Nos. 2 and 3	Substantial Completion of All Work	Final Completion of All Work
Contract Time Prior to this Change Order	365 Calendar Days	550 Calendar Days	590 Calendar Days
Net increase of this Change Order	0	0	0
Revised Contract Time With All Approved Change Orders	365 Calendar Days	550 Calendar Days	590 Calendar Days

This Change Order, when executed by the parties to the Contract, amends the Contract and, as so amended, all terms and conditions of the Contract remain unchanged and in full force and effect. Payment and any time extension provided in this Change Order are full and complete compensation to the Contractor for the change(s) to the work, deleted work, modified work, direct or indirect impact on the Contractor's schedule, and for any equitable adjustment or time extension existing at the time of the execution of this Change Order to which the Contractor may be entitled, pursuant to the Contract between the Owner and Contractor or any other basis whatsoever. The changes included in this Change Order are to be accomplished in accordance with the terms, stipulations and conditions of the original contract as though included therein.

Accepted for Contractor By:  Date: 9/22/10

Approved for HDR Engineering, Inc. By:  Date: September 21, 2010

Approved for Owner By: _____ Date: _____

Distribution: Owner, Contractor, Office, Field, File.

DATE: September 17, 2010
TO: MAYOR AND CITY COUNCIL
FROM: PLANNING DEPARTMENT
RE: SETTING OF PUBLIC HEARING DATE: NOVEMBER 2, 2010

Mayor Bloem,

The Planning Department has forwarded the following item to the City Council for scheduling of a public hearing. In keeping with state law and Council policy, the Council will set the date of the public hearing upon receipt of recommendation.

<u>ITEM NO.</u>	<u>REQUEST</u>	<u>COMMISSION ACTION</u>	<u>COMMENT</u>
0-3-10	Applicant: City of Coeur d'Alene Request: Amendments to off-street parking	Recommended approval	Legislative

In order to satisfy the mandatory 15-day notice requirement, the next recommended hearing date will be **November 2, 2010**

JS:ss

CEMETERY LOT TRANSFER/SALE/REPURCHASE PROCEDURE AND ROUTING SLIP

Request received by: City Municipal Services Susan Weathers, 9-22-10
Department Name Employee Name Date

Request made by: Gratia H. Griffith 659-0637 (cell)
Name Phone

601 E. Front Ave #804, Cd'A, ID
Address

The request is for: Repurchase of Lot(s)
 / Transfer of Lot(s) from _____ to _____

Niche(s): _____
Lot(s): 48, 49, _____, _____, _____, _____. Block: F Section: Riverview

Lot(s) are located in / / Forest Cemetery / Forest Cemetery Annex (Riverview).

Copy of Deed or / / Certificate of Sale must be attached.

Person making request is Owner / / Executor* / / Other* _____

*If "executor" or "other", affidaviats of authorization must be attached.

Title transfer fee (\$ N/A) attached**.

**Request will not be processed without receipt of fee. Cashier Receipt No.: _____

ACCOUNTING DEPARTMENT shall complete the following: (\$400⁰⁰ per lot)

Attach copy of original contract.

Vonnie Jensen
Accountant Signature

CEMETERY SUPERVISOR shall complete the following:

1. The above-referenced Lot(s) is/are certified to be vacant: Yes / / No

2. The owner of record of the Lot(s) in the Cemetery Book of Deeds is listed as:
William & Gratia Griffith (WILLIAM IS DECEASED)

3. The purchase price of the Lot(s) when sold to the owner of record was \$ 400.00 per lot.

DE 9/24/2010
Supervisor's Init. Date

LEGAL/RECORDS shall complete the following:

1. Quit Claim Deed(s) received: Yes / / No.

Person making request is authorized to execute the claim: M. Hill 9/23/10
Attorney Init. Date

I certify that all requirements for the transfer/sale/repurchase of cemetery lot(s) have been met and recommend that that transaction be completed.

City Clerk's Signature Date

COUNCIL ACTION

Council approved transfer/sale/repurchase of above-referenced Lot(s) in regular session on: _____
Mo./ Day /Yr.

CEMETERY SUPERVISOR shall complete the following:


Change of ownership noted/recorded in the Book of Deeds: / / Yes / / No

Cemetery copy filed / /; original and support documents returned to City Clerk / /

Cemetery Supervisor's Signature Date

Distribution: Original to City Clerk
Yellow copy Finance Dept.
Pink copy to Cemetery Dept.

**CITY COUNCIL
STAFF REPORT**

DATE: October 5, 2010
FROM: Christopher H. Bates, Engineering Project Manager 
SUBJECT: **Water Main Easement from North Idaho College to the City**

DECISION POINT

The City Council must accept all easements on behalf of the City.

HISTORY

Construction on the North Idaho Campus resulted in the relocation of a City water main line, and, the relocation of the line resulted in the need for a new easement to cover installation and maintenance. This easement will address that need.

FINANCIAL ANALYSIS

There is no financial impact to the City.

PERFORMANCE ANALYSIS

The waterline has been installed and found acceptable to the applicable departments, and, the easement is acceptable and ready to record.

RECOMMENDATION

Accept the easement and direct staff to proceed with the recordation process.

**GRANT DEED
FOR WATER MAIN AND APPURTENANCES**

KNOW ALL MEN BY THESE PRESENTS, that **NORTH IDAHO COLLEGE**, whose address is **1000 West Garden Avenue, Coeur d'Alene, Idaho 83814**, the **GRANTOR**, for and in consideration of the sum of One Dollar (\$1.00), and other good and valuable consideration paid by the City of Coeur d'Alene, Kootenai County, State of Idaho, receipt of which is acknowledged, do/es hereby grant, quitclaim, and convey unto the **CITY OF COEUR D'ALENE, Kootenai County, State of Idaho, a municipal corporation**, the **GRANTEE**, whose address is **710 Mullan Avenue, Coeur d'Alene, Idaho 83814-3958**, its successors and assigns, an easement, together with the rights of ingress and egress for the installation, improvement, operation and maintenance of water facilities and appurtenances, over and through the following described property in Kootenai County, to wit:

NORTH IDAHO COLLEGE CAMPUS: FT SHERMAN ABAN MIL RES, LT 46 & 47 NE'LY OF ROSEBERRY DR, PT TX #15738 IN LT 45 EX TX #, TX#5932, LTS I, J MERRIAM PK ADD, VAC PTN GARDEN AVE, VAC PTN ALLY ADJ

TO MAINTAIN AND/OR USE a water pipeline(s), together with such fixtures and appurtenances, at such locations and elevations as **GRANTEE** may now or hereafter determine in its sole discretion without any additional compensation therefore, together with the right to use this easement for access to **GRANTEES** right-of-way situated in adjacent lands, without any additional compensation therefore, upon, along, over and under the right-of-way described below, to wit:

10 FEET ON EACH SIDE OF THE CONSTRUCTED LOCATION OF THE WATER MAIN WHOSE DESIGN IS SHOWN ON THE ATTACHED CONSTRUCTION DRAWING. See attached "Exhibit A" incorporated herein.

GRANTOR, its heirs, successors and assigns shall not erect or construct or permit to be erected or constructed any building, fence, structure or improvement or plant any tree or trees or plant any other vegetation or flora excepting grass within said easement or increase or decrease the existing ground elevations without the express written approval of the City of Coeur d'Alene as evidenced by the signature of the City Engineer on an approved plan. **GRANTOR**, its heirs, successors and assigns shall not dig or drill any hole or wells on any portion of the easement.

GRANTOR agrees that no other easement or easements shall be granted on, under, or over this easement without obtaining the prior written consent of **GRANTEE**.

GRANTEE may at any time increase its use of the easement, change the location of pipe or other facilities within the boundaries of the easement, or modify the size of existing

facilities or other improvements as it may determine in its sole discretion from time to time without paying any additional compensation to GRANTOR or GRANTOR'S heirs, successors, or assigns, provided GRANTEE does not expand its use of the easement beyond the easement boundaries described above.

GRANTOR expressly warrants and represents that GRANTOR has the power to grant this easement in accordance with its terms.

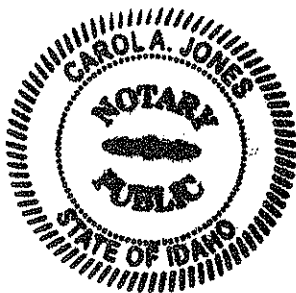
IN WITNESS WHEREOF, the GRANTOR has executed this easement this 21st day of September, 2010.

Ronald T. Dorn
GRANTOR

STATE OF IDAHO)
) SS
COUNTY OF Kootenai)

On this 21st day of September, 20010^{CAF}, before me a Notary Public, personally appeared Ronald T. Dorn, known or identified to me to be the individual/s who executed the foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed.

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

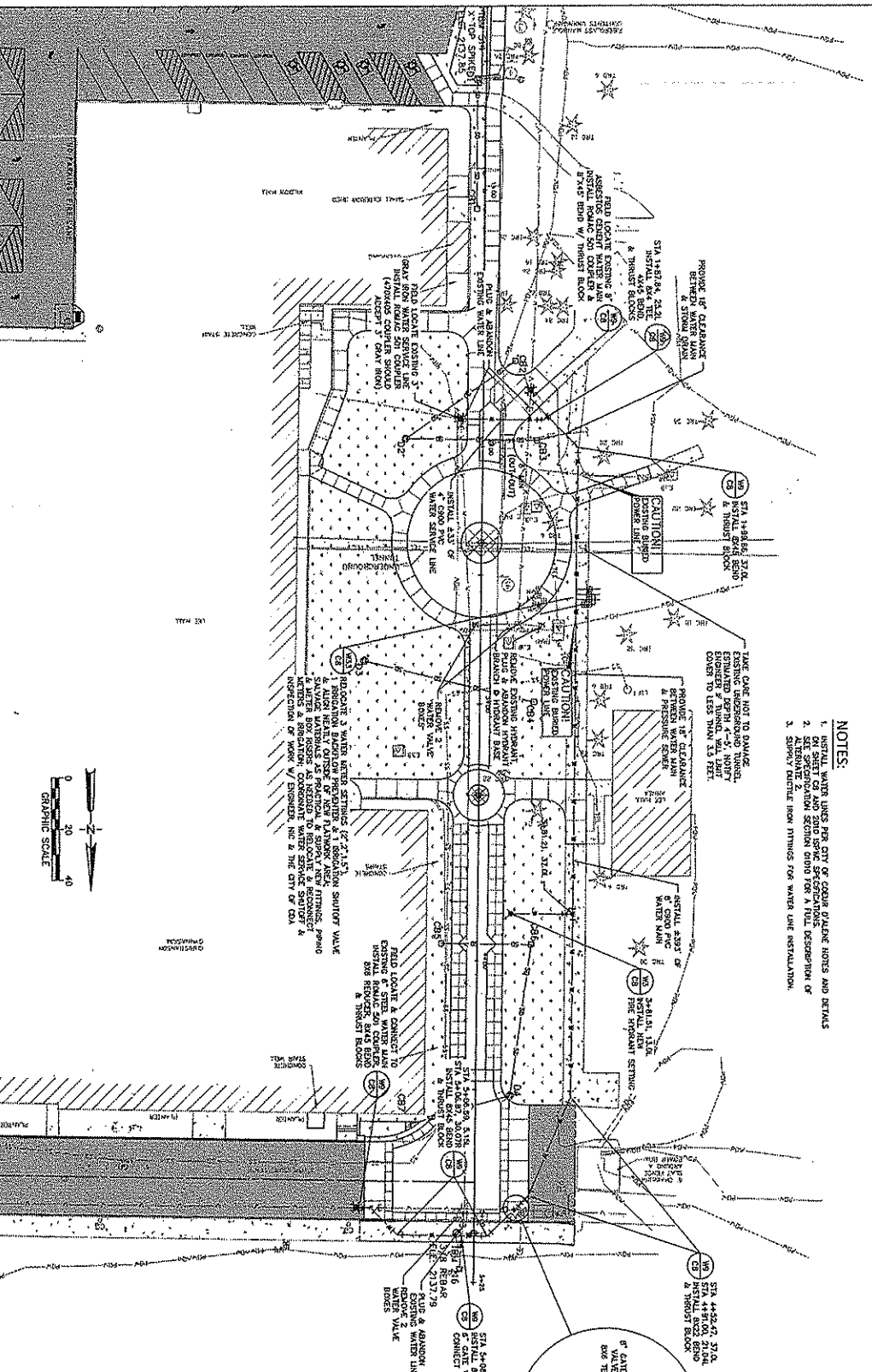


Carol A Jones
Notary Public for the State of Idaho

Residing at: 3348 Grand Tour Dr, Hayden, ID 83835
My Commission Expires: 07/19/16

EXHIBIT A
FOR WATER LINE
EASEMENT

- NOTES:
1. INSTALL WATER LINES PER CITY OF COEUR D'ALENE NOTES AND DETAILS
 2. IN THIS SHEET AND 2000 USNG SPECIFICATIONS
 3. SHOWY DUCTILE IRON PIPING FOR WATER LINE INSTALLATION.



NO.	REV.	DATE	BY	CHKD.	DESCRIPTION
1					AS NOTED SANITARY CLEANING NOTE
					DESIGNED BY: [Signature]
					SCALE: [Scale]

RUIEN-YEAGER & ASSOCIATES, INC.
CONSULTING ENGINEERS - LAND SURVEYORS - PLANNERS
3201 N. HELLER RD., STE. #102, COEUR D'ALENE, IDAHO 83814 (208) 392-0270
219 PINE ST. SANDPOINT, IDAHO 83864 (208) 265-4629



PARKING LOT UPGRADES
NORTH IDAHO COLLEGE
COEUR D'ALENE, IDAHO
STATE OF IDAHO DIVISION OF PUBLIC WORKS
ALTERNATE NO. 2: LEE-KILDOW WATER LINE

PROJECT:
DRAWING NO. 2000-0000000000
JOB NO. 2000-0000000000
DATE: 06-13-2000
DRAWN BY: [Signature]
CHECKED BY: [Signature]
SCALE: AS SHOWN
SHEET NUMBER: 09

WATER LINE ONLY VERSION
FOR CITY REVIEW

BEER, WINE, AND/OR LIQUOR APPLICATION Expires March 1 annually

City of Coeur d' Alene
Municipal Services
710 Mullan Avenue
Coeur d' Alene, Idaho 83814
208.769.2229 Fax 769.2237

[Office Use Only] Amt Pd 25-
 Rec No _____
 Date 9/ 2010
 Date to City Council: _____
 Reg No. _____
 License No. _____
 Rv _____

Date that you would like to begin alcohol service September 2010

Check the ONE box that applies:

<input type="checkbox"/>	Beer only (canned and bottled) not consumed on premise	\$ 50.00 per year
<input type="checkbox"/>	Beer and Wine (canned and bottled) not consumed on premise	\$250.00 per year
<input type="checkbox"/>	Beer only (canned and bottled only) consumed on premise	\$100.00 per year
<input type="checkbox"/>	Beer and Wine (canned and bottled only) consumed on premise	\$300.00 per year
<input type="checkbox"/>	Beer only (draft, canned, and bottled) consumed on premise	\$200.00 per year
<input type="checkbox"/>	Beer and Wine (Draft, canned, and bottled) consumed on premise	\$400.00 per year
<input type="checkbox"/>	Beer, Wine, and Liquor (number issued limited by State of Id)	\$762.50 per year
<input checked="" type="checkbox"/>	Transfer of ownership of a City license with current year paid Beer-to go only \$6.25 Beer- Can, Bottled only \$12.50 Beer- Draft, can, bottled <u>\$25</u> Consumed on premise yes no Transfer from _____ to _____	\$ <u>25.00</u> *

Business Name	TWC Restaurant, Inc. (dba The Wine Cellar)
Business Mailing Address	7600 Mineral Drive #700
City, State, Zip	Coeur d'Alene, ID 83815
Business Physical Address	313 E. Sherman Avenue
City, State, Zip	Coeur d'Alene, ID 83814
Business Contact	Business Telephone : 208-772-9592 Fax: 208-762-4893
License Applicant	TWC Restaurant, Inc.
If Corporation, partnership, LLC etc. List all members/officers	Thomas J. Power, President Patricia L. Power, Vice President

ANNOUNCEMENTS

Memo to Council

DATE: September 29, 2010

RE: Appointments to Boards/Commissions/Committees

The following appointment is presented for your consideration for the October 5th Council Meeting:

NICKOLAS RADOBENKO
(Student Representative)

URBAN FORESTRY COMMITTEE

A copy of the data sheet is in front of your mailboxes.

Sincerely,

Amy Ferguson
Executive Assistant

cc: Susan Weathers, Municipal Services Director
Karen Haskew, Urban Forestry Committee Liaison

Memo to Council

DATE: September 28, 2010

RE: Appointments to Boards/Commissions/Committees

The following re-appointments are presented for your consideration for the October 5th Council Meeting:

GREGG PEAK

SIGN BOARD

KRIS BUCHLER

NATURAL OPEN SPACE COMMITTEE

THOMAS MESSINA

NATURAL OPEN SPACE COMMITTEE

WILLIAM SINGLETON

NATURAL OPEN SPACE COMMITTEE

ART FLAGAN

JEWETT HOUSE

ED EICHWALD

JEWETT HOUSE

Sincerely,

Amy Ferguson

Executive Assistant

cc: Susan Weathers, Municipal Services Director
Kathy Lewis, Sign Board Liaison
Doug Eastwood, Natural Open Space Committee Liaison
Steve Anthony, Jewett House Advisory Board Liaison

OTHER COMMITTEE MINUTES
(Requiring Council Action)

September 27, 2010
PUBLIC WORKS COMMITTEE
MINUTES

COMMITTEE MEMBERS PRESENT

Council Member Al Hassell
Council Member Woody McEvers
Council Member Deanna Goodlander

STAFF PRESENT

Dave Shults, Capital Program Mgr.
Amy Ferguson, Executive Assistant
Jim Markley, Water Supt.
Warren Wilson, Deputy City Attorney
Gordon Dobler, Engineering Svcs Dir.
Wendy Gabriel, City Administrator
Kim Harrington, Engineering Tech

Item 1 Huetter Wholesale Water Request

Jim Markley, Water Department Superintendent, presented a request from the City of Huetter for the purchase of wholesale water from the City of Coeur d'Alene.

Mr. Markley said that the City of Huetter has a small well with fewer than 100 customers. They are looking for a more reliable source of water and as part of a grant to upgrade their sewer and water systems they are requesting being allowed to purchase bulk water from the City of Coeur d'Alene from a single meter and redistribute it to their citizens. Mr. Markley explained that the biggest issue is the policy question of whether the City of Coeur d'Alene wants to extend water outside of their city limits. The city's water policy is one of the city's growth tools and the current request does not conform to the existing policy. In order to provide water service to the City of Huetter, the city would have to amend its water policy.

Larry Comer, of Welch Comer Engineering said that his company is under contract with the City of Huetter to do two facilities plan studies, one for sewer and one for water. Several years ago, the City of Coeur d'Alene had a tentative agreement with the City of Huetter to supply connections for a potential sanitary sewer system. They are still working on the agreement. The DEQ is interested in getting the septic tanks off of the aquifer. Mr. Comer explained that there are about 66 units on the City of Huetter water system and on septic. As part of the facilities plan studies, they have to look at all reasonable alternatives for water supply. Purchasing water from a single meter is one of the options they are looking at. The request is for up to 200 equivalent units for water that would parallel the tentative agreement they have for sanitary sewer. If the city agrees to the request, Welch Comer would write it up in the facilities plan for Huetter's consideration.

Mr. Markley confirmed that the City of Coeur d'Alene does have an agreement with the City of Huetter for emergency water if their system fails. Mr. Wilson confirmed that there have been discussions regarding a sewer agreement, but an agreement has never been finalized.

Councilman McEvers commented that he is all about helping in an emergency, but is reluctant to grant sewer and water without annexing into the city. Councilman Hassell agreed and said that it takes away from future expansion within Coeur d'Alene because we have to continuously bring the sewer treatment plant up to new standards. If we are giving sewer and water service outside of our boundaries, there is less we can do inside our boundaries because we have less capacity.

Mr. Markley explained that the base rate for the water would be based upon the size of the meter, and would cover some of the overhead cost. He also noted that if the city were to provide water, they would require some of the same conditions as DEQ including metering, shut-off valves, bigger mains, etc.

Councilman Hassel questioned the request for 200 units instead 66 and why the City of Coeur d'Alene would want to extend water to another city to help them expand. Mr. Comer explained that even though the City of Huetter is a small community, they do have an Area of City Impact and need to plan ahead.

Councilman Goodlander said that she thinks it is important for the City of Huetter to understand the agreements that they do and don't have with the city, and that there needs to be a whole lot more clarity before we make any kind of agreement with them.

Mr. Wilson said that there are some water issues that need to be considered. One is whether the City of Coeur d'Alene has sufficient water rights to service this area. The city would have to acquire the City of Huetter's water rights and we don't know if they have sufficient rights. The downside is that this then becomes a permanent agreement. The City of Huetter has had a difficult time over the last few years keeping a properly constituted mayor and city council, which may have resulted in delays in coming to an agreement on sewer. In a worst case scenario, you could have 70 or 80 homes out there receiving water and it probably would be a viable solution to just turn off their water to enforce a contract. The Legal Department has some concerns about enforceability and the agreement being long term.

MOTION by McEvers, seconded by Goodlander, to recommend that Council deny the City of Huetter's request to purchase wholesale water from Coeur d'Alene. Motion carried.

Item 2 Illicit Discharge / Connection Ordinance & Resolution, and Adoption of BMP's

Gordon Dobler, Engineering Services Director presented a request for Council adoption of an ordinance to establish, within the Stormwater Code, regulations to define and prohibit illicit connections/discharges to the city's stormwater system.

Mr. Dobler explained that the city received a permit from the EPA in January 2009 that requires that it implement a stormwater program and adopt an ordinance that prohibits illicit discharges into the city's stormwater system.

Councilman Goodlander asked about deicing the streets and expressed concern about those chemicals being harmful. Mr. Dobler said that they have reviewed the de-icing materials in light of the "pollutants of concern" and there are none in beet juice. As a result, he doesn't think there is any conflict at all. They will probably run into a lot of things throughout the years that will require interpretation and they will do that as they come up.

Mr. Dobler explained that by ordinance they are also required to adopt Best Management Practices (BMP's) for mainly erosion control and also in regard to construction site operators for waste material. They want to adopt the DEQ best management practices manual as it is pretty universally accepted.

Councilman McEvers asked about things such as washing cars and fighting fires. Mr. Dobler said that citizens can still wash cars and the EPA tells them that emergency fire activities are okay but they have had discussions with the Fire Department regarding what they use to fight fires. They will work with them to develop a standard operating procedure for fire and water.

MOTION by Goodlander, seconded by McEvers, to recommend that Council adopt Council Bill No. 10-1021, establishing, within the Stormwater Code, regulations to define and prohibit illicit connections/discharges to the city's stormwater system, and recommending Council adopt Resolution No. 10-038, the policy for Stormwater Management Practices.

**Item 3 WWTP Phase 5B Construction Contractor CO #2
Consent Calendar**

Dave Shults, Capital Program Manager, presented a request to approve Change Order #2, for an increased cost of \$78,850 to the City's agreement with Contractors Northwest, Inc. for a total construction contract amount of \$10,759,751.

Mr. Shults explained in his staff report that several changes to the plans and specifications were made by project consultant, HDR Engineering to address issues related to the building permits for the various structures, to add design details that were omitted from the original plans and specifications, to address unanticipated site conditions, and to accept credits offered by the contractor for substitutions involving materials. Change Order #1 to the construction contract with Contractors Northwest, Inc. was approved by the City Council in August. Proposed Change Order #2 includes additional changes for similar reasons costing \$124,310. That amount is reduced by a portion of the amount included in Contractor Northwest's bid for unanticipated work.

Mr. Shults confirmed that the Building Department pointed out deficiencies in the design that had to be corrected. Councilman McEvers said that it seems like some of the changes are things that should have been anticipated and said that it is frustrating that we are constantly changing things that you would think they would know about. Mr. Shults explained that half the time HDR's engineers admit that they have simply missed a building code requirement. The other half seems to be a result of interpretation of the code. In all such cases, the design was changed to comply with the interpretation of the Building Department, and resulted in no rework or delay to the project. Mr. Shults further noted that the engineers are sometimes frustrated at the interpretations of the Building Department when their designs for other municipalities have not received the same interpretation. He offered that the project requires seven different building permits, and involves a mix of industrial and commercial designs and construction, and that the change order occurrence seems to be relatively reasonable at this time for a project of this complexity.

Councilman McEvers commended Mr. Shults for the detail he puts into his requests for change orders.

MOTION by Goodlander, seconded by McEvers, that Council approve Resolution #10-037 authorizing Change Order #2, for an increased cost of \$78,850 to the City's agreement with Contractors Northwest, for a total construction contract amount of \$10,759,751. Motion carried.

The meeting adjourned at 4:44 p.m.

Respectfully submitted,

Amy C. Ferguson
Public Works Committee Liaison

**PUBLIC WORKS COMMITTEE
STAFF REPORT**

DATE: September 27, 2010
FROM: Jim Markley, Water Department Superintendent.
SUBJECT: Request from City of Huetter for wholesale water

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DECISION POINT:

Should the Council amend the “water service outside city limits” policy and approve the request from the City of Huetter to purchase wholesale water from Coeur d’Alene.

HISTORY:

The City of Huetter currently supplies water to its citizens from a small well. The well is not as reliable as they would like it to be. As part of a grant to upgrade sewer and water systems they are requesting being allowed to purchase bulk water from us from a single meter and redistribute it to their citizens. They would pay us a monthly amount based on the master meter. They would then re-bill their customers for water used. We have never had a bulk water purchaser outside city limits although we did have one (Armstrong Park) inside city limits. Coeur d’Alene has a strict policy restricting new water services outside city limits. This request would not meet any of the existing exceptions to the policy and in order to approve it a new exception to the policy would have to be made. Coeur d’Alene has historically used water as a growth tool and to the extent reasonable and permissible required new users to annex into the city to acquire connection to the city water system.

FINANCIAL ANALYSIS:

If the council directs a change to the policy to allow the request, we will prepare an agreement with Huetter to protect our other rate payers from any extra fiscal burden. Among other conditions, we would require that Huetter have a policy on delinquent payment from their customers and the ability to turn off any of their customers who do not pay their water bill. We would also require that the connection include a reduced pressure backflow prevention assembly, paid for by them, at the meter to protect our system from any cross connection.

PERFORMANCE ANALYSIS:

Approving the request will provide Huetter with a plentiful source of water including fire flows and allow them to grow. Approval will not encourage ultimate annexation into the City of Coeur d’Alene.

DECISION POINT/RECOMMENDATION:

Staff requests direction on the policy issue of whether or not to extend water service outside the Coeur d’Alene city limits to Huetter through a master meter.

August 25, 2010

Mr. Jim Markley, P.E.
City of Coeur d'Alene- Water Department
3820 Ramsey Road
Coeur d'Alene, Idaho 83815

Re: City of Huetter: Potential Wholesale Water Service

Dear Jim:

As we have discussed with you over the past year, Welch Comer is under contract with the City of Huetter to prepare a preliminary engineering facility plan for improving the City of Huetter's existing water system. We are also contracted to prepare a facility plan to construct a sewer system to eliminate existing septic tank / drain field systems located over the aquifer in Huetter. These facility plans are being funded by Idaho DEQ and USDA-Rural Development.

In the Spring of 2010 we performed several computer model analyzes of the City of Coeur d'Alene's current and future domestic water system demands. This modeling work demonstrated that the City of Coeur d'Alene does have adequate capacity, in the present and at projected buildout population, to sell the City of Huetter domestic water on wholesale basis for 200 ERU's.

In addition to evaluating the option for Huetter to potentially purchase water wholesale from the City of Coeur d'Alene, we are also evaluating other water system options for Huetter, including installation of a new well and reservoir.

As we finalize the water system facility planning for the City of Huetter, we are hoping to determine if the purchase of water on a wholesale basis from the City of Coeur d'Alene is a viable option. Therefore, we have been authorized by the City of Huetter Council to present the following questions for consideration by the City of Coeur d'Alene:

1. Would the City of Coeur d'Alene be willing to consider providing domestic and fire protection water, on a wholesale basis, to the City of Huetter? We assume that this water supply would be interconnected by one master meter.
2. If so, what connection fees and monthly O&M fees would be applied by Coeur d'Alene to Huetter? Here are some of our assumptions:
 - a. We assume that the single master meter connection between Coeur d'Alene and Huetter would be accessible for audit and verification by Coeur d'Alene.
 - b. Huetter will install individual meters and bill its own internal customers, and then Huetter would pay Coeur d'Alene directly each month based upon metered use.
 - c. The Huetter internal water distribution system would be upgraded to DEQ standards, including prohibiting backflow from Huetter to Coeur d'Alene.
 - d. Huetter would continue to own and operate its own internal water distribution system.

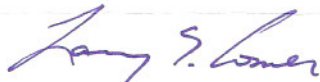
- e. An interagency agreement would specify the terms of use, including the fact that the cost of water to Huetter would be adjusted in the future consistent with rate adjustments which Coeur d'Alene passes on to its other customers.

As you know, the City of Coeur d'Alene and City of Huetter are presently working out the terms of an interagency agreement whereby Coeur d'Alene provides sanitary sewer transmission and treatment capacity to the City of Huetter for up to 200 EDU's. This is the reason we are also inquiring about the feasibility of Coeur d'Alene providing domestic water capacity for up to 200 EDU's.

I will be glad to attend a City of Coeur d'Alene Public Works Committee meeting to discuss this proposal further.

Thank you very much for your consideration.

Sincerely,



Larry E. Comer, P.E.
Principal Engineer

LEC/kdh

cc: Brad Keene- Huetter Council President
Dana Wetzel- Huetter City Attorney

PUBLIC WORKS COMMITTEE

STAFF REPORT

DATE: September 27, 2010
FROM: Gordon Dobler, Engineering Services Director
INITIATED BY: Kim Harrington, Assistant Project Engineer
SUBJECT: Illicit Discharge Detection & Elimination in relation to Stormwater

DECISION POINT

Staff is seeking Council approval to adopt an ordinance to establish, within the Stormwater Code, regulations to define and prohibit illicit connections/discharges to the city's stormwater system.

HISTORY

The City of Coeur d Alene was issued a permit from the United States Environmental Protection Agency effective January 01, 2009 which allows the city to discharge storm water into the waters of the United States. The permit requires the City of Coeur d'Alene to implement a program that prohibits non-storm water discharges into the MS4. The EPA defines an illicit discharge as any discharge to an MS4 (municipal separate storm sewer system) that is not composed entirely of stormwater, except allowable discharges pursuant to an NPDES permit, including those resulting from fire fighting activities. The program we are implementing consists of two main components, 1) videoing of storm lines to identify connections, and 2) adoption of ordinance and follow-up on illicit connections.

The city has begun implementation of the permit requirements by establishing an illegal discharge / spill reporting hotline, video of storm lines, public education and training of municipal employees. The adoption of this ordinance will complete the program.

FINANCIAL ANALYSIS

The detection / determination of an illicit connection would require the property owner to rectify the connection at the owner's expense. The detection of an illicit connection and or discharge can be assessed a fine in accordance with M.C. Section 1.28.010. Non-compliance with the permit requirements could allow the city to be fined and or discharge permit to be revoked, as per section V. Compliance Responsibilities NPDES permit IDS-028215.

PERFORMANCE ANALYSIS

Adoption of the ordinance would define illicit discharge / connections while establishing a regulatory and penalty mechanism. Adoption will supply a mechanism which will be utilized to protect our waters, prevent pollutants from entering our storm system, allow for permit compliance, identify and penalize offenders.

RECOMMENDATION

Staff recommends that the Council adopts the Illicit Discharge Detection & Elimination

Ordinance.

ORDINANCE NO. _____
COUNCIL BILL NO. 10-1021

AN ORDINANCE AMENDING THE MUNICIPAL CODE OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO ADOPTING A NEW CHAPTER 13.32, ENTITLED ILLICIT DISCHARGE AND STORMWATER SEWER CONNECTION, TO PROVIDE FOR REGULATION OF ALL WATER DIRECTLY OR INDIRECTLY ENTERING THE CITY STORMWATER SYSTEM, INCLUDING DEFINITIONS, DISCHARGE REGULATION, MONITORING AND REPORTING REQUIREMENTS, PROHIBITING ILLICIT CONNECTIONS AND PROVIDING THAT ANY VIOLATION OF THE CHAPTER IS A MISDEMEANOR PUNISHABLE BY A FINE OF NOT MORE THAN \$1,000.00 OR BY IMPRISONMENT NOT TO EXCEED 180 DAYS OR BOTH; AMENDING SECTION 13.30.080 TO AUTHORIZE THE ADOPTION OF STORMWATER BEST MANAGEMENT PRACTICES BY RESOLUTION OF THE CITY COUNCIL; REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING A SEVERABILITY CLAUSE; PROVIDE FOR THE PUBLICATION OF A SUMMARY OF THIS ORDINANCE AND AN EFFECTIVE DATE HEREOF.

WHEREAS, after recommendation by the Public Works Committee, it is deemed by the Mayor and City Council to be in the best interests of the City of Coeur d'Alene that said amendments be adopted; NOW, THEREFORE,

BE IT ORDAINED, by the Mayor and City Council of the City of Coeur d'Alene:

SECTION 1. *That a new Chapter 13.32, entitled Illicit Discharge and Stormwater Sewer Connection, is hereby added to the Coeur d'Alene Municipal Code as follows:*

Chapter 13.32
ILLICIT DISCHARGE AND STORMWATER SEWER CONNECTION

SECTION 2. *That Coeur d'Alene Municipal Code Section 13.32.010, is hereby added to read as follows:*

13.32.010: TITLE:

This chapter is known as the ILLICIT DISCHARGE AND STORMWATER SEWER CONNECTION.

SECTION 3. *That Coeur d'Alene Municipal Code Section 13.32.020, is hereby added to read as follows:*

13.32.020: PURPOSE:

The purpose of this chapter is to comply with the requirements of the city's National Pollutant Discharge Elimination System (NPDES) permit, the federal clean water act, and to provide for the health, safety, and general welfare of the citizens of Coeur d Alene through the regulation of non-stormwater discharges to the storm drainage system as required by federal and state law. This chapter establishes methods to control the introduction of pollutants into the municipal separate storm sewer system (MS4) in order to meet the following objectives:

- A. To regulate the contribution of pollutants to the municipal separate storm sewer system by stormwater discharges by any user.
- B. To prohibit illicit connections and discharges to the municipal separate storm sewer system.
- C. To establish legal authority to carry out all inspection, surveillance and monitoring procedures necessary to ensure compliance of this chapter.
- D. To establish penalties associated with violations of this chapter.

SECTION 4. *That Coeur d'Alene Municipal Code Section 13.32.030, is hereby added to read as follows:*

13.32.030: DEFINITIONS:

Unless a provision states otherwise, the following terms and phrases used in this chapter, have the provided meanings. In the event of a dispute or discrepancy regarding the definition of a term used in this chapter, the definition contained in the federal water pollution control act (33 USC section 1251 et seq.), also known as the Clean Water Act, and any subsequent amendments thereto, are the controlling authority.

AS BUILT DRAWINGS: See section 13.30.020.

BEST MANAGEMENT PRACTICES (BMPs): Schedules of activities, prohibitions of practices, general good housekeeping practices, pollution prevention and educational practices, maintenance procedures, and other management practices to prevent or reduce the discharge of pollutants directly or indirectly to stormwater, receiving waters, or stormwater conveyance systems. BMPs also include treatment practices, operating procedures, and practices to control site runoff, spillage or leaks, sludge or water disposal, or drainage from raw materials storage.

CITY: The City of Coeur d Alene, Idaho

CITY ENGINEER: The person hired or appointed by the Mayor and City Council of the City to serve as City Engineer or his or her designee.

CLEAN WATER ACT: The federal water pollution control act (33 USC section 1251 et seq.) and any subsequent amendments thereto.

CONVEYANCE: A mechanism for transporting water from one point to another, including pipes, ditches, and channels.

CONVEYANCE SYSTEM: The drainage facilities, both natural and manmade, which collect, contain, and provide for the flow of stormwater.

DISCHARGE: Any addition or introduction of any pollutant, stormwater, or any other substance whatsoever into the municipal storm sewer system (MS4), waters of the state, or into waters of the United States.

DISCHARGER: Any person who causes, allows, permits, or is otherwise responsible for, a discharge, including, without limitation, any operator or owner of a construction site or industrial facility.

HAZARDOUS MATERIALS: Any material, including any substance, waste, or combination thereof, which because of its quantity, concentration, or physical, chemical, or infectious characteristics may cause, or significantly contribute to, a substantial present or potential hazard to human health, safety, property, or the environment when improperly treated, stored, transported, disposed of, or otherwise managed.

ILLICIT DISCHARGE: Any discharge to a storm drain that is not composed entirely of stormwater except discharges made in compliance with a NPDES permit.

ILLICIT CONNECTIONS (DISCHARGE): An illicit connection is defined as either of the following:

- A. Any drain or conveyance, whether on the surface or subsurface, which allows an illegal discharge to enter the storm drain system including, but not limited to, any conveyances which allow any non-stormwater discharge including sewage, process wastewater, and wash water to enter the storm drain system and any connections to the storm drain system from indoor drains, regardless of whether said drain or connection had been previously allowed, permitted, or approved by an authorized enforcement agency, or
- B. Any drain or conveyance connected from a commercial or industrial land use to the storm drain system that has not been documented in plans, maps, or equivalent records and approved by the city.

INDUSTRIAL ACTIVITY: Activities subject to NPDES industrial permits as defined in 40 CFR section 122.26(b)(14).

MUNICIPAL SEPARATE STORM SEWER SYSTEM (MS4): All parts of the city of Coeur d Alene stormwater conveyance system, including roads, alleyways, streets, gutters, catch basins, pipe, culverts, ditches, and other conveyances which normally convey stormwater.

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) STORMWATER DISCHARGE PERMIT: A permit issued by the EPA (pursuant to 33 USC section 1342(b)) which authorizes the discharge of stormwater from any point source to waters of the United States.

NON-STORMWATER DISCHARGE: Any discharge to the storm drain system that is not composed entirely of stormwater.

NOTICE OF INTENT (NOI): Electronic or written notice completed under provisions of the federal construction general permit and filed with the EPA in accordance with current requirements.

PERSON: Any individual, firm, association, club, organization, corporation, partnership, business trust, company or other entity which is recognized by law as the subject of rights or duties.

POLLUTANT: Objects and materials that, when discharged to water or air, cause or contribute to water or air pollution, or as defined by the federal water pollution control act (also known as the Clean Water Act.)

POLLUTANTS OF CONCERN: Objects and materials identified in the clean water act 303(d) are: sediment, oil and grease, coliform bacteria (E. coli), nitrogen, phosphorus, metals and temperatures.

PREMISES: Any building, lot, parcel of land, or portion of land whether improved or unimproved including adjacent sidewalks and parking strips.

STORM WATER POLLUTION PREVENTION PLAN (SWPPP): A document which describes the best management practices and activities to be implemented by a person to identify sources of pollution or contamination at a site and the actions to eliminate or reduce pollutant discharges to stormwater, stormwater conveyance systems, and/or receiving waters to the maximum extent practicable.

STORMWATER: Surface runoff generated by rainstorm events and snowmelt.

STORMWATER MANAGEMENT: The process of collection, conveyance, storage, treatment, and disposal of stormwater to ensure control of the magnitude and frequency of runoff and to minimize the hazards associated with flooding. Also includes implementing controls to reduce the discharge of pollutants including management practices, control techniques and systems, design and engineering methods.

WASTEWATER: Any water or other liquid, other than uncontaminated stormwater, discharged from a facility.

WATERCOURSE: Any natural or artificially managed channel through which water flows on a regular or routine basis.

WATERS OF THE UNITED STATES: Those waters described in the context of wetlands and interstate commerce described at 33 CFR part 328.

SECTION 5. *That Coeur d'Alene Municipal Code Section 13.32.040, is hereby added to read as follows:*

13.32.040: APPLICABILITY:

This chapter applies to all water directly or indirectly entering the stormwater system (municipal separate storm sewer system [MS4]) which is generated on any developed or undeveloped lands unless explicitly exempted by the city or an authorized enforcement agency.

SECTION 6. *That Coeur d'Alene Municipal Code Section 13.32.050, is hereby added to read as follows:*

13.32.050: ADMINISTRATION:

The City Engineer will administer, implement, and enforce the provisions of this chapter.

SECTION 7. *That Coeur d'Alene Municipal Code Section 13.32.060, is hereby added to read as follows:*

13.32.060: DISCLAIMER:

The standards established by this chapter are minimum standards, as such compliance by any person with this chapter does not guarantee that there will be no contamination, pollution, or unauthorized discharge of pollutants. This chapter does not create liability on the part of the city, any agent or employee thereof for any damages that result from reliance on this chapter or any administrative decision lawfully made thereunder.

SECTION 8. *That Coeur d'Alene Municipal Code Section 13.32.070, is hereby added to read as follows:*

13.32.070: DISCHARGE REGULATIONS:

Non-Stormwater Discharges. No person shall directly or indirectly discharge non-stormwater to the MS4, except where such discharges satisfy one of the following three conditions:

- A. The non-stormwater discharges are in compliance with a separate NPDES permit, provided that the discharger is in full compliance with all requirements of the permit, waiver, or order and other applicable laws and regulations, and provided that written approval has been granted by the city for any discharge to the storm drain system.
- B. The non-stormwater discharges result from a spill and are the result of an unusual and severe weather event where reasonable and prudent measures have been taken to

minimize the impact of such discharge; or consist of emergency discharges required to prevent imminent threat to human health or severe property damage, provided that reasonable and prudent measures have been taken to minimize the impact of such discharges.

C. The non-stormwater discharges satisfy all of the following conditions:

1. The discharges consist of uncontaminated water line flushing; potable water sources; landscape irrigation (provided all pesticides, herbicides and fertilizer have been applied in accordance with the manufacturer's instructions); flows from riparian habitats and wetlands; diverted stream flows; springs; rising ground waters; uncontaminated ground water infiltration (as defined at 40 CFR 35.2005(20)) to separate storm sewers; uncontaminated pumped ground water or spring water; foundation and footing drains (where flows are not contaminated with process materials such as solvents); uncontaminated air conditioning or compressor condensate; water from crawlspace pumps; individual residential car washing; dechlorinated swimming pool discharges; routine external building wash down which does not use detergents; street and pavement wash waters, where no detergents are used and no spills or leaks of toxic or hazardous materials have occurred (unless all spilled material has been removed); fire hydrant flushing; dye testing; or flows from emergency firefighting activities; and
2. The discharges are not sources of pollution to waters of the United States. As described in IDAPA 58.01.02.200. For purposes of this provision, a discharge is considered a source of pollution to waters of the United States if it:
 - (a) Contains hazardous materials in concentrations found to be of public health significance or to impair beneficial uses in receiving waters. (Hazardous materials are those that are harmful to humans and animals from exposure, but not necessarily ingestion);
 - (b) Contains toxic substances in concentrations that impair designated beneficial uses in receiving waters. (Toxic substances are those that can cause disease, malignancy, genetic mutation, death, or similar consequences);
 - (c) Contains deleterious materials in concentrations that impair designated beneficial uses in receiving waters. (Deleterious materials are generally substances that taint edible species of fish, cause taste in drinking waters, or cause harm to fish or other aquatic life);
 - (d) Contains radioactive materials or radioactivity at levels exceeding the values listed in 10CFR Part 20 in receiving waters;
 - (e) Contains floating, suspended, or submerged matter of any kind in concentrations causing nuisance or objectionable conditions or in concentrations that may impair designated beneficial uses in receiving waters;

- (f) Contains excessive nutrients that can cause visible slime growths or other nuisance aquatic growths that impair designated beneficial uses in receiving waters;
- (g) Contains oxygen-demanding materials in concentrations that would result in anaerobic water conditions in receiving waters; or
- (h) Contains sediment above quantities specified in IDAPA 58.01.02.250.02(e) or in the absence of specific sediment criteria, above quantities that impair beneficial uses in receiving waters, or
- (i) Contains material in concentrations that exceed applicable natural background conditions in receiving waters (IDAPA 58.01.02.200.09), Temperature levels may be increased above natural background conditions when allowed under IDAPA 58.01.02.401.

SECTION 9. *That Coeur d'Alene Municipal Code Section 13.32.080, is hereby added to read as follows:*

13.32.080: PROHIBITION OF ILLICIT CONNECTIONS:

- A. The construction, use, maintenance or continued existence of illicit connections to the storm drain system is prohibited.
- B. This prohibition expressly includes, without limitation, illicit connections made prior to the enactment of this chapter, regardless of whether the connection was permissible under law or practices applicable or prevailing at the time of connection.
- C. A person is considered to be in violation of this chapter if the person connects a line conveying sewage or other non-stormwater discharges to the municipal separate storm sewer system, or allows such a connection to continue, without written approval from the city engineer.

SECTION 10. *That Coeur d'Alene Municipal Code Section 13.32.090, is hereby added to read as follows:*

13.32.090: SUSPENSION OF MUNICIPAL SEPARATE STORM SEWER SYSTEM ACCESS:

- A. **Suspension Due To Illicit Discharges In Emergency Situations:** The City Engineer may, without prior notice, suspend municipal separate storm sewer system discharge access to a person or entity when such suspension is necessary to stop an actual or threatened discharge which presents or may present imminent and substantial danger to the environment, or to the health or welfare of persons, or to the municipal separate storm sewer system or waters of the United States. If the violator fails to comply with a suspension order issued in an emergency, the city engineer may take such steps as deemed necessary to prevent or minimize damage to the municipal separate storm sewer system or waters of the United States, or to minimize danger to persons.

- B. Termination Due To The Detection Of Illicit Discharge: Any person discharging to the municipal separate storm sewer system in violation of this chapter may have their municipal separate storm sewer system access terminated if such termination would abate or reduce an illicit discharge. The city will notify the violator of the proposed termination of its municipal separate storm sewer system access. Notification will be made in writing by certified mail to the owner of the property from which the illicit discharge is being made at the last known mailing address of said property owner on record with the Kootenai County assessor. The notice will include a description of the violation and set forth the time allowed for compliance.
- C. Written Approval Required For Reinstatement: Any person who reinstates municipal separate storm sewer system access to premises terminated pursuant to this section, without the prior written approval of the City Engineer or authorized enforcement agent is guilty of a misdemeanor.

SECTION 11. *That Coeur d'Alene Municipal Code Section 13.32.100, is hereby added to read as follows:*

13.32.100: INDUSTRIAL OR CONSTRUCTION ACTIVITY DISCHARGES:

Any person subject to an industrial or construction activity NPDES stormwater discharge permit must comply with all provisions of such permit. Proof of compliance with the permit may be required by the city prior to allowing of discharges to the municipal separate storm sewer system.

SECTION 12. *That Coeur d'Alene Municipal Code Section 13.32.110, is hereby added to read as follows:*

13.32.110: MONITORING OF DISCHARGES:

- A. Applicability: This section applies to all facilities that have stormwater discharges associated with commercial, industrial activity and/or construction activity.
- B. Access To Facilities:
 - 1. The City Engineer or his authorized representative must be permitted to enter and inspect facilities subject to regulation under this chapter as often as may be necessary to determine compliance with this chapter. If a discharger has security measures in force which require proper identification and clearance before entry into its premises, the discharger must make the necessary arrangements to allow access to the City Engineer or his authorized representative.
 - 2. Facility operators must allow the City Engineer or his authorized representative ready access to all parts of the premises for the purposes of inspection, sampling, examination and copying of records that must be kept under the conditions of an

NPDES permit to discharge stormwater, and the performance of any additional duties as defined by state and federal law related to said discharges.

3. The City Engineer has the right to set up on any permitted facility such devices as are necessary in the opinion of the City Engineer or authorized representative to conduct monitoring and/or sampling of the facility's stormwater discharge.
4. The City Engineer has the right to require the discharger to install monitoring equipment as necessary. The facility's sampling and monitoring equipment must be maintained at all times in a safe and proper operating condition by the discharger at its own expense. All devices used to measure stormwater flow and quality must be calibrated as required by the manufacturer's operation manual to ensure their accuracy.
5. Any temporary or permanent obstruction to safe and easy access to the facility to be inspected and/or sampled must be promptly removed by the operator at the written or oral request of the City Engineer and may not be replaced. The costs of clearing such access will be borne by the operator.
6. Unreasonable delays in allowing the City Engineer access to a permitted facility is a violation of a stormwater discharge permit and of this chapter.
7. If the City Engineer or authorized agent has been refused access to any part of the premises from which stormwater is discharged, and he/she is able to demonstrate probable cause to believe that there may be a violation of this chapter, or that there is a need to inspect and/or sample as part of a routine inspection and sampling program designed to verify compliance with this chapter or any order issued hereunder, or to protect the overall public health, safety, and welfare of the community, he or she may seek issuance of a search warrant from any court of competent jurisdiction.

SECTION 13. *That Coeur d'Alene Municipal Code Section 13.32.120, is hereby added to read as follows:*

13.32.120: NOTIFICATION OF SPILLS:

Notwithstanding other requirements of law, as soon as any person responsible for a facility or operation, or responsible for emergency response for a facility or operation, has information of any known or suspected release of materials which are resulting or may result in illegal discharges or pollutants discharging into stormwater, the storm drain system, the municipal separate storm sewer system, or waters of the U.S., that person must take all necessary steps to ensure the discovery, containment, and cleanup of such release. In the event of a release of hazardous materials that person must immediately notify emergency response agencies and the Idaho department of environmental quality of the occurrence via emergency dispatch services. In the event of a release of nonhazardous materials, the person must notify the authorized enforcement agency in person or by phone or facsimile no later than the next business day. Notifications in person or by phone shall be confirmed

by written notice addressed and mailed to the city engineer within three (3) business days of the phone notice. If the discharge of prohibited materials emanates from a commercial or industrial establishment, the owner or operator of the establishment must also retain an on site written record of the discharge and the actions taken to prevent its recurrence. Such records must be retained for at least three (3) years from the date of the discharge.

SECTION 14. *That Coeur d'Alene Municipal Code Section 13.32.130, is hereby added to read as follows:*

13.32.130: VIOLATIONS CONSTITUTE MISDEMEANORS:

The knowing violation of any provision or failure to comply with any requirement of this chapter shall constitute a misdemeanor punishable as provided in Municipal Code section 1.28.010.

SECTION 15. *That Coeur d'Alene Municipal Code Section 13.32.140, is hereby added to read as follows:*

13.32.140: ACTS RESULTING IN VIOLATION OF FEDERAL LAWS AND REGULATIONS:

Any person who violates any provision of this chapter, or discharges any pollutant or causes pollution, may also be in violation of federal laws or regulations, and may be subject to the sanctions of those laws or regulations, including civil or criminal penalties, notwithstanding any legal action taken by the city.

SECTION 16. *That Coeur d'Alene Municipal Code Section 13.30.080, is hereby amended to read as follows:*

13.30.080: ADOPTION OF SUPPLEMENTAL MATERIALS AND BEST MANAGEMENT PRACTICES:

The City of Coeur d'Alene may, by resolution, adopt additional design standards, definitions of terminology, administrative procedures, stormwater best management practices, etc., intended to implement the general requirements and performance standards set forth in this chapter. Changes in the design standards, best management practices or other adopted materials may be accomplished by subsequently adopted resolution. Adopted ~~Such~~ design standards may be complied with in alternative ways that will contribute to rational achievement of the general requirements and performance standards set forth in this chapter.

SECTION 17. All ordinances and parts of ordinances in conflict with this ordinance are hereby repealed.

SECTION 18. Neither the adoption of this ordinance nor the repeal of any ordinance shall, in any manner, affect the prosecution for violation of such ordinance committed prior to the effective date

of this ordinance or be construed as a waiver of any license or penalty due under any such ordinance or in any manner affect the validity of any action heretofore taken by the City of Coeur d'Alene City Council or the validity of any such action to be taken upon matters pending before the City Council on the effective date of this ordinance.

SECTION 19. The provisions of this ordinance are severable and if any provision, clause, sentence, subsection, word or part thereof is held illegal, invalid, or unconstitutional or inapplicable to any person or circumstance, such illegality, invalidity or unconstitutionality or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, subsections, words or parts of this ordinance or their application to other persons or circumstances. It is hereby declared to be the legislative intent that this ordinance would have been adopted if such illegal, invalid or unconstitutional provision, clause sentence, subsection, word, or part had not been included therein, and if such person or circumstance to which the ordinance or part thereof is held inapplicable had been specifically exempt therefrom.

SECTION 20. After its passage and adoption, a summary of this Ordinance, under the provisions of the Idaho Code, shall be published once in the official newspaper of the City of Coeur d'Alene, and upon such publication shall be in full force and effect.

APPROVED, ADOPTED and SIGNED this 5th day of October, 2010.

Sandi Bloem, Mayor

ATTEST:

Susan K. Weathers, City Clerk

SUMMARY OF COEUR D'ALENE ORDINANCE NO. _____
Adopting a new Municipal Code Chapter 13.32 entitled
ILLCIT DISCHARGE AND STORMWATER SEWER CONNECTION

AN ORDINANCE AMENDING THE MUNICIPAL CODE OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO ADOPTING A NEW CHAPTER 13.32, ENTITLED ILLICIT DISCHARGE AND STORMWATER SEWER CONNECTION, TO PROVIDE FOR REGULATION OF ALL WATER DIRECTLY OR INDIRECTLY ENTERING THE CITY STORMWATER SYSTEM, INCLUDING DEFINITIONS, DISCHARGE REGULATION, MONITORING AND REPORTING REQUIREMENTS, PROHIBITING ILLICIT CONNECTIONS AND PROVIDING THAT ANY VIOLATION OF THE CHAPTER IS A MISDEMEANOR PUNISHABLE BY A FINE OF NOT MORE THAN \$1,000.00 OR BY IMPRISONMENT NOT TO EXCEED 180 DAYS OR BOTH; AMENDING SECTION 13.30.080 TO AUTHORIZE THE ADOPTION OF STORMWATER BEST MANAGEMENT PRACTICES BY RESOLUTION OF THE CITY COUNCIL; REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HERewith AND PROVIDING A SEVERABILITY CLAUSE. THE ORDINANCE SHALL BE EFFECTIVE UPON PUBLICATION OF THIS SUMMARY. THE FULL TEXT OF THE SUMMARIZED ORDINANCE NO. _____ IS AVAILABLE AT COEUR D'ALENE CITY HALL, 710 E. MULLAN AVENUE, COEUR D'ALENE, IDAHO 83814 IN THE OFFICE OF THE CITY CLERK.

Susan K. Weathers, City Clerk

STATEMENT OF LEGAL ADVISOR

I, Warren J. Wilson, am a Deputy City Attorney for the City of Coeur d'Alene, Idaho. I have examined the attached summary of Coeur d'Alene Ordinance No. _____, Adopting a new Municipal Code Chapter 13.32 entitled ILLICIT DISCHARGE AND STORMWATER SEWER CONNECTION, and find it to be a true and complete summary of said ordinance which provides adequate notice to the public of the context thereof.

DATED this 5th day of October, 2010.

Warren J. Wilson, Chief Deputy City Attorney

RESOLUTION NO. 10-038

A RESOLUTION OF THE CITY OF COEUR D' ALENE, KOOTENAI COUNTY, IDAHO ADOPTING STORMWATER BEST MANAGEMENT PRACTICES.

WHEREAS, Coeur d' Alene Municipal Code Section 13.30.080 provides that the City Council may adopt stormwater best management practices by resolution; and

WHEREAS, The City Engineer has recommended that the City Council adopt the September 2005 Idaho Department of Environmental Quality Catalog of Stormwater Best Management Practices for Idaho Cities and Counties as the stormwater best management practices for the City, NOW, THEREFORE,

BE IT RESOLVED, by the Mayor and City Council that the September 2005 Idaho Department of Environmental Quality Catalog of Stormwater Best Management Practices for Idaho Cities and Counties as the stormwater best management practices is hereby adopted as the city stormwater best management practices.

BE IT FURTHER RESOLVED, that the City Engineer is directed to maintain a copy of the adopted best management practices on file in the City Engineering Department.

DATED this 5th day of October 2010.

Sandi Bloem, Mayor

ATTEST:

Susan K. Weathers, City Clerk

Motion by _____, Seconded by _____, to adopt the foregoing resolution.

ROLL CALL:

- COUNCIL MEMBER KENNEDY Voted _____
- COUNCIL MEMBER MCEVERS Voted _____
- COUNCIL MEMBER BRUNING Voted _____
- COUNCIL MEMBER EDINGER Voted _____
- COUNCIL MEMBER GOODLANDER Voted _____
- COUNCIL MEMBER HASSELL Voted _____

_____ was absent. Motion _____.

September 27, 2010
**GENERAL SERVICES COMMITTEE
MINUTES**

COMMITTEE MEMBERS PRESENT

Mike Kennedy, Chairperson
Ron Edinger
John Bruning

STAFF PRESENT

Mike Gridley, City Attorney
Pam MacDonald, Human Resources Director

Juanita Knight, Senior Legal Assistant

CITIZENS PRESENT

NONE

**Item 1. Benefit Plan Changes and Renewal Rates For Fiscal Year 2010 - 1022
(CC Resolution No. 10-037)**

Pam MacDonald, Human Resources Director, is requesting Council approve the benefit plan changes and renewal rates effective October 1, 2010. The benefit plan contracts include Group Health Options, Blue Cross of Idaho Dental, Willamette Dental, United Heritage Life Insurance, Long-term Disability and Magnuson, and McHugh & Company Flexible Spending Account.

Councilman Edinger asked if the Associations / Unions are aware of the changes. Ms. MacDonald stated that representatives of LCEA, Fire Union, police Association, Non-Represented, and Exempt Employees, per contract, are part of the Medical Review Team. Therefore, meet regularly throughout the year to understand market trends, review alternate medical and dental plans and consider changes.

MOTION: by Councilman Bruning, seconded by Councilman Edinger, that Council adopt Resolution No. 10-037 approving the 2010 – 2011 benefit plant changes and renewal rates as presented.

**Item 2. Johnson Controls Contract / Energy Savings Performance.
(Agenda - Resolution No. 10-039)**

Per the submitted staff report, Doug Eastwood is requesting Council approval to enter into an agreement with Johnson Controls, Inc. in the amount of \$800,184.00 for facility improvements. The City is the recipient of an Energy Stimulus Grant that the City applied for in early 2009. The City conducted a workshop in July of 2009 to gather input in areas where we could upgrade energy use and reduce energy consumption. This recommendation is the result of that input and an energy audit conducted by Johnson Controls over the past six months. The Energy Stimulus Grant was in the amount of \$191,700.00. The City will receive rebates in the amount \$118,820.00. The cost of the recommended improvements will be \$800,184.00 less the grant and rebates will bring the City's cost to \$489,664.00. The savings in energy consumption will pay for that cost over a period of approximately 14 years. Some of the energy conservation facility improvements will be paid sooner than that and some will take longer. After that, the City will see a continued savings in energy consumption and dollars. The front end cost of the project the City will owe after the grant and rebate will be paid by a loan from the City's fund balance and that fund will be repaid through cost savings in reduced energy consumption. This energy conservation and facility improvement project will include the following locations: City Hall, New Library, Jewett House, Fire Admin & Stations 1, 2, 3, Street Dept, Police Station and Traffic Controls.

Mike Gridley, City Attorney, stated the he has reviewed the agreement and does not see any legal issues with it.

Due to the absence of Staff to present this item, Councilman Kennedy requested it be an agenda item to give Council an opportunity to ask questions.

MOTION: by Councilman Edinger, seconded by Councilman Bruning, that Council adopt Resolution No. 10-039 approving a Energy Conservation / Facility Improvement agreement with Johnson Controls, Inc.

The meeting adjourned at 12:10 p.m.

Respectfully submitted,

Juanita Knight
Recording Secretary

**GENERAL SERVICES COMMITTEE
STAFF REPORT**

September 27th, 2010

From: Doug Eastwood, Parks Director

SUBJECT: ENERGY CONSERVATION/FACILITY IMPROVEMENTS

Decision Point: Recommend to City Council to enter into an agreement with Johnson Controls, Inc. in the amount of \$800,184.00 for facility improvements.

History: The City is the recipient of an Energy Stimulus Grant that we applied for in early 2009. We conducted a workshop in July of 2009 to gather input in areas where we could upgrade our energy use and reduce our energy consumption. This recommendation is the result of that input and an energy audit conducted by Johnson Controls over the past six months.

Financial Analysis: The Energy Stimulus Grant was in the amount of \$191,700.00. We will receive rebates in the amount \$118,820.00. The cost of the recommended improvements will be \$800,184.00 less our grant and rebates will bring the City's cost to \$489,664.00. The savings in energy consumption will pay for that cost over a period of approximately 14 years. Some of the energy conservation facility improvements will be paid sooner than that and some will take longer. After that we will see a continued savings in energy consumption and dollars. The front end cost of the project that city will owe after the grant and rebate will be paid by a loan from the city's fund balance and that fund will be repaid through cost savings in reduced energy consumption.

Performance Analysis: This energy conservation and facility improvement project will include the following locations;
City Hall, New Library, Jewett House, Fire Admin & Stations 1, 2, 3, Street Dept, Police Station and Traffic Controls. A draft contract is attached that identifies the details for each of the above.

Decision Point: Recommend to City Council to enter into an energy conservation/facility improvement agreement with Johnson Controls, Inc.

Draft Contract Attached

RESOLUTION NO. 10-039

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO AUTHORIZING AN AGREEMENT FOR ENERGY CONSERVATION-FACILITY IMPROVEMENTS, WITH JOHNSON CONTROLS, INC. ITS PRINCIPAL PLACE OF BUSINESS AT 10289 WEST CENTENNIAL ROAD, LITTLETON, CO 80127.

WHEREAS, the General Services Committee of the City of Coeur d'Alene has recommended that the City of Coeur d'Alene enter into an Agreement with Johnson Controls, Inc., for Energy Conservation / Facility Improvements pursuant to terms and conditions set forth in an agreement, a copy of which is attached hereto as Exhibit "A" and by reference made a part hereof; and

WHEREAS, it is deemed to be in the best interests of the City of Coeur d'Alene and the citizens thereof to enter into such agreement; NOW, THEREFORE,

BE IT RESOLVED, by the Mayor and City Council of the City of Coeur d'Alene that the City enter into an Agreement for Energy Conservation / Facility Improvements, in substantially the form attached hereto as Exhibit "A" and incorporated herein by reference with the provision that the Mayor, City Administrator, and City Attorney are hereby authorized to modify said agreement to the extent the substantive provisions of the agreement remain intact.

BE IT FURTHER RESOLVED, that the Mayor and City Clerk be and they are hereby authorized to execute such agreement on behalf of the City.

DATED this 5th day of October, 2010.

Sandi Bloem, Mayor

ATTEST:

Susan K. Weathers, City Clerk

Motion by _____, Seconded by _____, to adopt the foregoing resolution.

ROLL CALL:

COUNCIL MEMBER GOODLANDER Voted _____

COUNCIL MEMBER MCEVERS Voted _____

COUNCIL MEMBER HASSELL Voted _____

COUNCIL MEMBER KENNEDY Voted _____

COUNCIL MEMBER BRUNING Voted _____

COUNCIL MEMBER EDINGER Voted _____

_____ was absent. Motion _____.

PERFORMANCE CONTRACT

This Performance Contract (this "Agreement") is made this 5th day of October, 2010 between:

PARTIES

JOHNSON CONTROLS, INC. ("JCI")
10289 West Centennial Road
Littleton, CO 80127

and

CITY OF COEUR D'ALENE, ID ("Customer")
710 E. Mullan Avenue
Coeur d'Alene, ID 83814

RECITALS

WHEREAS, Customer desires to retain JCI to perform the work specified in Schedule 1 (Scope of Work) hereto (the "Work") relating to the installation of the improvement measures (the "Improvement Measures") described therein; and

WHEREAS, Customer is authorized and empowered under applicable Laws (as defined below) and specifically Idaho Code to enter into this Agreement, and has taken all necessary action under applicable Laws to enter into this Agreement; and

WHEREAS, Customer has selected JCI to perform the Work after it determined JCI's proposal was the most advantageous to Customer in accordance with all applicable procurement and other Laws.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the parties agree as follows:

AGREEMENT

- 1. SCOPE OF THE AGREEMENT.** JCI shall perform the Work set forth in Schedule 1. After the Work is Substantially Complete (as defined below) and the Certificate of Substantial Completion is executed by Customer and JCI, JCI shall provide the assured performance guarantee (the "Assured Performance Guarantee") and the measurement and verification services (the "M&V Services") set forth in Schedule 2 (Assured Performance Guarantee) and/or Schedule 2A (Assured Performance Guarantee – Utility Meters), as applicable. Customer shall make payments to JCI for the Work and the M&V Services in accordance with Schedule 4 (Price and Payment Terms).
- 2. AGREEMENT DOCUMENTS:** In addition to the terms and conditions of this Agreement, the following Schedules are incorporated into and shall be deemed an integral part of this Agreement:

Schedule 1 – Scope of Work
Schedule 2 – Assured Performance Guarantee
Schedule 3 – Customer Responsibilities
Schedule 4 – Price and Payment Terms

Johnson Controls, Inc. Initials: _____

Customer Initials: _____

3. NOTICE TO PROCEED; SUBSTANTIAL COMPLETION; M&V SERVICES. This Agreement shall become effective on the date of the last signature on the signature page below. JCI shall commence performance of the Work within ten (10) business days of receipt of Customer's Notice to Proceed, a form of which is attached hereto as Attachment 1, and shall achieve Substantial Completion of the Work by the Substantial Completion date, which shall be the earlier of:

- (a) the date on which Customer executes a Certificate of Substantial Completion substantially in the form attached hereto as Attachment 2;
- or
- (b) 10 months after JCI's receipt of Customer's Notice to Proceed, subject to adjustments set forth in Section 4 and Section 5 below.

For purposes of this Agreement, "Substantial Completion" means that JCI has provided sufficient materials and services to permit Customer to operate the Improvement Measures. The M&V Services shall commence on the first day of the month following the month in which Customer executes a Certificate of Substantial Completion and shall continue throughout the Guarantee Term, subject to earlier termination of the Assured Performance Guarantee as provided herein. Customer acknowledges and agrees that if, for any reason, it (i) cancels or terminates receipt of M&V Services, (ii) fails to pay for M&V Services in accordance with Schedule 4, (iii) fails to fulfill any of Customer's responsibilities necessary to enable JCI to complete the Work and provide the M&V Services, (iv) terminates the Agreement as a result of JCI's material breach of this Agreement or Customer's unavailability of funds, or (v) otherwise cancels, terminates or materially breaches this Agreement, the Assured Performance Guarantee shall automatically terminate and JCI shall have no liability there under. JCI acknowledges and agrees the Customer may terminate this Agreement if the conservation related costs savings fail to pay for conservation measures.

4. DELAYS AND IMPACTS. If JCI is delayed in the commencement, performance, or completion of the Work and/or M&V Services by causes beyond its control and without its fault, including but not limited to inability to access property; concealed or unknown conditions encountered at the project, differing from the conditions represented by Customer in the bid documents or otherwise disclosed by Customer to JCI prior to the commencement of the Work; a Force Majeure (as defined below) condition; failure by Customer to perform its obligations under this Agreement; or failure by Customer to cooperate with JCI in the timely completion of the Work, JCI shall provide written notice to Customer of the existence, extent of, and reason for such delays and impacts. Under such circumstances, an equitable adjustment in the time for performance, price and payment terms, and the Assured Performance Guarantee shall be made.

5. ACCESS. Customer shall provide JCI, its subcontractors, and its agents reasonable and safe access to all facilities and properties in Customer's control that are subject to the Work and M&V Services. Customer further agrees to assist JCI, its subcontractors, and its agents to gain access to facilities and properties that are not controlled by Customer but are necessary for JCI to complete the Work and provide the M&V Services. An equitable adjustment in the time for performance, price and payment terms, and Assured Performance Guarantee shall be made as a result of any failure to obtain access.

6. PERMITS, TAXES, AND FEES. Unless otherwise specified in Schedule 3 (Customer Responsibilities), JCI shall be responsible for obtaining all building permits, and contractor registration, required for it to perform the Work. Unless otherwise specified in Schedule 1 (Scope of Work), Customer shall be responsible for obtaining all other permits, licenses, approvals, permissions and certifications, including but not limited to, all zoning and land use changes or exceptions required for the provision of the Work or the ownership and use of the Improvement Measures. JCI shall not be obligated to provide any changes to or improvement of the facilities or any portion thereof required under any applicable building, fire, safety, sprinkler or other applicable code, standard, law, regulation, ordinance or other requirement unless the same expressly regulates the installation of the Improvement Measures. Without limiting the foregoing, JCI's obligations with respect to the Work is not intended to encompass any changes or improvements that relate to any compliance matters (whether known or unknown) that are not directly related to the installation of the Improvement Measures or which have been imposed or enforced because of the occasion or opportunity of review by any governmental authority. Customer shall be responsible for and shall pay when due all assessments, charges and sales, use, property, excise, or other taxes now or hereafter imposed by any governmental body or agency upon the provision of the Work or the M&V Services, implementation or presence of the Improvement Measures, the use of the

Improvement Measures or payments due to JCI under this Agreement, other than taxes upon the net income of JCI. Customer shall also be responsible for real or personal property taxes relating to equipment or material included in the Improvement Measures. Any fees, taxes, or other lawful charges paid by JCI on account of Customer shall become immediately due from Customer to JCI.

- 7. WARRANTY.** JCI warrants materials and equipment furnished by JCI will be of good quality and new. JCI will perform the Work in a professional, workman-like manner. JCI will promptly re-perform any non-conforming Work for no charge, as long as Customer provides written notice to JCI within one (1) year following Substantial Completion or such other period identified in Schedule 1. If JCI installs or furnishes goods or equipment under this Agreement, and such goods or equipment are covered by an end-user warranty from their manufacturer, JCI will transfer the benefits of such warranty to Customer. The foregoing remedy with respect to the Work, together with any remedy provided by goods or equipment manufacturers, shall be Customer's sole and exclusive remedies for warranty claims. Customer agrees that the one (1) year period following Substantial Completion, or such other period identified in Schedule 1, shall be a reasonable time for purposes of submitting valid warranty claims with respect to the Work. These exclusive remedies shall not have failed of their essential purpose so long as JCI transfers the benefits of any goods or equipment end-user warranty to Customer and remains willing to re-perform any non-conforming Work for no charge within the one (1) year period described above or such other period identified in Schedule 1. JCI agrees to assist the Customer in pursuing rights and remedies against the manufacturer and supplier of the equipment under the warranties in the event of equipment malfunction or improper or defective function, and defects in parts and performance. JCI will bear the cost of any damage to the equipment, including damage to the property, caused by JCI. NO OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE PROVIDED BY JCI. This warranty does not extend to any Work that has been abused, altered, or misused, or repaired by Customer or third parties without the supervision or prior written approval of JCI. Except with respect to goods or equipment manufactured by JCI and furnished to Customer hereunder, for which JCI shall provide its express written manufacturer's warranty, JCI shall not be considered a merchant or vendor of goods or equipment. Nothing in this Section 7 relieves JCI of its Assured Performance Guarantee.
- 8. CLEANUP.** JCI shall keep the premises and the surrounding area free from accumulation of waste materials or rubbish caused by the Work and, upon completion of the Work, JCI shall remove all waste materials, rubbish, tools, construction equipment, machinery, and surplus materials.
- 9. SAFETY; COMPLIANCE WITH LAWS.** JCI shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Work and M&V Services. Each of JCI and Customer shall comply with all applicable laws, ordinances, rules, regulations, and lawful orders of public authorities (collectively, "Laws") in connection with its performance hereunder.
- 10. ASBESTOS-CONTAINING MATERIALS AND OTHER HAZARDOUS MATERIALS.**

Asbestos-Containing Materials: Neither party desires to or is licensed to undertake direct obligations relating to the identification, abatement, cleanup, control, removal or disposal of asbestos-containing materials ("ACM"). Consistent with applicable Laws, Customer shall supply JCI with any information in its possession relating to the presence of ACM in areas where JCI undertakes any Work or M&V Services that may result in the disturbance of ACM. It is JCI's policy to seek certification for facilities constructed prior to 1982 that no ACM is present, and Customer shall provide such certification for buildings it owns, or aid JCI in obtaining such certification from facility owners in the case of buildings that Customer does not own, if JCI will undertake Work or M&V Services in the facility that could disturb ACM. If either Customer or JCI becomes aware of or suspects the presence of ACM that may be disturbed by JCI's Work or M&V Services, it shall promptly stop the Work or M&V Services in the affected area and notify the other in writing. As between Customer and JCI, Customer shall be responsible at its sole expense for addressing the potential for or the presence of ACM in conformance with all applicable Laws and addressing the impact of its disturbance before JCI continues with its Work or M&V Services, unless JCI had actual knowledge that ACM was present and acted with intentional disregard of that knowledge, in which case (i) JCI shall be responsible at its sole expense for remediating areas impacted by the disturbance of the ACM, and (ii) Customer shall resume its responsibilities for the ACM after JCI's remediation has been completed.

Other Hazardous Materials: JCI shall be responsible for removing or disposing of any Hazardous Materials (as defined below) that it uses in providing Work or M&V Services (“JCI Hazardous Materials”) and for the remediation of any areas impacted by the release of JCI Hazardous Materials. For other Hazardous Materials that may be otherwise present at Customer’s facilities (“Non-JCI Hazardous Materials”), Customer shall supply JCI with any information in its possession relating to the presence of such materials if their presence may affect JCI’s performance of the Work or M&V Services. If either Customer or JCI becomes aware of or suspects the presence of Non-JCI Hazardous Materials that may interfere with JCI’s Work or M&V Services, it shall promptly stop the Work or M&V Services in the affected area and notify the other. As between Customer and JCI, Customer shall be responsible at its sole expense for removing and disposing of Non-JCI Hazardous Materials from its facilities and the remediation of any areas impacted by the release of Non-JCI Hazardous Materials, unless JCI had actual knowledge that Non-JCI Hazardous Materials were present and acted with intentional disregard of that knowledge, in which case (i) JCI shall be responsible at its sole expense for the remediation of any areas impacted by its release of such Non-JCI Hazardous Materials, and (ii) Customer shall remain responsible at its sole expense for the removal of Non-JCI Hazardous Materials that have not been released and for releases not resulting from JCI’s performance of the Work or M&V Services, or perform such services as required by law. For purposes of this Agreement, “Hazardous Materials” means any material or substance that, whether by its nature or use, is now or hereafter defined or regulated as a hazardous waste, hazardous substance, pollutant or contaminant under applicable Law relating to or addressing public or employee health and safety and protection of the environment, or which is toxic, explosive, corrosive, flammable, radioactive, carcinogenic, mutagenic or otherwise hazardous or which is or contains petroleum, gasoline, diesel, fuel, another petroleum hydrocarbon product, or polychlorinated biphenyls. “Hazardous Materials” specifically includes mold and lead-based paint and specifically excludes ACM. JCI shall have no obligations relating to the identification, abatement, cleanup, control, removal, or disposal of mold, regardless of the cause of the mold.

Environmental Indemnity: To the fullest extent permitted by Law, Customer shall indemnify and hold harmless JCI and JCI’s subcontractors, and their respective directors, officers, employees, agents, representatives, shareholders, affiliates, and assigns and successors, from and against any and all losses, costs, damages, expenses (including reasonable legal fees and defense costs), claims, causes of action or liability, directly or indirectly, relating to or arising from the Customer’s use, or the storage, release, discharge, handling or presence of ACM, mold (actual or alleged and regardless of the cause of such condition) or Non-JCI Hazardous Materials on, under or about the facilities, or Customer’s failure to comply with this Section 10.

11. CHANGE ORDERS. The parties, without invalidating this Agreement, may request changes in the Work to be performed under this Agreement, consisting of additions, deletions, or other revisions to the Work (“Change Orders”). The price and payment terms, time for performance and, if necessary, the Assured Performance Guarantee, shall be equitably adjusted in accordance with the Change Order. Such adjustments shall be determined by mutual agreement of the parties. JCI may delay performance of Work affected by the Change Order until adjustments arising out of the Change Order are clarified and agreed upon. Any Change Order must be signed by an authorized representative of each party. If concealed or unknown conditions are encountered at the project, differing from the conditions represented by Customer in the bid documents or otherwise disclosed by Customer to JCI prior to the commencement of the Work, price and payment terms, time for performance and, if necessary, the Assured Performance Guarantee, shall be equitably adjusted. Claims for equitable adjustment may be asserted in writing within a reasonable time from the date a party becomes aware of a change to the Work by written notification. Failure to promptly assert a request for equitable adjustment, however, shall not constitute a waiver of any rights to seek any equitable adjustment with respect to such change.

12. CUSTOMER FINANCING; TREATMENT; TAXES. The parties acknowledge and agree that JCI is not making any representation or warranty to Customer with respect to matters not expressly addressed in this Agreement, including, but not limited to:

- (a) Customer’s ability to obtain or make payments on any financing associated with paying for the Improvement Measures, related services, or otherwise;
- (b) Customer’s proper legal, tax, accounting, or credit rating agency treatment relating to this Agreement; and
- (c) the necessity of Customer to raise taxes or seek additional funding for any purpose.

Customer is solely responsible for its obligations and determinations with respect to the foregoing matters. In addition, the parties acknowledge and agree that Customer shall be responsible to comply, at its cost and expense, with all Laws that may be applicable to it relating to performance contracting, including, without limitation, any requirements relating to the procurement of goods and/or services and any legal, accounting, or engineering opinions or reviews required or obtained in connection with this Agreement.

13. INSURANCE. JCI shall maintain insurance in amounts no less than those set forth below in full force and effect at all times until the Work has been completed, and shall provide a certificate evidencing such coverage promptly following Customer's request there for.

COVERAGES	LIMITS OF LIABILITY
Workmen's Compensation Insurance or self insurance, including Employer's Liability	Statutory
Commercial General Liability Insurance	\$5,000,000 Per Occurrence \$5,000,000 Aggregate
Comprehensive Automobile Liability Insurance	\$5,000,000 Combined Single Limit

The above limits may be obtained through primary and excess policies, and may be subject to self-insured retentions.

Customer shall be responsible for obtaining builder's risk insurance coverage for the Improvement Measures and shall at all times be responsible for any loss or casualty to the Improvement Measures. Customer shall also maintain insurance coverage, of the types and in the amounts customary for the conduct of its business, throughout the term of this Agreement.

14. INDEMNIFICATION. To the fullest extent permitted by applicable Law, each party shall indemnify the other with respect to any third party claim alleging bodily injury, including death, or property damage to the extent such injury or damage is caused by the negligence or willful misconduct of the indemnifying party. A condition precedent to any obligation of a party to indemnify the other pursuant to this Section 14 shall be for the indemnified party to promptly advise the indemnifying party of the claim pursuant to the notice provision of this Agreement.

15. LIMITATION OF LIABILITY. NEITHER JCI NOR CUSTOMER WILL BE RESPONSIBLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, REMOTE, PUNITIVE, EXEMPLARY, LOSS OF PROFITS OR REVENUE, LOSS OF USE, OR SIMILAR DAMAGES, REGARDLESS OF HOW CHARACTERIZED AND REGARDLESS OF A PARTY HAVING BEEN ADVISED OF THE POSSIBILITY OF SUCH POTENTIAL LOSSES OR RELIEF, ARISING IN ANY MANNER FROM THIS AGREEMENT, THE WORK, THE IMPROVEMENT MEASURES, THE PREMISES, THE M&V SERVICES, OR OTHERWISE. WITHOUT LIMITING JCI'S EXPRESS OBLIGATIONS UNDER THE ASSURED PERFORMANCE GUARANTEE, JCI'S LIABILITY UNDER THIS AGREEMENT, REGARDLESS OF THE FORM OF ACTION, SHALL IN NO EVENT EXCEED THE AMOUNT OF THE PAYMENTS ACTUALLY RECEIVED BY JCI UNDER SCHEDULE 4 AND SUBJECT TO SECTION 13 ABOVE. If this Agreement covers fire safety or security equipment, Customer understands that JCI is not an insurer regarding those services, and that JCI shall not be responsible for any damage or loss that may result from fire safety or security equipment that fails to prevent a casualty loss. The foregoing waivers and limitations are fundamental elements of the basis for this Agreement between JCI and Customer, and each party acknowledges that JCI would not be able to provide the work and services contemplated by this Agreement on an economic basis in the absence of such waivers and limitations, and would not have entered into this Agreement without such waivers and limitations.

16. FORCE MAJEURE. Neither party will be responsible to the other for damages, loss, injury, or delay caused by conditions that are beyond the reasonable control, and without the intentional misconduct or negligence of that party. Such conditions (each, a "Force Majeure") include, but are not limited to: acts of God; acts of government agencies; strikes; labor disputes; fires; explosions or other casualties; thefts; vandalism; riots or war; acts of terrorism; electrical power outages; interruptions or degradations in telecommunications, computer, or electronic communications systems; changes in Laws; or unavailability of parts, materials or supplies.

- 17. JCI'S PROPERTY.** All materials furnished or used by JCI personnel and/or JCI subcontractors or agents at the installation site, including documentation, schematics, test equipment, software and associated media remain the exclusive property of JCI or such other third party. Customer agrees not to use such materials for any purpose at any time without the express authorization of JCI. Customer agrees to allow JCI personnel and/or JCI subcontractors or agents to retrieve and to remove all such materials remaining after installation or maintenance operations have been completed. Customer acknowledges that any software furnished in connection with the Work and/or M&V Services is proprietary and subject to the provisions of any software license agreement associated with such software.
- 18. DISPUTES.** JCI and Customer will attempt to settle any controversy, dispute, difference, or claim between them concerning the performance, enforcement, or interpretation of this Agreement (collectively, "Dispute") through direct discussion in good faith, but if unsuccessful, will submit any Dispute to non-binding mediation in the nearest major metropolitan area of the state where the project is performed. If the parties are unable to agree on a mediator or a date for mediation, either party may request JAMS, Inc. to appoint a mediator and designate the time and procedure for mediation. Such mediator shall be knowledgeable, to each party's reasonable satisfaction, with respect to matters concerning construction law. If mediation is unsuccessful the parties shall submit to arbitration in accordance with Montana law. Neither JCI nor Customer will file a lawsuit against the other until not less than sixty (60) days after the mediation referred to herein has occurred, unless one or both parties is genuinely and reasonably concerned that any applicable statute of limitations is on the verge of expiring.
- 19. GOVERNING LAW.** This Agreement and the construction and enforceability thereof shall be interpreted in accordance with the laws of the state of Montana.
- 20. CONSENTS; APPROVALS; COOPERATION.** Whenever Customer's consent, approval, satisfaction or determination shall be required or permitted under this Agreement, and this Agreement does not expressly state that Customer may act in its sole discretion, such consent, approval, satisfaction or determination shall not be unreasonably withheld, qualified, conditioned or delayed, whether or not such a "reasonableness" standard is expressly stated in this Agreement. Whenever one party's cooperation is required by the other in order to carry out the obligations of the other pursuant to this Agreement, the parties agree they shall act in good faith and reasonably in so cooperating with JCI the others designated representatives or assignees or subcontractors. Customer shall furnish decisions, information, and approvals required by this Agreement in a timely manner so as not to delay the performance of the Work or M&V Services.
- 21. FURTHER ASSURANCES.** The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.
- 22. INDEPENDENT CONTRACTOR.** The relationship of the parties hereunder shall be that of independent contractors. Nothing in this Agreement shall be deemed to create a partnership, joint venture, fiduciary, or similar relationship between the parties.
- 23. BUY AMERICAN.** This project is funded in whole or in part by funds appropriated or otherwise provided by the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5) ("Recovery Act"). JCI shall comply with the Recovery Act, the Buy American Act and Subpart 25.6 of the Code of Federal Regulations. All of the iron, steel, and other manufactured goods used as construction material in this project shall be produced or manufactured in the United States as provided in the Recovery Act, the Buy American Act and Subpart 25.6 of the Code of Federal Regulations.

- 24. POWER AND AUTHORITY.** Each party represents and warrants to the other that (i) it has all requisite power and authority to execute and deliver this Agreement and perform its obligations hereunder, (ii) all corporate, board, body politic, or other approvals necessary for its execution, delivery, and performance of this Agreement have been or will be obtained, and (iii) this Agreement constitutes its legal, valid, and binding obligation.
- 25. SEVERABILITY.** In the event that any clause, provision, or portion of this Agreement or any part thereof shall be declared invalid, void, or unenforceable by any court having jurisdiction, such invalidity shall not affect the validity or enforceability of the remaining portions of this Agreement unless the result would be manifestly inequitable or materially impair the benefits intended to inure to either party under this Agreement.
- 26. WAGE RATE REQUIREMENTS.** Subject to further clarification issued by the Office of Management and Budget and notwithstanding any other provision of law and in a manner consistent with other provisions of the Recovery Act, JCI and its subcontractors shall pay all laborers and mechanics employed by JCI and its subcontractors on this project wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code. With respect to the labor standards specified in this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of title 40, United States Code. (ARRA Sec. 1606).
- 27. COMPLETE AGREEMENT.** It is understood and agreed that this Agreement contains the entire agreement between the parties relating to all issues involving the subject matter of this Agreement. No binding understandings, statements, promises or inducements contrary to this Agreement exist. This Agreement supersedes and cancels all previous agreements, negotiations, communications, commitments and understandings with respect to the subject matter hereof, whether made orally or in writing. Each of the parties to this Agreement expressly warrants and represents to the other that no promise or agreement which is not herein expressed has been made to the other, and that neither party is relying upon any statement or representation of the other that is not expressly set forth in this Agreement. Each party hereto is relying exclusively on the terms of this Agreement, its own judgment, and the advice of its own legal counsel and/or other advisors in entering into this Agreement. Customer acknowledges and agrees that any purchase order issued by Customer associated with this Agreement is intended only to establish payment authority for Customer's internal accounting purposes. No purchase order shall be considered a counteroffer, amendment, modification, or other revision to the terms of this Agreement.
- 28. HEADINGS.** The captions and titles in this Agreement are for convenience only and shall not affect the interpretation or meaning of this Agreement.
- 29. COUNTERPARTS.** This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one single agreement between the parties.
- 30. NOTICES.** All notices or communications related to this Agreement shall be in writing and shall be deemed served if and when sent by facsimile or mailed by certified or registered mail: to Johnson Controls, Inc. at the address listed on the first page of this Agreement, ATTN: Regional Solutions Manager, with a copy to Johnson Controls, Inc., ATTN: General Counsel – Building Efficiency Americas, 507 East Michigan Street, Milwaukee, Wisconsin, 53202: and to Customer at the address listed on the first page of this Agreement.

CITY OF COEUR D'ALENE, ID

JOHNSON CONTROLS, INC.

Signature: _____

Signature: _____

Printed Name: Sandi Bloem

Printed Name: _____

Title: Mayor

Title: _____

Date: _____

Date: _____

SCOPE OF WORK SCHEDULE

1. **SUMMARY OF WORK:** The following summarizes the Work to be provided by JCI under this Agreement, as further defined below:

Scope Of Work Summary:
1. Interior / Exterior Lighting & Lighting Control Improvements
2. HVAC & Other Mechanical Improvements
3. Building Envelope
6. Other Improvements

Energy Conservation Measures (ECM's) are identified within 8 City buildings; the City Hall, New Library, Police Station, Jewett House, Fire Administration, Fire Station 2, Fire Station 3, Street Department and Green Traffic Lights on traffic signals mounted on traffic signals. The ECM's include; interior lighting, building envelope, HVAC / Mechanical and the retrofit of green traffic lights on traffic signals to LED. ECMs are listed below by building and the work to be provided by JCI is identified under each building / location along with the type of measure.

All work provided by JCI and their subs shall be complete and in good working order with attributes, performance and/or operational strategy which shall bear the economic benefit of the ECM. All ECMs installed shall meet state, federal and local code guidelines and standards. Each ECM shall be accompanied with start-up, test, and checkout and commissioning. Customer shall receive training on each ECM and its strategies. As- Built documents along with operational and maintenance manuals shall be provided to the owner for all ECMs.

Building Hours:

Building	Year Built	Area	Hours of Operation
City Hall			Typically 7:00 AM-5:00PM Mon thru Fri; Closed Sat, Sun-Holidays. Lighting and Building Systems run from 5:AM to 10:00PM Mon thru Fri.
New Library			Typically Mon-Thu: 10am – 8pm / Fri: 10am – 6 pm; Sat – Sun: 12pm – 4pm; Building Systems start 2 hours before the occupied time and go off along with the lighting at 10:00PM due to cleaning crew.
Police Station			24x7x365
Jewett House			One tenant lives there year round. Fridays, 10:00 a.m. - 11:00 a.m., beginning January 9th, at the Jewett House

Schedule 1

Fire Admin			Typically 8am-5pm Mon thru Friday, Cleaning crew stays late on Tues & Thurs 7:00pm; Mechanical Equipment comes on at 6am and goes off at 7pm
Fire Station 2, 3			24x7x365
Street Department			Summer Months (April thru Sept) 6:00AM-4:30PM Mon thru Thursday. After Thanksgiving (Late Nov. thru February) Night Shift 2:30PM to 11:30PM Closed Sat, Sun-Holidays. Building Systems run from 4:00AM thru 11:30PM Mon thru Fri. Lighting comes on at 6:00AM and goes off at 11:30PM Mon thru Friday

****This is the agreed upon typical schedule for the facilities all year.**

ENERGY CONSERVATION MEASURES By Location / Energy Conservation Measure

CITY HALL

ECM 1.0 - Lighting Upgrades

All fluorescent fixtures will go with low ballast factor ballasts and 28W lamps, this 3rd generation T8 solution will save 4 watts per tube (connected load) and provide equal lighting to existing conditions.

For actual counts and additional scope of work see table below:

ROOM	DESCRIPTION	FIX. QTY.	NG FIXTURE	ANNUAL KWH	DESCRIPTION	FIX. QTY.	NEW Fixture Watts	ANNUAL KWH	
Bathrooms	Incandescent, One (1) 60 Watt lamp	2	60	180	Compact Fluorescent, Swirl, (1) 15 Watt lamp - Screw In	2	15	45	
Bathrooms	Two (2) 48", 34 Watt T-12ES Fluorescent lamp & Magnetic Ballast	3	72	324	Two (2) 48", 32 Watt T-8 Fluorescent lamp and Electronic Ballast RLO	3	48	216	
4x4 8L troffer	Four (4) 48", 34 Watt T-12 ES Fluorescent lamp & 2 Magnetic Ballast	16	118	5,115	WHITE REFLECTOR Two (2) 48", 32 Watt T-8 Fluorescent lamp and Electronic Ballast NLO	16	108	4,061	
2x4 3L T8	1st Generation Three (3) 48", 32 Watt T-8 Fluorescent lamps and Rapid Start NLO	200	90	48,600	8", 28 Watt T-8 Fluorescent lamp and Electronic Ballast RLO with new P2	200	43	39,420	
2L 8' Fluorescent	Two (2) 96", T-12 60 Watt Fluorescent ES lamp & Magnetic Ballast	1	123	185	STRIP REFLECTOR Two (2) 48", 32 Watt T-8 Fluorescent lamp and Electronic Ballast NLO	1	54	81	
2x4 wraps 2L T8	1st Generation Two (2) 48", 32 Watt T-8 Fluorescent lamps and Rapid Start RLO	42	60	6,804	Two (2) 48", 32 Watt T-8 Fluorescent lamp and Electronic Ballast RLO	42	48	5,443	
250W HPS exterior	High Pressure Sodium, One (1) 250 Watt lamp	6	295	7,753	NEW INDUCTION FLOOD FIXTURE, One (1) 100 Watt induction system	6	110	482	
Flag Pole Light	Habgen Incandescent, One (1) 100 Watt lamp	1	300	1,314	NEW LED Flag pole fixture, One (1) 24W LED system	1	24	105	
Pre-Totals		271	1118	70274	Post-Totals		271	450	49853

ECM 3.0 – HVAC Central Plant, Terminal Equipment, DDC Controls

Work shall consist of JCI furnishing all equipment, materials, tools, labor and transportation, and in performing all operations in connection with the satisfactory installation of the mechanical retrofits described below.

City Hall Mechanical

Main Air Handling Unit Replacement

- Replace the existing Pace Air Handling Unit (AHU) and replace the existing Trane condensing unit
- Replace the economizer dampers return air, exhaust, and outside air with high performance airfoil dampers
- Replace the existing AHU with a York Solutions air handler
- Replace the return fan blower and motor
- Install new VFD's for supply and return fan
- Replace the existing Trane 50 ton R22 condensing unit with a new York 48 Ton R410A condensing unit.
- Epoxy coat the entire floor of the AHU.
- Remove all existing Pneumatic controls.
- Install new DDC controls.
- Re connect existing fire and smoke detector interlocks.
- Includes mechanical engineering and PE stamped drawings

Heating System Modifications

- Replace 1- existing Weil-McClain boiler with 3 new AERCO Esteem 399 gas fired water boilers
- Demolish and remove the existing Weil-McClain boiler including piping, electrical wiring and exhaust flues.
- Install new boiler system with a primary secondary loop see example on AERCO's website.
<http://www.aerco.com/DocumentRepository/Download.aspx?file=2210>
- Install two new premium efficiency secondary hot water pumps with VFD's in a lead lag arrangement.
- Configure the secondary loop for variable flow based on differential pressure.
- Includes mechanical engineering and PE stamped drawings

Modify Zoning and add 2 VAV Boxes.

- Modify the zoning of rooms where the walls have been changed from the original design
- Add 2 new vav boxes with controls, heating coils and heating valves
- Includes mechanical engineering and PE stamped drawings

New DDC Controls Include.

- Replace all pneumatic three way hot water valves with electronic two way valves.
 - 12 VAV reheat valves
 - 10 Fan coil unit valves
 - 4 cabinet heater valves

NEW LIBRARY

ECM 6.0 – Lighting Upgrades

Downstairs folks keep hallway lights off during the day. The new library, is energy efficient, with the exception of the accent lighting. This is currently MR-16, PAR 30 75Watt lamps, and can be retrofitted to LED screw-ins.

For actual counts and additional scope of work see table below:

ROOM	DESCRIPTION	FIX. QTY.	EXISTING FIXTURE WATTS	ANNUAL KWH	DESCRIPTION	FIX. QTY.	NEW Fixture Watts	ANNUAL KWH
Friends of the Library	Par, One (1) 75 Watt lamp	16	75	3,427	use Toshiba Par 30 LED at 10.5 watts	16	10.5	480
Community Rm	Par, One (1) 75 Watt lamp	10	150	4,284	MR 16 go to Toshiba MR 16	10	5	143
Community Rm	Par, One (1) 75 Watt lamp	19	75	4,070	short PAR from Toshiba	19	10.5	570
Common Area landings	Par, One (1) 75 Watt lamp	50	75	10,710	use Toshiba Par 30 LED at 10.5 watts	50	10.5	1,499
Bollards	Metal Halide, One (1) 100 Watt lamp	15	128	8,640	P2 Bollard in LED	15	20	1,350
Flag Light	Metal Halide, One (1) 175 Watt lamp	1	215	968	P2 LED Flood	1	20	90
Pre-Totals		111	718	32099	Post-Totals	111	77	4132

POLICE STATION

ECM 14.03 Inlet Guide Vanes to VFDs

The work described will take place at the City of Coeur d'Alene ID, Police Station. The Police Station building is served by Air handlers AHU-1 and AHU-2. Both AHU-1 and AHU-2 are located in the mezzanine mechanical room. The buildings HVAC system currently operates as a variable air volume system and each AHU controls air flow to VAV terminal boxes by inlet guide vanes (IGV). The two AHUs supply preconditioned air at 55 Deg F to the VAV terminal boxes throughout the building.

Air Handler Summary							
Unit ID	SAF (HP)	Suppy Air CFM	RAF (HP)	Return Air CFM	Outside Air CFM	Cooling Cap. MBH	Heating Cap. MBH
AHU-1	25	18,315	10	15,465	4,070	390.4	74.6
AHU-2	10	7,110	5	3,995	2,825	183.6	254.1

This Scope of Work includes the replacement of inlet guide vanes (IGV) on AHU-1 and AHU-2 to VFDs to control the speed of each AHUs Supply and Return Air Fans. Provide and install variable speed drives with bypass as manufactured by Johnson Controls or approved equal. No changes will be made to the building's HVAC system zone VAV boxes. The VFDs will be controlled to maintain supply duct static pressure as the VAV boxes modulate. The ventilation operation schedule will not change because of this project. This is not a VAV conversion.

Variable Speed Drive Installation

ECM 3.3 Inlet Guide Vanes to VFDs includes the installation of VFDs on the AHU-1 and AHU-2 to reduce fan energy. The scope of work is as follows: Provide and install variable speed drives with drive bypass as manufactured by JCI or equal. Provide 208 volt VFD with by-pass for the following:

System ID	Drive Size
AHU-1 (Supply Fan)	25
AHU-1 (Return Fan)	10
AHU-2 (Supply Fan)	10
AHU-2 (Return Fan)	5

- JCI shall be responsible for verifying if existing fan motors are inverted duty motors and can be properly controlled by the VFD. If the fan motor does not meet the requirements of being controlled then JCI shall provide premium efficiency inverted duty motors.
- Mount variable speed drives and by-pass on the mechanical room wall or on rack near the electrical distribution for the equipment. Reconnect existing 208 Volt electrical power wiring from existing circuit breaker to new drive. Remove existing disconnect and replace with drive.

Schedule 1

- Provide static pressure sensor in duct to control drives. Standard sensors/transmitters for temperature, air pressure will be needed to make the drive increase or decrease speed in order to maintain a given setpoint. The transmitters however may exist in the installation. Existing EMS signals, previously used for controlling the guide vanes, may be reused as input into the new control system, JCI shall verify.
- The inlet Guide Vane (IGV) is no longer needed, if too troublesome to remove, it should be blocked in fully open position. The IGV actuator signal and motor signal are no longer required, but the signal can be re-used as a control signal for the drive, JCI shall verify.
- Bypass loops incl. 3-way valves on pump systems are not required. If difficult to take out, the valves can be blocked in a fully open forward position. If necessary a NRV (Non-Return-Valve) can be applied instead of the existing 3-port valves.
- Provide control communication wiring between variable speed drive and EMS control panel. Provide programming and control points.
- Provide Control Wiring, Communication Bus, and connectivity from the controllers to the existing IP EMS workstation located in the City Hall Maintenance Office.
- Provide Programming, engineering, start-up and commissioning of installed equipment.
- Standard sensors/transmitters for temperature, air pressure will be needed to make the drive increase or decrease speed in order to maintain a given setpoint. The transmitters, however may exist in the installation. Existing EMS signals, previously used for controlling the guide vanes, may be reused as input into the new control system, JCI shall verify.
- The existing star/delta starter is no longer required and can therefore be removed. The inlet Guide Vane (IGV) is no longer needed, if too troublesome to remove, it should be blocked in fully open position. The IGV actuator signal and motor signal are no longer required, but the signal can be re-used as a control signal for the drive.
- Motor considerations – Check to see if Supply and Return Fan Motors are inverted duty motors, if not replace motor with premium efficiency inverted duty motor. JCI shall size the VFDs for the motor installed.

Air Handling Unit Modifications

- Remove or lock into full open position the inlet vanes of the supply and exhaust for the two Pace AHU's
- Install VFD's for the supply and return of each AHU
- Replace the existing supply and return fan motors for both AHU's
- Includes mechanical engineering and PE stamped drawings

ECM 15.0 High Efficiency Condensing Hot Water Boiler(s)

Existing Conditions

One (1) NG Lochinvar Copper Fin II boiler sized at 1,440 MBH input and 1,209.6 MBH output at thermal efficiency of 85% provides heating water to the building for primary heat at each air handler and reheat on the terminal units. The boilers are designed to provide water at 180 Deg F with a reset schedule based on the outdoor air temperature. Two base mounted hot water pumps provide 98 GPM flow of heating water to the air handlers and each of the terminal unit reheat coils. One pump operates while the other pump remains in the stand-by mode.

Heating System Modifications

- Replace 1- existing Lochinvar boiler with 3 new AERCO Esteem 399 gas fired water boilers
- Demolish and remove the existing boiler including piping, electrical wiring and exhaust flue
- New boilers shall be installed to work with the current heating system configuration
- Reuse existing pumping system
- Includes mechanical engineering and PE stamped drawings

JEWETT HOUSE

ECM 17.0 – Lighting Upgrades

For actual counts and additional scope of work see table below:

ROOM	DESCRIPTION	FIX. QTY.	EXISTING FIXTURE WATTS	ANNUAL KWH	DESCRIPTION	FIX. QTY.	NEW Fixture Watts	ANNUAL KWH	
2L wraps	Two (2) 48", 34 Watt T-12ES Fluorescent lamp & Magnetic Ballast	7	72	1,361	Two (2) 48", 32 Watt T-8 Fluorescent lamp and Electronic Ballast RLO	7	48	907	
2L U	Two (2) 24", T-12 STD Fluorescent lamp & Magnetic Ballast	2	56	302	Two (2) 24", T-8 Fluorescents lamp and Instant Start Ballast RLO	2	29	157	
Table Lamps	Incandescent, One (1) 60 Watt lamp	81	60	14,580	Compact Fluorescent, Swirl, (1) 15 Watt lamp - Screw In	81	15	3,645	
Pre-Totals		90	188	16243	Post-Totals		90	92	4709

FIRE STATIONS

ECM 19.0, ECM 22.0, ECM 24.0 - Lighting Upgrades

The ECM applies to the following Fire Station Buildings; Fire Administration, Fire Station 2, and Fire Station 3. For actual counts and additional scope of work see table below:

ROOM	DESCRIPTION	FIX. QTY.	EXISTING FIXTURE WATTS	ANNUAL KWH	DESCRIPTION	FIX. QTY.	NEW Fixture Watts	ANNUAL KWH
FIRE ADMIN BLDG								
Fire Truck display	Habgen MR16, One (1) 50Watt lamp	19	50	4,750	LED MR16, One (1) 5 Watt lamp	19	5	475
FD # 1 Garage	Two (2) 96", 59 Watt T-8 Fluorescent lamp, Instant Start Ballast NLO	22	109	21,006	NEW BALLAST COVERS Two (2) 48", 32 Watt T-8 Fluorescent lamp and Electronic Ballast HLO	22	74	14,261
Radio Room	1st Generation Four (4) 48", 32 Watt T-8 Fluorescent lamp and Rapid Start Ballast NLO	4	118	2,368	WHITE REFLECTOR Two (2) 48", 32 Watt T-8 Fluorescent lamp and Electronic Ballast NLO	4	54	1,080
24x7 Radio Rm	1st Generation Four (4) 48", 32 Watt T-8 Fluorescent lamp and Rapid Start Ballast NLO	1	118	1,037	WHITE REFLECTOR Two (2) 48", 32 Watt T-8 Fluorescent lamp and Electronic Ballast NLO	1	54	473
Hallway	Two (2) 96", T-12 60 Watt Fluorescent ES lamp & Magnetic Ballast	2	123	2,155	NEW BALLAST COVERS Two (2) 48", 32 Watt T-8 Fluorescent lamp and Electronic Ballast HLO	2	74	1,296
Basement	Two (2) 96", T-12 60 Watt Fluorescent ES lamp & Magnetic Ballast	3	123	738	NEW BALLAST COVERS Two (2) 48", 32 Watt T-8 Fluorescent lamp and Electronic Ballast HLO	3	74	444
Storage	Two (2) 96", T-12 60 Watt Fluorescent ES lamp & Magnetic Ballast	1	123	246	NEW BALLAST COVERS Two (2) 48", 32 Watt T-8 Fluorescent lamp and Electronic Ballast HLO	1	74	148
Storage	1st Generation Two (2) 48", 32 Watt T-8 Fluorescent lamps and Rapid Start NLO	1	59	118	Two (2) 48", 32 Watt T-8 Fluorescent lamp and Electronic Ballast RLO	1	48	96
Main Space	Two (2) 96", 59 Watt T-8 Fluorescent lamp, Instant Start Ballast NLO	8	109	1,744	NEW BALLAST COVERS Two (2) 48", 32 Watt T-8 Fluorescent lamp and Electronic Ballast NLO	8	54	864
Main Space	Two (2) 96", T-12 60 Watt Fluorescent ES lamp & Magnetic Ballast	1	123	246	NEW BALLAST COVERS Two (2) 48", 32 Watt T-8 Fluorescent lamp and Electronic Ballast HLO	1	74	148
Main Space	1st Generation Two (2) 48", 32 Watt T-8 Fluorescent lamps and Rapid Start NLO	2	59	236	Two (2) 48", 32 Watt T-8 Fluorescent lamp and Electronic Ballast RLO	2	48	192
1st floor fire suppression equipment	Two (2) 96", 59 Watt T-8 Fluorescent lamp, Instant Start Ballast NLO	4	109	872	NEW BALLAST COVERS Two (2) 48", 32 Watt T-8 Fluorescent lamp and Electronic Ballast NLO	4	54	432
top of stairs	1st Generation Four (4) 48", 32 Watt T-8 Fluorescent lamp and Rapid Start Ballast NLO	1	118	1,037	WHITE REFLECTOR Two (2) 48", 32 Watt T-8 Fluorescent lamp and Electronic Ballast NLO	1	54	473
Pre-Totals			69	1342	36554	Post-Totals		
						69	741	20,383
FIRE STATION #2								
FD #2	Two (2) 96", 59 Watt T-8 Fluorescent lamp, Instant Start Ballast NLO	12	109	6,540	NEW BALLAST COVERS Two (2) 48", 32 Watt T-8 Fluorescent lamp and Electronic Ballast HLO	12	74	4,440
FD # 2 Pole Barn	Metal Halide, One (1) 400 Watt lamp	3	458	3,435	NEW HIGH BAY Four (4) 48", T-8 Fluorescent lamp and Instant Start Ballast HLO	3	15	111
Storage Mezz Area	Metal Halide, One (1) 400 Watt lamp	3	458	3,435	8' STRIP NEW FIXTURE with Two (2) 48", 32 Watt T-8 Fluorescent lamps & Electronic Ballast NLO	3	63	473
Exterior	Incandescent, One (1) 1000 Watt lamp	2	1000	8,760	400W dual stack induction fixture	2	400	3,504
Pre-Totals			20	2025	22,170	Post-Totals		
						23	615	8,528
FIRE STATION #3								
FD #3	Metal Halide, One (1) 250 Watt lamp	12	295	31,010	NEW HIGH BAY Four (4) 48", T-8 Fluorescent lamp and Instant Start Ballast HLO	12	15	1,556
Pre-Totals			12	295	31,010	Post-Totals		
						12	15	1,556

STREET DEPARTMENT

ECM 26.0 - Lighting Upgrades

For actual counts and additional scope of work see table below:

ROOM	DESCRIPTION	FIX. QTY.	EXISTING FIXTURE WATTS	ANNUAL KWH	DESCRIPTION	FIX. QTY.	NEW Fixture Watts	ANNUAL KWH
Corporation Yard	Metal Halide, One (1) 400 Watt lamp	68	458	77860	HIGH BAY with Six (6) 48", 32 Watt T-8 Fluorescent lamps & High Output Electronic Ballast	68	228	38760
Corp Yard Mezz Area	Two (2) 48", 34 Watt T-12ES Fluorescent lamp & Magnetic Ballast	6	72	1080	Two (2) 48", 32 Watt T-8 Fluorescent lamp and Electronic Ballast RLO	6	48	720
Lunch Rm	Three (3) 48", 34 Watt T-12 ES Fluorescent lamp & 2 Magnetic Ballast	12	115	3450	WHITE REFLECTOR Two (2) 48", 32 Watt T-8 Fluorescent lamp and Electronic Ballast NLO	12	54	1620
Pre-Totals		86	645	82390		Post-Totals		86 330 41100

ECM 29.0 – 3 NEW PACKAGED RTUs (A/C & NG FURNACE PACKAGES)

Replacement of Rooftop Units

This scope of work includes the replacement of seven (3) rooftop units. The scope of work is as follows:

Qty	Description
1	Std Eff Med Gas Heat Single Pkg Rooftop 3 Tons Cooling 208/230-3-60 <ul style="list-style-type: none"> ◆ Medium Heat ◆ Single Stage Compressor Models ◆ Medium Static Option ◆ Electro-mechanical controls ◆ SEER 13
1	Downflow Econo w/o controls
1	Adapter Curb 48NT036 to 48TC04
1	Std Eff Low Gas Heat Single Pkg Rooftop 4 Tons Cooling 208/230-3-60 <ul style="list-style-type: none"> ◆ Low Heat ◆ Single Stage Compressor Models ◆ Medium Static Option ◆ Electro-mechanical controls ◆ SEER 13
1	Downflow Econo w/o controls
1	Adapter Curb 48NT048 to 48TC05
1	Std Eff Low Gas Heat Single Pkg Rooftop 6 Tons Cooling 208/230-3-60 <ul style="list-style-type: none"> ◆ Low Heat ◆ Single Stage Compressor Models ◆ Medium Static Option ◆ Electro-mechanical controls ◆ SEER 13
1	Downflow Econo w/o controls

TRAFFIC DEPARTMENT

ECM 31.0 – Green Incandescent Traffic Signals to LED

Work shall consist of JCI furnishing all equipment, materials, tools, labor and transportation, in performing all operations in connection with the satisfactory conversion of green incandescent traffic Signals to LED. Currently, at the City of Coeur d’Alene there are 371 existing 1-lamp incandescent 75 watt green traffic signals to 23 watt LED.

ROOM	DESCRIPTION	FIX. QTY.	EXISTING FIXTURE WATTS	ANNUAL KWH	DESCRIPTION	FIX. QTY.	NEW Fixture Watts	ANNUAL KWH
Green Traffic Signals	Incandescent, One (1) 75 Watt lamp	371	75	121,874	12" LED traffic head with 18 watts, labor 75, lamp 75, rebate 55	371	23	37,375
Pre-Totals		371	75	121,874	Post-Totals	371	23	37,375

DESCRIPTION OF HVAC CONTROL STRATEGIES TO BE IMPLEMENTED

Strategy 1 – Economizer controls

In most commercial applications, at least some interior spaces need cooling during times when the outdoor air temperature and humidity are sufficiently low to economically provide cooling without using the mechanical refrigeration cycle. Economizers use controls and supply, return and exhaust air dampers to control outside air quantities. When bringing in large quantities of outdoor air, equivalent quantities of indoor air must be exhausted at the same time. This exhaust is called "relief air."

At some upper outside temperature limit, it is no longer economical to bring in 100 percent outdoor air because the energy to cool it will be greater than cooling the building return air mixed with the minimum quantity of outdoor air. This point is called the economizer changeover point and, depending on the climate, there are several ways to determine and control the changeover.

- Fixed dry bulb controls shift from economizer to refrigeration cycle at a specific outdoor temperature, such as 72°F maximum outside temperature.
- Differential dry bulb systems compare the dry bulb temperature of the outdoor air to the dry bulb temperature of the return air and make the changeover when the outdoor temperature is near the return temperature. Dry bulb systems are appropriate in dry climates, but may cause problems where high humidity and moderate to high outdoor temperatures occur together.
- For these situations (such as the climate belt from Houston through the Southeast and into the Mid-Atlantic states), "enthalpy" controls are better, since they consider the work required to dehumidify the outdoor air. (Enthalpy is a measure of the total heat in the air, made by measuring both the dry bulb temperature and the relative humidity.)
- Fixed enthalpy controls work like fixed dry bulb controls, except they consider the enthalpy of the outdoor air (in Btus per pound of air) rather than the dry bulb temperature.
- Differential enthalpy controls compare the enthalpy of the outdoor air with the enthalpy of the return air and change from economizer/outside air to refrigeration whenever the outdoor air enthalpy is greater than the return air enthalpy. In humid climates, the added cost and complication of the enthalpy controller will generally be justified by increased comfort and energy savings.

The existing and revised conditions are simulated with the bin calculations, by adjusting the outside air % for each of these scenarios, with the difference in energy use equal to the energy decrease or in some instances increase. There is no fan energy saving associated with this measure, as the volume of air moved is unaffected.

Strategy 2 – Various temperature controls

This strategy includes the incorporation of improved temperature control operation and programming where believed presently to not exist or be effective. These control improvements where applicable may be such routines as i.e. mixed air reset / cold deck reset / hot deck reset / supply air reset or zone optimization and its impact to reheat, heating

lockout and cooling lockout as well as improved ventilation / economizer control where not found to exist or be effective.

Both the existing base conditions and revised (effective strategies) are simulated with the bin calculations with the difference in energy use equal to the energy decrease or in some instances increase. There is no fan energy saving associated with this measure, as the volume of air moved is unaffected.

Strategy 3 - After HOURS Reduce Supply Air / Vent reduction

This measure involves strategy that utilizes a concept of demand controlled ventilation (DCV) which is described as one of several ways of meeting ventilation requirements (ASHRAE).

This strategy where applicable is possible as it takes into account the significant zone load and ventilation reduction associated with fan operation and service when scheduled for minimal occupants (i.e. partial occupancy) beyond the end of the normal work day. Control strategy intent utilizing VFD's, and DDC applications is to reduce supply air volume and ventilation and or

minimums during the extended hours of operation. High and Low space temperature monitoring limitations shall be employed. The measure and calculations account for BIN hours split between the two occupancy periods and conditions – hours at which no change occurs and hours at which change occurs. These hours represent the total hours occupied, which the fan presently serves

For the hours there are no change, the calculation is the same as the existing scenario, except that the BIN-hours are adjusted. For hours at which change occurs, the volume of air supplied is reduced i.e. 50-60% of the design cfm and the ventilation minimum (when not in economizer mode) is reduced during the extended non-student hours of operation. It should also be noted that where strategy 1 is employed with strategy 2, that these strategy 1 adjustments are copied over to the strategy (2) to account for revised and reduced energy use associated with strategy 1. This reduces the heating load on the heating-coil and also uses less fan-energy. The reduction in fan-speed is made possible by fitting the fan-motor with variable speed drives. The new fan energy for reduced volume / speed operation is calculated using Fan Affinity Laws:

$$\frac{HP_2}{HP_1} = \left\{ \frac{N_2}{N_1} \right\}^3; \frac{N_2}{N_1} = \frac{CFM_2}{CFM_1};$$

HP₂ – new horsepower consumed by the fan (at lower speed)

HP₁ – existing horsepower consumed by the fan (at design speed)

N₂ – new speed of the fan (reduced due to reduced airflow)

N₁ – existing speed of the fan (design)

CFM₂ – new volume of air moved by the fan (modified by strategy)

CFM₁ – existing volume of air moved by the fan (design)

The fan and thermal savings are calculated by subtracting the sum of the fan and thermal energy for hours at which no change occurs and hours at which change occurs, from the existing values.

Strategy 4 - Unoccupied morning warm-up & after-hours ventilation reduction (existing ventilation is at minimum)

This measure involves the reduction of ventilation air (to no ventilation) delivered to the zones from the unit, during **the unoccupied startup morning warm-up hours and after-normal business hours**. The BIN hours for this measure is reduced to reflect the hours that occur during the morning warm-up hours and after-hours during the heating season. (For OSA temperature 52°F and below night setback space setpoint conditions). For the revised calculation, the ventilation is reduced to zero (only recirc.+ damper leakage) during the morning hours and after-normal business hours. This reduces the heating load on the heating-coil, as the return air is considerably warmer than the OSA. The equation assumes a night low limit minimum condition reflected in the average return air condition. (see Night Setback)

The new heating load is calculated using the heat transfer equation

$$q = mC_p(\nabla T)$$

where q – heat/cooling load (Btu/hr)

m – Mass flow rate of air (cfm)

C_p – 1.085 for air

ΔT – temperature difference across the heating coil. (F)

The entering air temperature is a designated air stream (OSA, Return or in many cases a mixture of return and outside air temperature, and the percentage varies for every system. For the base case, The % of mixture was based on design data and or adjusted i.e. the effectiveness of the damper position for what was observed at the site during any specific condition.

Thermal savings is calculated by subtracting the new thermal energy usage from the existing thermal energy usage. There are no fan savings associated with this measure.

Strategy 5 - Night Setback

This measure involves the elimination of ventilation air (from minimum) delivered to the zones from the unit, during the unoccupied night operation hours (cycling) of the fan system where applicable. The BIN hours for this measure is adjusted to reflect the hours of operation of the system only at night during heating season. The existing scenario is predicated from the audit that the existing control technology or intelligence presently does not distinguish between occupied and unoccupied operation. The proposed scenario is to close the outside minimum to 0% and use 100% return air to maintain the building at the night low-limit. The fan delivers 100% of the design volume, but cycles ON/OFF (i.e. 10 - 30 minutes out of every hour) to keep the zone (building) at minimum setpoint.

Savings is calculated by subtracting the new thermal load at the coil (100% RA, 0% OSA) from the existing thermal load (Min. OSA, balance is RA), and using the equation

$$q = mC_p(\nabla T)$$

There is no fan savings associated with this measure.

Strategy 6 - Hi-Low Volume Reduction

This measure is typically employed to systems exclusively of all other daytime occupied measures. It is similar to strategy 2 in affect except that: this system, after initial space conditions are achieved, will operate as normal in a reduced volume output mode and only during manual or space temperature override will this system operate at full

Schedule 1

design volume. Applications such as Gymnasiums, auditoriums and theatres are examples of good candidates. (Think of it as similar to the HI-LO Bay strategy employed with HID lighting control.) The Control strategy intent utilizing VFD's, and DDC applications is to reduce supply air volume and ventilation and or minimums as presently this system serves spaces that are not always fully occupied during the normal scheduled business day or system operational period. Manual override (i.e. Metastat push button, 2 - 4 hour twist timer bypass and or other digital input) will allow the system to return to 100% volume for the pre-determined time. The measure and calculations accounts for BIN hours that occur during normal daytime scheduled system operation. These bin hour occurrences are split into 2 groups for full volume and reduced volume operation. These hours represent the total hours scheduled, which the fan presently operates. Reduced volume hours are supported based on audit data indicating the % of total hours during which the spaces served by the system are presently and normally fully occupied. Reduced hours of operation also employ an effectiveness (multiplier from 33% to 70%) factor based on the probable ability of this measure to operate effectively without significant occupant override.

Where improved control strategy such as that found under strategy 1 is possible with this strategy, then this calculation will adjust the temperature condition similarly to affect the control results. Using hi-low volume control reduces the cfm of air moved by the fan and thus reducing the power consumed by the motor. Also, the thermal energy needed to heat/cool lower volume of air results in savings.

The new fan energy for reduced volume / speed operation is calculated using Fan Affinity Laws:

$$\frac{HP_2}{HP_1} = \left\{ \frac{N_2}{N_1} \right\}^3; \frac{N_2}{N_1} = \frac{CFM_2}{CFM_1};$$

HP₂ – new horsepower consumed by the fan (at lower speed)

HP₁ – existing horsepower consumed by the fan (at design speed)

N₂ – new speed of the fan (reduced due to reduced airflow)

N₁ – existing speed of the fan (design)

CFM₂ – new volume of air moved by the fan (modified by strategy)

CFM₁ – existing volume of air moved by the fan (design)

The fan and thermal savings are calculated by subtracting the sum of the fan and thermal energy for hours at which no change occurs and hours at which change occurs, from the existing values.

End of Control System

Dated _____, 2010

CITY OF COEUR D'ALENE, ID

Signature: _____

Printed Name: _____

Title: _____

JOHNSON CONTROLS, INC.

Signature: _____

Printed Name: _____

Title: _____

End of Scope Document and Schedule 1 of APG

ASSURED PERFORMANCE GUARANTEE

I. PROJECT BENEFITS

A. Certain Definitions. For purposes of this Agreement, the following terms have the meanings set forth below:

Annual Project Benefits are the portion of the projected Total Project Benefits to be achieved in any one year of the Guarantee Term.

Annual Project Benefits Realized are the Project Benefits actually realized for any one year of the Guarantee Term.

Annual Project Benefits Shortfall is the amount by which the Annual Project Benefits exceed the Annual Project Benefits Realized in any one year of the Guarantee Term.

Annual Project Benefits Surplus is the amount by which the Annual Project Benefits Realized exceed the Annual Project Benefits in any one year of the Guarantee Term.

Assured Performance Guarantee is the guarantee the conservation related savings pay for the conservation measures, including financing charges incurred over the life of this Agreement.

Baseline is the mutually agreed upon data and/or usage amounts that reflect conditions prior to the installation of the Improvement Measures as set forth in Section IV below.

Guarantee Term will commence on the first day of the month next following the Substantial Completion date and will continue through the duration of the M&V Services, subject to earlier termination as provided in this Agreement.

Installation Period is the period beginning on JCI's receipt of Customer's Notice to Proceed and ending on the commencement of the Guarantee Term.

Measured Project Benefits are the utility savings and cost avoidance calculated in accordance with the methodologies set forth in Section III below.

Non-Measured Project Benefits are identified in Section II below. The Non-Measured Project Benefits have been agreed to by Customer and will be deemed achieved in accordance with the schedule set forth in the Total Project Benefits table below. Customer and JCI agree that: (i) the Non-Measured Project Benefits may include, but are not limited to, future capital and operational costs avoided as a result of the Work and implementation of the Improvement Measures, (ii) achievement of the Non-Measured Project Benefits is outside of JCI's control, and (iii) Customer has evaluated sufficient information to conclude that the Non-Measured Project Benefits will occur and bears responsibility for ensuring that the Non-Measured Project Benefits will be realized. Accordingly, the Non-Measured Project Benefits shall not be measured or monitored by JCI at any time during the Guarantee Term, but rather shall be deemed achieved in accordance with the schedule set forth in the Total Project Benefits table below.

Schedule 2

Project Benefits are the Measured Project Benefits plus the Non-Measured Project Benefits to be achieved for a particular period during the term of this Agreement.

Total Project Benefits are the projected Project Benefits to be achieved during the entire term of this Agreement.

B. Project Benefits Summary. Subject to the terms and conditions of this Agreement, JCI and Customer agree that Customer will be deemed to achieve a total of \$676,646, in Total Measured Project Benefits during the term of this Agreement

Total Project Benefits

Year	Utility Cost Avoidance*	Future Capital Cost Avoidance**	Operations & Maintenance Cost Avoidance**	Annual Project Benefits
Installation	\$5,591			\$5,591
1	\$33,513	\$0	\$0	\$33,513
2	\$34,854	\$0	\$0	\$34,854
3	\$36,248	\$0	\$0	\$36,248
4	\$37,698	\$0	\$0	\$37,698
5	\$39,206	\$0	\$0	\$39,206
6	\$40,774	\$0	\$0	\$40,774
7	\$42,405	\$0	\$0	\$42,405
8	\$44,101	\$0	\$0	\$44,101
9	\$45,865	\$0	\$0	\$45,865
10	\$47,700	\$0	\$0	\$47,700
11	\$49,608	\$0	\$0	\$49,608
12	\$51,592	\$0	\$0	\$51,592
13	\$53,656	\$0	\$0	\$53,656
14	\$55,802	\$0	\$0	\$55,802
15	\$58,034	\$0	\$0	\$58,034
Total	\$676,646	\$0	\$0	\$676,646

*Utility Cost Avoidance is a Measured Project Benefit. Utility Cost Avoidance figures in the table above are based on anticipated increases in unit energy costs as set forth in the table in "**Section IV Baseline Calculations & Utility Rates**" below.

Within sixty (60) days of the commencement of the Guarantee Term, JCI will calculate the Measured Project Benefits achieved during the Installation Period plus any Non-Measured Project Benefits applicable to such period and advise Customer of same. Within sixty (60) days of each anniversary of the commencement of the Guarantee Term, JCI will calculate the Measured Project Benefits achieved for the applicable year plus any Non-Measured Project Benefits applicable to such period and advise Customer of same.

Customer acknowledges and agrees that if, for any reason, it (i) cancels or terminates receipt of M&V Services, (ii) fails to pay for M&V Services in accordance with Schedule 4, (iii) fails to fulfill any of its responsibilities necessary to enable JCI to complete the Work and provide the M&V Services, or (iv)

otherwise cancels, terminates or materially breaches this Agreement, the Assured Performance Guarantee shall automatically terminate and JCI shall have no liability hereunder.

C. Project Benefits Shortfalls or Surpluses.

- (i) *Project Benefits Shortfalls.* If an Annual Project Benefits Shortfall occurs for any one year of the Guarantee Term, JCI shall, at its discretion and in any combination, (a) set off the amount of such shortfall against any unpaid balance Customer then owes to JCI, (b) where permitted by applicable law, increase the next year's amount of Annual Project Benefits by the amount of such shortfall, (c) pay to Customer the amount of such shortfall, or (d) subject to Customer's agreement, provide to Customer additional products or services, in the value of such shortfall, at no additional cost to Customer.*
- (ii) *Project Benefits Surpluses.* If an Annual Project Benefits Surplus occurs for any one year of the Guarantee Term, JCI may, at its discretion and in any combination, (a) apply the amount of such surplus to set off any subsequent Annual Project Benefit Shortfall during the Guarantee Term, or (b) bill Customer for the amount of payments made pursuant to Section C(i)(c) above and/or the value of the products or services provided pursuant to clause C(i)(d) above, in an amount not to exceed the amount of such surplus.*
- (iii) *Additional Improvements.* Where an Annual Project Benefits Shortfall has occurred, JCI may, subject to Customer's approval (which approval shall not be unreasonably withheld, conditioned, or delayed), implement additional Improvement Measures, at no cost to Customer, which may generate additional Project Benefits in future years of the Guarantee Term.

*In the event JCI is providing an Assured Performance Guarantee under Schedule 2. Annual Project Benefits Shortfalls and Annual Project Benefits Surpluses under each such Schedule shall be reconciled against one another.

II. NON-MEASURED PROJECT BENEFITS

Operations savings is based on the following measures. There are no operational savings being accounted for in this ESPC project.

III. MEASUREMENT AND VERIFICATION METHODOLOGIES

The following is a brief overview of the measurement and verification methodologies applicable to the Improvement Measures set forth below. JCI shall apply these methodologies, as more fully detailed in the guidelines and standards of the International Performance Measurement and Verification Protocol (IPMVP), in connection with the provision of M&V Services hereunder.

The Measurement and Verification (M&V) options described below will be utilized on a building-by-building basis as listed in the table below. These M&V methods have been selected based upon the measures proposed for each building or site, the expected project benefits, and the relative cost of the M&V method. The planned M&V term is 5 years. After the satisfactory demonstration that the proposed energy savings has been met, the energy savings will be agreed upon throughout the remainder of the term. A detailed description of the planned M&V activities is included below the IPMVP Option Descriptions.

Building	Option A (One Time Measurement)
City Hall	X
New Library	X
Police Station	X
Jewett House	X
Fire Administration	X
Fire Station 2	X
Fire Station 3	X
Street Department	X

Option A Partially Measured Retrofit Isolation

Measured Project Benefits are determined by partial field measurement of the energy use of the system(s) to which an Improvement Measure was applied; separate from the energy use of the rest of the facility. Measurements will be short-term with only one-time measurements before and after the Installation Period.

Partial measurement means that some but not all parameters will be measured. Careful review of the design and installation of Improvement Measures is intended to demonstrate that the stipulated values fairly represent the probable actual values. Agreed-upon values will be shown in the measurement and verification plan, along with analysis of the significance of the error they may introduce. Engineering calculations using short-term pre and post-retrofit measurements and stipulations are used to calculate Measured Project Benefits for the duration of the Guarantee Term.

Schedule 2

Measured Project Benefits from the following Improvement Measures will be calculated using Option A:

Building	Energy Conservation Measure	ECM #
CITY HALL	NEW AHU, CU, AERCO HIGH-EFF BOILER (3), + ALC DDC CONTROLS	ECM 3.0
NEW LIBRARY	LIGHTING & CONTROLS	ECM 6.0
POLICE STATION	AIRSIDE - AHU MODIFICATIONS IGV TO VFDs	ECM 14.0
POLICE STATION	HEATING PLANT - AERCO HIGH EFF BOILERS (3)	ECM 15.0
JEWETT HOUSE	LIGHTING & CONTROLS	ECM 17.0
FIRE ADMIN	LIGHTING CONTROLS	ECM 19.0
FIRE STATION 2	LIGHTING CONTROLS	ECM 22.0
FIRE STATION 3	LIGHTING CONTROLS	ECM 24.0
STREET DEPT	LIGHTING CONTROLS	ECM 26.0
STREET DEPT	3 PACKAGED RTU (HIGH EFFICIENCY)	ECM 29.0
TRAFFIC DEPT	GREEN TRAFFIC SIGNAL LAMPS (371 INCADESCENT TO LED)	ECM 31.0

Option B

Retrofit Isolation

This Option is not applicable to this project

Project Benefits are determined by field measurement of the energy use of the systems to which the improvement measure was applied; separate from the energy use of the rest of the facility. Engineering calculations using short term, long-term or continuous pre & post-retrofit measurements will be used to calculate the Project Benefits for the life of the contract.

Option C

This Option is not applicable to this project

Option C involves use of utility meters or whole building sub-meters to assess the energy performance of a total building. Option C assesses the impact of any type of improvement measure, but not individually if more than one is applied to an energy meter. This option determines the collective Project Benefits of all improvement measure's applied to the part of the facility monitored by the energy meter. Also, since whole building meters are used, Project Benefits reported under Option C include the impact of any other change made in facility energy use (positive or negative).

CHANGES IN USE OR CONDITION; ADJUSTMENT TO BASELINE AND/OR ANNUAL PROJECT BENEFITS

Customer agrees to notify JCI, within fourteen (14) days, of (i) any actual or intended change, whether before or during the Guarantee Term, in the use of any facility, equipment, or Improvement Measure to which this Schedule applies; (ii) any proposed or actual expansions or additions to the premises or any building or facility at the premises; (iii) a change to utility services to all or any portion of the premises; or (iv) any other change or condition arising before or during the Guarantee Term that reasonably could be expected to change the amount of Project Benefits realized under this Agreement.

Such a change, expansion, addition, or condition would include, but is not limited to: (a) changes in the primary use of any facility, Improvement Measure, or portion of the premises; (b) changes to the hours of operation of any facility, Improvement Measure, or portion of the premises; (c) changes or modifications to the Improvement Measures or any related equipment; (d) changes to the M&V Services provided under this Agreement; (e) failure of any portion of the premises to meet building codes; (f) changes in utility suppliers, utility rates, method of utility billing, or method of utility purchasing; (g) insufficient or improper maintenance or unsound usage of the Improvement Measures or any related equipment at any facility or portion of the premises (other than by JCI); (h) changes to the Improvement Measures or any related equipment or to any facility or portion of the premises required by building codes or any governmental or quasi-governmental entity; or (i) additions or deletions of Improvement Measures or any related equipment at any facility or portion of the premises.

Such a change or condition need not be identified in the Baseline in order to permit JCI to make an adjustment to the Baseline and/or the Annual Project Benefits. If JCI does not receive the notice within the time period specified above or travels to either Customer's location or the project site to determine the nature and scope of such changes, Customer agrees to pay JCI, in addition to any other amounts due under this Agreement, the applicable hourly consulting rate for the time it took to determine the changes and to make any adjustments and/or corrections to the project as a result of the changes, plus all reasonable and documented out-of-pocket expenses, including travel costs. Upon receipt of such notice, or if JCI independently learns of any such change or condition, JCI shall calculate and send to Customer a notice of adjustment to the Baseline and/or Annual Project Benefits to reflect the impact of such change or condition, and the adjustment shall become effective as of the date the change or condition first arose. Should Customer fail to promptly provide JCI with notice of any such change or condition, JCI may make reasonable estimates as to the impact of such change or condition and as to the date on which such change or condition first arose in calculating the impact of such change or condition, and such estimates shall be conclusive.

IV. BASELINE CALCULATIONS AND UTILITY RATES

Unit energy costs for all meters and all buildings are listed below. This may be used in support of baseline development or a more recent annual period may be chosen. The unit cost data shown below shall be used for all calculations made under this Schedule except where during baseline development, actual rate is greater. In either case, unit costs in this table or actual unit cost where greater shall establish the minimum unit cost. These unit cost rates shall be escalated each year by the scheduled minimum % as set forth in the table below. This table shall establish the new minimum unit cost rates for which all future escalation percentages (as set forth in table below) shall be based on. In the case where actual utility unit cost increase exceeds the calculated unit minimum as escalated within the table, the greater value shall be used. Where electrical power ratchet exists, this cost shall not be computed in baseline or future costs or unit costs.

Building / Location	Electric (kWh)	Demand (KW)	Natural Gas (Dkt)
City Hall	\$0.0625	\$4.00	\$0.6427
Fire Admin	\$0.0893	\$4.00	\$0.8896
Fire Station 2	\$0.0767	\$4.00	\$0.8648
Fire Station 3	\$0.0845	\$4.00	\$0.8971
New Library	\$0.0626	\$4.00	\$0.8172
Police Station	\$0.0525	\$4.00	\$0.7500
Street Shop	\$0.0534	\$4.00	\$0.6233

Utility Rate Escalation

The following table lists the escalation rates to be used in calculating the minimum utility rates used in the energy savings calculations.

Year	Electric	Demand	Natural Gas
1	4.0%	4.0%	4.0%
2	4.0%	4.0%	4.0%
3	4.0%	4.0%	4.0%
4	4.0%	4.0%	4.0%
5	4.0%	4.0%	4.0%
6	4.0%	4.0%	4.0%
7	4.0%	4.0%	4.0%
8	4.0%	4.0%	4.0%
9	4.0%	4.0%	4.0%
10	4.0%	4.0%	4.0%
11	4.0%	4.0%	4.0%
12	4.0%	4.0%	4.0%
13	4.0%	4.0%	4.0%
14	4.0%	4.0%	4.0%
15	4.0%	4.0%	4.0%

Primary Operations Schedules Pre & Post Retrofit

The **Post Baseline Standards of Occupancy, Service & Comfort** included in this section, identified by Building and System, defines the expected operational aspects of each system as it relates to need for occupancy use, comfort and energy use. Each system has a reasonable expected maximum run time operation along with any relevant schedule for start-up (unoccupied and occupied, Night-low limit NLL) as well as extended hours of operation beyond normal scheduling as it relates to historical facility area use and occupancy times of same as served by these systems. It is critical that these schedules are not significantly deviated from (without advance notice, concurrence and approval, with adjustment as required) in order to generate savings while maintaining comfort.

In general, all buildings follow the hours of operation as identified in the table below:

Building	Hours of Operation
City Hall	Typically 7:00 AM-5:00PM Mon thru Fri; Closed Sat, Sun-Holidays. Lighting and Building Systems run from 5:AM to 10:00PM Mon thru Fri.
New Library	Typically Mon-Thu: 10am – 8pm / Fri: 10am – 6 pm; Sat – Sun: 12pm – 4pm; Building Systems start 2 hours before the occupied time and go off along with the lighting at 10:00PM due to cleaning crew.
Police Station	24x7x365
Jewett House	One tenant lives there year round. Fridays, 10:00 a.m. - 11:00 a.m., beginning January 9th, at the Jewett House
Fire Admin	Typically 8am-5pm Mon thru Friday, Cleaning crew stays late on Tues & Thurs 7:00pm; Mechanical Equipment comes on at 6am and goes off at 7pm
Fire Station 2, 3	24x7x365
Street Department	Summer Months (April thru Sept) 6:00AM-4:30PM Mon thru Thursday. After Thanksgiving (Late Nov. thru February) Night Shift 2:30PM to 11:30PM Closed Sat, Sun-Holidays. Building Systems run from 4:00AM thru 11:30PM Mon thru Fri. Lighting comes on at 6:00AM and goes off at 11:30PM Mon thru Friday

For the areas that are on a schedule, Holidays shall be unoccupied for this site for certain areas that do have occupied/unoccupied / Holiday schedules and are recognized for the following days:

- New Years Day (celebrated)
- Martin Luther King Day
- President’s Day
- Memorial Day
- July 4th (celebrated)
- Labor Day
- Columbus Day
- State General Election Day
- Veterans Day
- Thanksgiving Day & day after

- Christmas Day (celebrated) and day after

Trending In Support Of M&V and Programmed operations

All systems connected to Metasys and serving buildings, within this contract shall be trended and logged relative to the following attributes. All programs, schedules, set points and algorithms must be maintained. All critical points of control shall be locked out relative to programming access and only short term overrides with time-out return to normal shall be provided to customer. Customer shall leverage JCI technician expertise, service and M&V contracts for any and all corrections and changes to system operation and programming.

- Fan or HVAC System Run Time- Occupied Hrs Terminal Unit – schedule (where applicable)
- Fan or HVAC System Run Time- Unoccupied Hrs Terminal Unit – Space Temp (where applicable)
- % VFD Drive Output or Speed (where applicable)
- Space Temperatures serving all systems connected – occupied
- Space Temperatures serving all systems connected – un-occupied
- Return air temperature (where points specified)
- Mixed air temperature (where points specified)
- OSA Temperature – reference for all trends
- Supply Air Temperature (where points specified)
- N2 Thermostats set point – Thermostats schedule
- Chiller – Cooling – Run Time Hrs of operation
- CHWS Temp (where points specified)
- CHWR Temp (where points specified)
- Cooling Circ Pumps – Run Time (where points specified)
- Heater – Heating – Run Time Hrs of operation
- Boiler – operation- enable- disable – hrs of operation
- HWS Temp (where points specified)
- HWR Temp (where points specified)

Operational Attributes, Occupancy Schedules and Comfort Conditions

General conditions and attributes relative to savings strategies, engineering analysis and quantification of benefit is based on observation, logging, estimates, site discussions and standard engineering analysis and practice. The following attributes are sample standards utilized in the development process and along with standard engineering methodology, shall be considered stipulated relative to the value and purpose they provide in the analysis and algorithms. This shall take precedent over all M&V descriptions which are not consistent with this analysis process.

Lighting and Occupancy Sensors

Lighting- Ballast Fixture wattages: Pre and post ANSI / Manufacturer's (MFGR) Design Wattages

Run Time: pre and post hours of operation.

Light-levels: pre and post measurement of foot-candles for different space types

Pre- and post measurement values to be taken and used to confirm baseline and BIM application only

Johnson Controls conducted a room-by-room audit in each of the facilities to assess the existing lighting system, quantify exact number of fixtures and lamps, and to evaluate potential improvements to lighting quality and to reduce the electrical usage. Lighting operation (burn) hours are based on interviews with facility personnel and actual hours logged in representative typical locations at each facility. Occupancy sensor lighting controls reduce lighting operation hours and the reduced operation hours are listed. Lighting operation hours, controls sensors reduction and a detailed description of the existing lighting conditions are listed in the detailed lighting scope tables shown in the Lighting Calculations (Appendix). Note the lighting detailed scope tables reflect the complete audit results of the facility indicated. A lighting code indicated as "NORETRO" indicates a fixture that is not to be retrofitted.

Lighting operation hours and sensor percentage reduction in operation hours indicated in section V "Primary Operations Schedule Pre and Post Retrofit" of Schedule 2 are agreed to and are therefore non-measured.

HVAC / Control / Heating Plants / Cooling Plant

- Schedules (run time hrs defined),
- Operational sequences- (defined Industry standard, programmed or measured)
- Set points (defined , programmed or measured)
- Air Flow & Volume control- (defined set point or diversity specified)
- Power consumption (Defined mfgr name plate power ratings, motor efficiency, measurements, MFGR or Engineering standards)
- Equipment Mfgr. Heating or Cooling Efficiency's – pre and post
- Heating & Cooling Lockouts and limits (defined)
- Ventilation limits (standard or design prescribed as defined)

These parameters, schedules and sequences as defined in section V "Primary Schedule Pre and Post Retrofit" of Schedule 2 are agreed to and are therefore non-measured.

Operational Attributes, Occupancy Schedules and Comfort Conditions

General conditions and attributes relative to savings strategies, engineering analysis and quantification of benefit is based on observation, estimates, site discussions and standard engineering analysis and practice. The following attributes are sample standards utilized in the development process and along with standard engineering methodology, shall be considered stipulated relative to the value and purpose they provide in the analysis and algorithms. This shall take precedent over all M&V descriptions which are not consistent with this analysis process.

V) PRIMARY OPERATIONS SCHEDULE PRE & POST RETROFIT - CITY HALL BLDG					
Location:	City Hall	System:	AHU-1, HW Boiler	Service :	City Hall
Pre-Retrofit Facility/Area					
Zone Occupancy:					
<i>Occupied:</i> Mon - Fri 6:00 AM - 10:00 PM					
<i>Unoccupied:</i>					
Lighting System					
Operation:	Mon - Fri 7:00AM to 5:00PM			(Approx 2600 hrs per year)	
Lighting Controls:	High Efficiency Lighting and Controls, T8's				
Boiler(s) & Pumps					
<i>Boiler & Pump operation Hrs</i>	All boilers, loop pumps,etc - scheduled to operate 8760 hrs/yr if needed				
<i>Loop Temp</i>	Min: 160 F - Max: 180 F				
AHU-1	AHU-1				
HVAC Operation: DDC at Plant Level and Pneumatics control terminal					
<i>Control</i>	7 Day Programmable Thermostat				
<i>Fan Control</i>	Constant Volume				
Temperature Setpoints:					
	<i>Occupied:</i>	<i>Unoccupied</i>			
<i>Heating</i>	70 F	62 F			
<i>Cooling</i>	74 F	82 F			
Post-Retrofit Facility/Area					
General conditions and attributes relative to savings strategies, engineering analysis and quantification to benefit is based on observation, logging, estimates, site discussions and standard engineering analysis and practice. The following attributes are considered stipulated relative to the value they provide in the analysis and algorithms.					
Zone Occupancy:					
<i>Occupied:</i> Mon - Fri 6:00 AM - 10:00 PM					
<i>Unoccupied:</i>					
Lighting System					
Operation:	Mon - Fri 7:00AM to 5:00PM			(Approx 2600 hrs per year)	
Lighting Controls:	No Change				
Boiler(s) & Pumps					
<i>Boiler & Pump operation Hrs</i>	All boilers, loop pumps,etc - scheduled to operate 8760 hrs/yr if needed				
<i>Loop Temp</i>	Min: 110F - Max: 160 F				
AHU-1	AHU-1				
HVAC Operation: Mon - Fri 6:00 AM - 6:00 PM					
<i>Control</i>	ALC DDC				
<i>Fan Control</i>	Variable Speed Control on AHU-1				
Temperature Setpoints:					
	<i>Occupied:</i>	<i>Unoccupied</i>			
<i>Heating</i>	70 F	62 F			
<i>Cooling</i>	74 F	82 F			
VAV Boxes (Typical of 36)					
<i>Control</i>	ALC DDC				
AHU-1					
<i>VSD Control</i>	OSA	% Volume			
	> 82 F	100%	NLL/Wkend/Holi - Off in Heating mode		
	12 F to 82 F	100% to 50%	ON only in Econ Mode; no mech cooling during NLL		
	< 12 F	100%			
	Morning Htg warm-up - 50% flow				
estimate on an overall annual usage based on interviews with facility engineer on site. The customer shall have the capability to schedule equipment as needed in this building based on actual Event schedules.					

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V) PRIMARY OPERATIONS SCHEDULE PRE & POST RETROFIT - POLICE STATION					
Location:	Police Station	System:	AHU-1, AHU-2, Boiler, Chiller	Service :	Police Station
Pre-Retrofit Facility/Area					
Zone Occupancy:					
<i>Occupied:</i>					
24 hrs - 7 days, 365 Days					
<i>Unoccupied:</i>					
Lighting System					
Operation:		24 hrs - 7 days, 365 Days		(Approx 5500 hrs per year)	
Lighting Controls:	High Efficiency Lighting and Controls, T8's				
Boiler(s) & Pumps					
<i>Boiler & Pump operation Hrs</i>					
All boilers, loop pumps,etc - scheduled to operate 8760 hrs/yr if needed					
<i>Loop Temp</i>					
Min: 160 F - Max: 180 F					
AHU-1, AHU-2					
HVAC Operation:					
CSI INET/7 DDC					
<i>Control</i>					
7 Day Programmable Thermostat					
<i>Fan Control</i>					
Inlet Guide Vanes					
Temperature Setpoints:					
<i>Occupied:</i>					
<i>Unoccupied</i>					
<i>Heating</i>					
70 F 62 F					
<i>Cooling</i>					
74 F 82 F					
Post-Retrofit Facility/Area					
General conditions and attributes relative to savings strategies, engineering analysis and quantification to benefit is based on observation, logging, estimates, site discussions and standard engineering analysis and practice. The following attributes are considered stipulated relative to the value they provide in the analysis and algorithms.					
Zone Occupancy:					
<i>Occupied:</i>					
24 hrs - 7 days, 365 Days					
<i>Unoccupied:</i>					
Lighting System					
Operation:		24 hrs - 7 days, 365 Days		(Approx 5500 hrs per year)	
Lighting Controls:	No Change				
Boiler(s) & Pumps					
<i>Boiler & Pump operation Hrs</i>					
All boilers, loop pumps,etc - scheduled to operate 8760 hrs/yr if needed					
<i>Loop Temp</i>					
Min: 110F - Max: 160 F					
AHU-1, AHU-2					
AHU-1					
HVAC Operation:					
24 hrs - 7 days, 365 Days					
<i>Control</i>					
ALC DDC					
<i>Fan Control</i>					
Variable Speed Control on AHU-1					
Temperature Setpoints:					
<i>Occupied:</i>					
<i>Unoccupied</i>					
<i>Heating</i>					
70 F 62 F					
<i>Cooling</i>					
74 F 82 F					
VAV Boxes (Typical of 34)					
<i>Control</i>					
CSI INET/7 DDC					
AHU-1					
<i>VSD Control</i>					
OSA					
% Volume					
> 82 F 100%					
12 F to 82 F 100% to 50%					
< 12 F 100%					
Morning Htg warm-up - 50% flow					
estimate on an overall annual usage based on interviews with facility engineer on site. The customer shall have the capability to schedule equipment as needed in this building based on actual Event schedules.					

VI. MEASUREMENT & VERIFICATION SERVICES

JCI will provide the M&V Services set forth below in connection with the Assured Performance Guarantee.

1. During the Installation Period, a JCI Performance Assurance Specialist will track Measured Project Benefits. JCI will report the Measured Project Benefits achieved during the Installation Period, as well as any Non-Measured Project Benefits applicable to the Installation Period, to Customer within 60 days of the commencement of the Guarantee Term.
2. Within 60 days of each anniversary of the commencement of the Guarantee Term, JCI will provide Customer with an annual report containing:
 - A. an executive overview of the project's performance and Project Benefits achieved to date;
 - B. a summary analysis of the Measured Project Benefits accounting; and
 - C. depending on the M&V Option, a detailed analysis of the Measured Project Benefits calculations.
3. During the Guarantee Term, a JCI Performance Assurance Specialist will monitor the on-going performance of the Improvement Measures, as specified in this Agreement, to determine whether anticipated Measured Project Benefits are being achieved. In this regard, the Performance Assurance Specialist will periodically assist Customer, on-site or remotely, with respect to the following activities:
 - A. review of information furnished by Customer from the facility management system to confirm that control strategies are in place and functioning;
 - B. advise Customer's designated personnel of any performance deficiencies based on such information;
 - C. coordinate with Customer's designated personnel to address any performance deficiencies that affect the realization of Measured Project Benefits; and
 - D. inform Customer of opportunities to further enhance project performance and of opportunities for the implementation of additional Improvement Measures.
4. For specified Improvement Measures utilizing an "Option A" M&V protocol, JCI will:
 - A. conduct pre and post installation measurements required under this Agreement;
 - B. confirm the building management system employs the control strategies and set points specified in this Agreement; and
 - C. analyze actual as-built information and adjust the Baseline and/or Measured Project Benefits to conform to actual installation conditions (e.g., final lighting and water benefits calculations will be determined from the as-built information to reflect the actual mix of retrofits encountered during installation).
5. For specified Improvement Measures utilizing an "Option B" M&V protocol, JCI will:
 - A. confirm that the appropriate metering and data points required to track the variables associated with the applicable Improvement Measures' benefits calculation formulas are established; and
 - B. set up appropriate data capture systems (e.g., trend and totalization data on the facility management system) necessary to track and report Measured Project Benefits for the applicable Improvement Measure.

Detailed Description of M&V Activities & Deliverables

The M&V plan for this project will utilize Option A only. A detailed description of Option A is described in detail above.

Option A:

The buildings and measures selected for the Option A protocol will be subject to a rigorous M&V process, albeit one of a shorter duration when compared to the other protocols. Option A provides measurement of energy savings at the component level and because of this, the M&V plan needs to be more specific on precisely how and where the measurements will be taken. This method features short term or one-time measurements, and once the savings has been determined, that savings will be agreed upon over the remaining term of the performance period.

The following paragraphs discuss the M&V process that will be used for each of the Energy Conservation Measures (ECMs) that are included in buildings using the Option A protocol.

ECM 6.0, 17.0, 19.0, 22.0, 24.0, 26.0, 29.0, 31.0 - Lighting and Occupancy Sensors

The M&V strategy on lighting and lighting control measures is based upon the verification of the key variables used to calculate the energy savings. The key variables on lighting projects are wattage of the existing and retrofit equipment, hours of operation, and quantity of lighting fixtures. The key variables on lighting control projects are the wattage of the fixtures being controlled, the number of fixtures being controlled, the baseline hours of operation, and the performance period hours of operation. Additionally age and how warm the fixtures are all impact the current draw of a fixture. It is expected that variables will occur resulting in considerable variation in wattage consumption. The pre and post wattage values have been established by the use of industry standard tables and/or manufacturer's data, however, pre and post measurement sampling is planned. The hours of operation have been determined through information provided by the customer, best practices, and industry standards, building and exterior lighting schedules, and it is assumed these hours of operation have been reviewed and are agreed upon. No direct measurements of the current hours of operation are planned.

The following M&V activities are planned on lighting and lighting control measures that are in Option A buildings and exterior sites.

- The as-built lighting quantity and fixture types will be compared to the proposed lighting quantity and fixture types listed in the lighting calculation spreadsheets. Corrections will be made to the original building ECM spreadsheet calculations if it is determined that the overall deviation of the combined Building lighting ECM energy consumption or quantity of fixtures applied to the standard original calculations (pre or post wattages only) deviate so that calculated savings result in a short fall greater than 5% of the calculated savings. If updates to the calculation spreadsheets are made they will be provided to the owner in the annual M&V report and the revised energy savings will also be presented.
- An inspection of buildings which have undergone a lighting retrofit will be made for the purpose of verifying the installation is complete and savings are being generated.
- On buildings that have had occupancy sensors installed, an inspection and test of each occupancy sensor will be completed to ensure the sensor has been properly installed and programmed, and is capable of generating the projected savings.
- Spot foot-candle readings will be taken in random locations to verify light quantity is within IESNA standards.

Subject to the Customers approved sign-off of the proper initial installation of the proposed improvements, the savings values set forth herein will be agreed to for the duration of the Performance Period and will be restated in all reports with only the utility rate used to calculate the savings changed annually.

ECM 3.0, 14.0, 15.0 – HVAC System Controls

The verification method employed on this ECM requires the identification of the individual control strategies specified by the Project Development Engineer. Once these are determined, trending will be enabled on the appropriate controls points and trend data will be collected and analyzed. A trend report and/or graph depicting a typical week of operation during the first year of the performance period will be provided in the year one M&V report for each control strategy that has been implemented. For example, if the control strategy is to reduce the heating set-point during nights and weekends, the one week graph would illustrate the zone temperature changes that prove the setback has been implemented. Once the energy savings strategy has been implemented and demonstrated it is the responsibility of the customer to ensure the strategy remains in place. Subject to the Customers approved sign-off of the proper initial installation of the proposed improvements, the savings values set forth herein will be agreed to for the duration of the Performance Period and will be restated in all reports with only the utility rate used to calculate the savings changed annually.

ECM 3.0, 14.0, 15.0 – Equipment Replacement

The savings from these measures are based upon the difference in efficiency between the existing equipment and the new equipment replacing it. Pre and post efficiency measurements will be taken. Measurements where possible will be for 3 load points: low, medium and high and the resulting efficiency utilized shall be an average of the 3 measurements. In the event the existing equipment is not operational at the time the reading is to be taken, the existing equipment efficiency listed in the spreadsheet calculations will be used in its place. If the efficiency difference between the existing equipment and the new equipment differ by more than 5% from the proposed values in the spreadsheet calculations, the spreadsheets will be updated and the new savings values will be presented in the first annual M&V report. Subject to the Customers approved sign-off of the proper initial installation of the proposed improvements, the savings values set forth herein will be agreed to for the duration of the Performance Period and will be restated in all reports with only the utility rate used to calculate the savings changed annually.

Reports and Site Visits

An annual energy savings report will be generated and presented to the customer within 60 days of the end of each year of the performance period. The proposed term for the performance period is five years. The report will list the energy savings of all measures and will compare the actual or agreed upon savings to the guaranteed savings listed on Schedule 2 – Exhibit 1.

One annual site visit is planned for the JCI Performance Assurance Engineer in years one, two and three. The visit will be pre-arranged and the purpose will be to provide ongoing verification that the measures installed continue to operate as designed. Findings from these site visits will be presented in the annual report depending on the timing of the site visit. If there are any situations requiring immediate attention from the customer they will be communicated as soon as possible, and documented later in the annual report.

CUSTOMER RESPONSIBILITIES

In order for JCI to perform its obligations under this Agreement with respect to the Work, the Assured Performance Guarantee, and the M&V Services, Customer shall be responsible for:

1. Providing JCI, its subcontractors, and its agents reasonable and safe access to all facilities and properties that are subject to the Work and/or M&V Services;
2. Upon notice, providing for shut down and scheduling of affected locations during installation, including timely shutdowns of chilled water and hot water systems as needed to accomplish the Work and/or M&V Services;
3. Providing timely reviews and approvals of design submissions, proposed change orders, and other project documents;
4. To the extent required, providing the following information with respect to the project and project site as soon as practicable following JCI's request:
 - a. surveys describing the property, boundaries, topography and reference points for use during construction, including existing service and utility lines;
 - b. geotechnical studies describing subsurface conditions, and other surveys describing other latent or concealed physical conditions at the project site;
 - c. temporary and permanent easements, zoning and other requirements and encumbrances affecting land use, or necessary to permit the proper design and construction of the project and enable JCI to perform the Work;
 - d. a legal description of the project site;
 - e. as-built and record drawings of any existing structures at the project site; and
 - f. environmental studies, reports and impact statement describing the environmental conditions, including hazardous conditions or materials, in existence at the project site.
5. Securing and executing all necessary agreements with adjacent land or property owners that are necessary to enable JCI to perform the Work;
6. Providing assistance to JCI in obtaining any permits, approvals, and licenses that are JCI's responsibility to obtain as set forth in Schedule 1;
7. Obtaining any permits, approvals, and licenses that are necessary for the performance of the Work and are not JCI's responsibility to obtain as set forth in Schedule 1;
8. Properly maintaining, and performing appropriate preventative maintenance on, all equipment and building systems affecting the Assured Performance Guarantee in accordance with manufacturers' standards and specifications;
9. Providing the utility bills, reports, and similar information reasonably necessary for administering JCI's obligations under the Assured Performance Guarantee within five (5) days of Customer receipt and/or generation or JCI's request therefore;
10. Providing all records relating to energy and/or water usage and related maintenance of the premises and relevant equipment requested by JCI;
11. Providing and installing utility sub-meters on all new construction and/or additions built during the Guarantee Term as recommended by JCI or, alternatively, paying JCI's applicable fees for calculating necessary adjustments to the Assured Performance Guarantee as a result of the new construction;

Schedule 3

12. Providing and maintaining a dedicated telephone line and/or TCP/IP remote connection to facilitate remote monitoring of relevant equipment;
13. Promptly notifying JCI of any change in use or condition described in Section III of Schedule 2 or any other matter that may impact the Assured Performance Guarantee;
14. Taking all actions reasonably necessary to achieve the Non-Measured Project Benefits;

In addition to the foregoing, Customer is responsible for the items set forth below in connection with utility meter projects:

1. Isolating the utility system to allow for meter/valve change out, including identification of all shut-off valves;
2. Scheduling shutdowns, downtimes, and relocation of new commercial vaults;
3. Traffic safety during installation;
4. Ongoing care and maintenance of the utility system, including all meters, AMR equipment and systems, meter boxes, and meter vaults at or above manufacturers' specifications and recommendations;

PRICE AND PAYMENT TERMS

Customer shall make payments to JCI pursuant to this Schedule 4.

1. Work. The price to be paid by Customer for the Work shall be **\$808,871** US Dollars. Payments (including payment for materials delivered to JCI and undisputed work performed on and off-site) shall be made to JCI as follows:

Payment No.	Payment Month	Amount
1	Nov-10	\$180,957
2	Dec-10	\$17,599
3	Jan-11	\$43,061
4	Feb-11	\$111,669
5	Mar-11	\$113,918
6	Apr-11	\$139,256
7	May-11	\$101,352
8	Jun-11	\$62,020
9	Jul-11	\$19,520
10	Aug-11	\$19,521
	Total	\$808,871

2. M&V Services. The total price for JCI's M&V Services, as detailed on Schedule 2 of this Agreement, is **\$18,917**. These payments will be due and payable when Customer receives JCI's invoice and shall be made throughout the Guarantee Term.

Year	Performance Reporting & Guarantee Services	(2) Semi-Annual Payments each year
1	\$6,120	\$3,060
2	\$6,304	\$3,152
3	\$6,494	\$3,247
Total	\$18,917	

NOTICE TO PROCEED

Johnson Controls, Inc.
10289 West Centennial Road
Littleton, CO 80127
ATTN: Martin Davis

Re: Notice to Proceed for City of Coeur d'Alene, ID Performance Contract

Dear Mr. Harthorne,

This Notice to Proceed is being issued by City of Coeur d'Alene Idaho ("Customer") to Johnson Controls, Inc. ("JCI") pursuant to that certain Performance Contract entered into between Customer and JCI on _____, 2010 for the purpose of notifying JCI to commence work under such contract.

In the event that this Notice to Proceed is delivered by Customer prior to the execution of the Performance Contract by Customer and JCI, Customer understands and expects JCI will incur significant costs and expenses in complying with this Notice to Proceed. In the event the Performance Contract is not executed by the parties, for any reason, Customer agrees to pay JCI for its costs and fees incurred in complying with this Notice to Proceed on a time and material basis. Customer also agrees JCI shall be entitled to a reasonable markup thereon for profit and overhead. Customer agrees to pay amounts billed by JCI no later than five (5) days after Customer receives JCI's payment application. JCI will continue to submit payment applications to Customer until the Performance Contract is executed. Once the Performance Contract is executed, JCI will begin submitting its payment applications to Customer in accordance with the terms and conditions set forth therein. Any amounts already paid by Customer will be credited towards the Performance Contract price.

By signing and dating this Notice to Proceed, the parties hereto agree to these terms and represent and warrant they have the authority to execute this Notice to Proceed on behalf of their respective organizations.

ACKNOWLEDGED & AGREED TO:

CITY OF COEUR D'ALENE, ID

Signature: _____

Printed Name: _____

Title: _____

Date: _____

ACKNOWLEDGED & AGREED TO:

JOHNSON CONTROLS, INC.

Signature: _____

Printed Name: _____

Title: _____

Date: _____

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CUSTOMER CHANGE ORDER

Performance Contract dated _____, 20____ between Johnson Controls, Inc. and Customer	Change Order No.	Date (mo/day/yr)
Customer CITY OF COEUR D'ALENE IDAHO		
The above referenced Performance Contract is hereby modified to the extent described below in accordance with the Terms and Conditions of the CHANGE ORDERS section thereof.		
Scope of Work changed as follows:		
Total amount of this Change Order	\$	
Total Performance Contract amount as revised by this Change Order	\$	
The time for completion is: <input type="checkbox"/> increased, <input type="checkbox"/> decreased, <input type="checkbox"/> unchanged. The new completion date resulting from this Change Order is:	(mo, day, yr)	
[check if applicable] Assured Performance Guarantee changed as follows:		
Unless specifically changed by this Change Order, all terms, conditions and provisions of the above referenced Performance Contract remain unchanged and in full effect.		
JOHNSON CONTROLS, INC.	CUSTOMER	
Signature:	Signature:	
Printed Name:	Printed Name:	
Title:	Title:	

CERTIFICATE OF SUBSTANTIAL COMPLETION

PARTIES: JOHNSON CONTROLS, INC. ("JCI")
10289 West Centennial Road
Littleton, CO 80127

CITY OF COEUR D'ALENE, ID ("Customer")
710 E. Mullan Avenue
Coeur d'Alene, ID 83814

PROJECT: City of COEUR D'ALENE IDAHO Performance Contract dated _____, 2010 between JCI and Customer

By executing this Certificate of Substantial Completion, Customer acknowledges the following:

- a. The work set forth in the Performance Contract is substantially complete.
- b. Customer has received the manuals, warranty information, and training required under the Performance Contract.
- c. The following punch list items must be completed by JCI (check as applicable):
 - punch list attached
 - punch list complete
- d. Upon completion of the punch list items, or if such punch list items are complete, JCI and Customer shall sign the Certificate of Final Completion attached hereto.

Dated: _____, 2010

COEUR D'ALENE, ID:
Signature: _____
Printed Name: _____
Title: _____

JOHNSON CONTROLS, INC.
Signature: _____
Printed Name: _____
Title: _____

CERTIFICATE OF FINAL COMPLETION

PARTIES: JOHNSON CONTROLS, INC. ("JCI")
10289 West Centennial Road
Littleton, CO 80127

CITY OF COEUR D'ALENE, ID ("Customer")
710 E. Mullan Avenue
Coeur d'Alene, ID 83814

PROJECT: CITY OF COEUR D'ALENE IDAHO; Performance Contract dated _____, 20____
between JCI and Customer

By executing this Certificate of Final Completion, Customer acknowledges the following:

- a. The work set forth in the Performance Contract has been reviewed and determined by Customer to be fully complete.
- b. Customer accepts the work as complete and hereby releases JCI's obligations under any performance and payment bonds posted for the project as of the date set forth below.

Dated _____, 20____

COEUR D'ALENE, ID

JOHNSON CONTROLS, INC.

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

OTHER BUSINESS

RESOLUTION NO. 10-040

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO AMENDING THE CITY OF COEUR D'ALENE PERSONNEL RULES MANUAL BY CHANGING THE WORD "PERMANENT" TO "REGULAR APPOINTED" WHERE APPLICABLE IN PERSONNEL RULES; CHANGING "MEDICAL SAVINGS ACCOUNT" TO "VEBA" THROUGHOUT PERSONNEL RULES; AMENDING SECTIONS 14 AND 15 IN RULE I: GENERAL PROVISION; AMENDING SECTIONS 4 AND 5 IN RULE V: COMPENSATION; AMENDING SECTIONS 3, 4, 9, AND 11 IN RULE XI: ATTENDANCE AND LEAVES; AMENDING SECTION 2B IN RULE XIII: TRANSFER, PROMOTION, DEMOTION, SUSPENSION AND REINSTATEMENT; AND AMENDING SECTION 4 IN RULE XXI: DRUG POLICY.

WHEREAS, the need to revise various Personnel Rules has been deemed necessary by the City Council; and

WHEREAS, said Personnel Rule and Classification and Compensation amendments have been properly posted at a minimum of ten (10) days prior to this Council Meeting; and

WHEREAS, it is deemed to be in the best interests of the City of Coeur d'Alene and the citizens thereof that such rules, attached hereto as Exhibit "A," and plan amendments be adopted; NOW, THEREFORE,

DATED this 5th day of October, 2010.

Sandi Bloem, Mayor

ATTEST:

Susan K. Weathers, City Clerk

Motion by _____, Seconded by _____, to adopt the foregoing resolution.

ROLL CALL:

COUNCIL MEMBER EDINGER Voted _____

COUNCIL MEMBER HASSELL Voted _____

COUNCIL MEMBER BRUNING Voted _____

COUNCIL MEMBER MCEVERS Voted _____

COUNCIL MEMBER KENNEDY Voted _____

COUNCIL MEMBER GOODLANDER Voted _____

_____ was absent. Motion _____.

Personnel Rules Amendments

Agreed upon change per Fire Union, Rule XI: Attendance and Leaves, Section 3, (c), 9. Conservative Sick Use.

SECTION 3. Sick Leave

- (a) Purpose: All employees in the competitive service (excluding employees appointed to temporary/seasonal positions) are eligible to accrue and use sick leave with pay only as specifically allowed by the rules contained in this section. Sick leave shall not be considered as a right, which an employee may use at his/her discretion.
- (b) Accrual Method: Unless otherwise provided by contract or other written agreement, Sick leave will be accrued as: ten (10) hours for each month of service, accrued at a rate of five (5) hours per pay period, for Forty (40) hour a week employees.
 - (1) No sick leave shall accrue after sixty (60) consecutive days of absence.
- (c) Allowable Use: Accrued sick leave hours may be used for the following reasons that prevent an employee from working during a regularly scheduled workday/shift:
 - (1) Personal illness;
 - (2) Personal injury.
 - (3) Illness or quarantine of employee's immediate family necessitating the employee's absences from work. Unless otherwise provided by contract or other written agreement, immediate family is defined as spouse, child, mother, and father. A child is defined as the biological, adopted, foster, stepchild or a child of an individual acting in the parent's stead, who is under the age of eighteen unless an eligible IRS dependent.
 - (4) Personal or medical related appointments, including annual wellness exams, counseling, dental check-up, etc. (including the employee's immediate family).
 - (5) Conditions qualifying for leave under the Family and Medical Leave Act as provided under Section 11 of this Rule.
 - (6) Sick leave may not be used in the same pay period in which it is accrued.
 - (7) Notification Requirement: Unless otherwise specified by contract or written agreement, an employee who seeks to receive compensation while absent on sick leave, must notify his/her immediate supervisor or the Human Resource Director prior to, or within four (4) hours after the time set for reporting to work, or as specified by the Department Head. If the employee is incapable of providing the required notice, the employee must provide notice as soon as possible.
 - (8) Documentation of Illness/Injury: When the absence is for more than three (3) consecutive workdays, the Department Head/Supervisor or Human Resources Director may require a report from a medical provider stating that the employee is/was unable to perform his/her duties or is/was needed for the care of an immediate family member's illness or injury, or other

- qualified, allowable uses, as noted in this rule. Additionally, if in the Department Head's/Supervisor's opinion the employee is unable to perform their job duties, a medical report may be required at any time.
- (9) Conservative Sick Use: To be eligible for conservative sick use, employees must be employed for the entire quarter of the fiscal year (eligible hours will be pro-rated for part-time employees). All ~~E~~employees with less than seven hundred twenty (720) hours of accumulated sick leave ~~as of October 1~~ shall be eligible to receive four (4) hours of vacation (~~hours will be pro-rated for part-time employees~~) for each quarter of the fiscal year in which they did not use any sick leave. Employees represented by IAFF, who work a fifty-six (56) hour week with less than fourteen hundred forty (1440) hours of accumulated sick leave shall be eligible for six (6) hours of vacation for each quarter of the fiscal year in which they did not use any sick leave.
- (10) Maximum Usable Balance: As of October 1 of each year, a forty (40) hour a week employee may not have a usable balance of sick leave exceeding seven hundred and twenty (720) hours.
- (11) Compensation for Excess Sick Leave: Unless otherwise provided by contract or other written agreement, employees who have accrued more than the maximum usable balance of sick leave must select one of the following options for compensation of their excess sick leave. Once an employee has selected an option upon reaching eligibility, that selection may not be changed.
- i. Option One: Employees having accrued more than the usable balance of sick leave shall forfeit all sick leave in excess of the maximum on October 1 of each year. The employee will be paid, in November of the same year for one third (1/3) of the forfeited sick leave. Upon retirement from the City of Coeur d'Alene, employees will be paid for one-third (1/3) of their accrued sick leave balance at the date of retirement up to a maximum of two hundred forty (240) hours.
- ii. Option Two: Employees having accrued more than the usable balance of sick leave, will bank the excess sick leave on October 1 of each year. Upon retirement from the City of Coeur d'Alene pursuant to the provisions of Idaho Code, the termination of an employee due to that employee's job being abolished, or the death of the employee, the employee or their beneficiary will be paid for thirty-five percent (35%) of the employee's banked excess sick leave. Banked excess sick leave balance cannot be converted back into usable sick leave. Excess sick leave will continue to be banked each October 1 of each year.
- (12) Sick Leave Balance upon Separation: No payment shall be made for accumulated sick leave at the time of separation of employment, except those employees who retire from the City of Coeur d'Alene pursuant to the provisions of the Idaho Code. If a sick leave option has been selected, the selected option shall be applicable, see Section 11 entitled "Compensation for Excess Sick Leave" of this rule.

Long Term Disability: Unless otherwise provided by contract or other written agreement, employees utilizing the City provided disability insurance shall not receive vacation or sick leave accruals after sixty 60 consecutive days of absences.

The following amendments reflect housekeeping changes.

Change the word “permanent” to “regular appointed” where applicable.

Change “Medical Savings Account” to “VEBA” throughout Personnel Rules.

Rule I: General Provisions

SECTION 14. Department Heads

- (h) Dismissal: At the demand or request of the Mayor and a majority of the City Council, or by mutual agreement of the Parties. Department Heads shall be afforded a reasonable opportunity to address the City Council and provide any additional information to be considered before final determination of dismissal is made.

SECTION 15. FLSA Exempt Employees

- (b) Definition:
(1) FLSA Exempt Employees shall mean an employee responsible for management within a city department, and under the day to day guidance of the Department Head, including the following positions; Assistant Street Superintendent, Assistant Wastewater Superintendent, Assistant Water Superintendent, ~~Associate-Senior~~ Planner, Attorneys, Deputy Engineering Services Director, Deputy Finance Director, Deputy Fire Chief’s, Deputy Library Director, IT Network Administrator, IT Database Application Developer, Police Captains, Project Coordinator, Assistant Project Manager and ~~Recreation Superintendent. Project Managers.~~

Rule V: Compensation

SECTION 4. Overtime

It shall be the duty of all department heads to operate their respective departments with a minimum amount of overtime, however, in cases of emergency or mandatory classes and meetings or when otherwise necessary, an employee of the City may be required to work overtime. Overtime work is that work performed by an employee during periods of time other than normally scheduled for his or her specific employment. Work in excess of forty (40) hours per week, in excess of an eight (8) or ten (10) hour designated shift per day for police department employees, in excess of fifty-six (56) hours per week for firefighters, and in excess of ten (10) hours forty (40) minutes per day for police officers

assigned to the patrol division, shall be considered overtime work for the purposes of this section. All employees, with the exception of those classifications listed below, shall be paid overtime at a rate of time and one-half the base pay for hours worked over the normal schedule or will receive equivalent time, off at a rate of time and one-half for each hour of overtime worked (compensatory (“comp”) time). The decision whether an individual employee shall receive pay or compensatory time off shall be based upon the recommendation and approval of the department head. Personnel in the following classifications shall not be entitled to receive pay for overtime worked, but may receive compensatory time off for overtime worked at the above-stated rate:

Accountant ~~II~~

~~Assistant City Attorney~~

~~Assistant Wastewater Superintendent~~

~~Associate Planner~~

~~Building Official~~

Code Enforcement/Claims/Risk Coordinator

~~Deputy City Attorney~~

~~Deputy Finance Director~~

~~Deputy Fire Chief~~

Park Superintendent

~~Project Coordinator~~

Recreation ~~Supervisor~~ Superintendent

SECTION 5. Standby for Emergency Work

~~Standby for emergency work is defined as that period of time during which an employee is required to be available and on call for emergency work, which period of time shall be additional and not the same as the employee’s normal work day. Employees who are required by the department head to be on standby for emergency work during off duty hours shall be compensated in accordance with the provisions contained in the most current salary resolution. Said compensation shall be paid to such an employee when the employee is required, as a condition of his or her employment to remain at home for immediate duty during said off duty hours. Standby personnel who are actually called out for work during such standby periods shall be compensated for that work in accordance with Sections 2 and 4 of this rule. During said period or call out, an employee shall not receive credit for or be compensated for standby time. Standby personnel called out shall be compensated at a rate of one and one half (1 1/2) times pay for a minimum of two (2) hours.~~

Rule XI: Attendance and Leaves

SECTION 3. Sick Leave

(7) Notification Requirement: Unless otherwise specified by contract or written agreement, an employee who seeks to receive compensation while absent on sick leave, must notify his/her immediate supervisor or the Human Resource Director ~~prior to, or~~ within four (4) hours ~~prior to scheduled work shift after the time set for reporting to work,~~ or as specified by the Department Head. If the employee is incapable of providing the required notice, the employee must provide notice as soon as possible.

SECTION 4. Bereavement Leave

Unless another period of leave is agreed to by contract, in the event of a death in the immediate family of an employee, and/or being in attendance at the relative's bedside, the employee under the IAFF contract terms shall be granted up to seventy-two (72) hours off with pay, while an employee under the Police Association Contract shall be granted 53.35 hours of paid leave of absence to employees whose scheduled workday is 10 hours and 40 minutes at the time of death. All other Police Association represented employees shall be granted 40 hours of paid leave of absence. This equates to the maximum of five (5) scheduled work days and hours will be pro-rated for part-time employees. Employees under the LCEA Contract and forty (40) hour employees shall be granted up to forty (40) hours off with pay. Immediate family is defined as spouse, including documented common law status, per Idaho Code, child, mother, father, legal guardians, brothers, sisters, grandparents, and grandchildren of either spouse. Child is defined as the biological, adopted, foster, stepchild, legal ward or a child of an individual acting in the parent's stead. Only time taken within thirty (30) days prior to or immediately following a death shall qualify as bereavement leave. If an employee is on scheduled time off at the time bereavement occurs, bereavement leave shall be paid and time off shall not be charged to accrued leave until bereavement leave is exhausted.

SECTION 9. Holidays

The holidays to be observed in this City are as follows:

January 1 (New Year's Day)
Martin Luther King, Jr./Idaho Human Rights Day
Third Monday in February (President's Day)
Last Monday in May (Memorial Day)
July 4
First Monday in September (Labor Day)
November 11 (Veteran's Day)
Thanksgiving Day
The day following Thanksgiving, ~~not observed by Library personnel~~
~~Christmas Eve for Library personnel only~~
December 25 (Christmas Day) and,
The employee's birthday.

SECTION 11. Family and Medical Leave (FML)

(d) Notification: The Human Resource Department shall notify the employee upon the employee's absence from work for ~~three-five (53)~~ consecutive sick days of their available FML options. This notice shall have the Request for Family/Medical Leave form attached. This will begin the 12 month period.

Rule XIII: Transfer, Promotion, Demotion, Suspension and Reinstatement

SECTION 2B. Promotion of Police Officers and Firefighters

(b) Eligibility: To be eligible to enter an examination for a promotion, in the Police Department, a person must be employed by the City of Coeur d'Alene and hold a position in the next lower rank. If the employee meets these requirements but does not meet the following certification requirements, the employee will be ranked on the promotional list, but will not be eligible for promotion until such time they meet the certification requirements. In order to be certified for appointment from the promotional list and selected for the promotion, a person must have worked at least four (4) years at the level of police officer with two (2) current consecutive years as a City of Coeur d'Alene police patrol officer to be eligible for sergeant; or two (2) years at the level of police sergeant with twelve (12) current consecutive months as a City of Coeur d'Alene sergeant to be eligible for lieutenant; or two (2) years at the level of police lieutenant with twelve (12) current consecutive months as a City of Coeur d'Alene lieutenant to be eligible for captain.

(c) To be eligible to enter an examination in the Fire Department ~~for or receive~~ promotion to Fire Engineer in the Fire Department, a person must have worked at least twelve (12) current consecutive months ~~in the next lower rank and must be currently employed in that rank by for~~ the City of Coeur d'Alene Fire Department and have successfully completed probation. To be eligible to enter an examination for promotion to Fire Captain; provided that where the promotion is from rank of firefighter to captain to be eligible to enter an examination or to receive promotion a person must have held the position of firefighter for a period of at least two (2) years; one (1) year probationary period for firefighter on their appointment from the original entrance list., a person must have worked at least twenty-four (24) current consecutive months for the City of Coeur d'Alene Fire Department. To be eligible to enter an examination for promotion to Fire Battalion Chief, a person must have worked at least thirty-six (36) current consecutive months for the City of Coeur d'Alene Fire Department.

To be eligible for promotion to Fire Engineer, a person must have worked at least twenty-four (24) current consecutive months for the City of Coeur d'Alene Fire Department. To be eligible for promotion to Fire Captain, a person must have worked at least thirty-six (36) current consecutive months for the City of Coeur d'Alene Fire Department and have current Fire Department certification as a Fire Engineer. To be eligible for promotion to Battalion Chief, a person must have

worked at least forty-eight (48) current consecutive months for the City of Coeur d'Alene Fire Department and have twelve (12) current consecutive months as a Fire Captain with the City of Coeur d'Alene Fire Department. In lieu of twelve (12) current consecutive months as a Fire Captain with the City of Coeur d'Alene Fire Department, a person must have the equivalency of twelve (12) months/(122 full shifts) working in the capacity of a Fire Captain with the City of Coeur d'Alene Fire Department. For appointments to certain positions †The Civil Service Commission Fire Chief may require a medical examination to determine an applicant's physical fitness for the position applied for.

Rule XXI: Drug Policy

SECTION 4: Testing Guidelines

- (a) Implementation: Random drug testing will become effective upon adoption of this policy by the City Council, and will apply to prospective and current employees of the City who operate commercial vehicles, police and fire vehicles, and all new safety sensitive appointments to include employees transferred/promoted to other positions (a change of position constitutes a new appointment) ~~and all "safety sensitive" positions as defined in Section 3.~~

- (b) Post-Accident testing: All Ddrivers operating a city vehicle and drivers operating a commercial vehicle requiring a CDL license ~~and any other applicable driver for the City that is designated as "safety sensitive"~~ that is involved in an reportable accident ~~as defined by the DOT~~ will be tested for both drugs and alcohol as soon as practical. Alcohol testing must be administered within two (2) hours of the accident and drug testing must be administered within 32 hours of the accident.