

LETTER OF UNDERSTANDING REGARDING BRINE FACILITY
AND SALE AGREEMENT FOR PRODUCT
2025-2026

This is a Letter of Understanding (LOU) by and between Kootenai County Public Transportation (the “Purchaser”) and the City of Coeur d’Alene (the “City”), collectively referred to sometimes herein as “the Parties,” regarding the City’s Brine Facility production and Sale terms for the product.

RECITALS

WHEREAS, the City and Kootenai County Public Transportation have agreed that it is in their mutual beneficial interest to use the City’s Brine products for de-icing their respective service areas.

WHEREAS, the Parties desire to have an understanding as to the responsibility of each for various aspects of the LOU.

NOW THEREFORE, the Parties have identified below the categories of responsibility for each.

RESPONSIBILITIES

CITY’S RESPONSIBILITIES

The City will be use its best efforts to produce deicing products utilizing its Brine Facility. The availability of products for the purpose of de-icing streets and parking lots depends on many factors, including, but not limited to, the capacity and functionality of the City’s equipment, the availability of raw materials, staffing, and weather. The City does not guarantee the availability of any quantity of products and said products will be available on a first-come first served basis.

The City shall make its best efforts to produce the products, but does not make any warranty or representation as to the quantity of product available, or the quality of any product or its fitness for a particular purpose. The City further disclaims any warranty of merchantability. All product is provided on an as-is where-is basis. The City shall not be liable in law or in equity for the failure to provide product when the Purchaser seeks to procure it.

The City’s Brine Facility and surrounding area is located in a busy section of City property where equipment and personnel are actively engaged in City business. The Purchaser acknowledges and accepts that risks are associated with the services provided pursuant to this LOU. The Purchaser hereby waives any cause of action for damages to

property or injury or death to persons utilizing the City's Brine Facility. The Purchaser thus accepts the risk of loss associated with the services provided under this LOU. This waiver shall not apply in the case of the City's intentional misconduct or negligent conduct. To that end, the City shall maintain insurance in the minimum limits provided by the Idaho Tort Claims Act to cover damages or injuries resulting from the use of the Brine Facility.

In addition, the City will be responsible for the production of products, maintaining the facilities, providing on-site operations and safety training, tracking usage of products, and monthly billing of products. However, the City does not warrant the materials purchased, and no implied warranties of merchantability or fitness for a particular purpose apply to any purchase under this LOU.

PURCHASER'S RESPONSIBILITIES

For purposes of this LOU, the term "Purchaser" shall include the Purchaser's employees, agents, and representatives.

The Purchaser shall be responsible for the conduct of all personnel who access the City property pursuant to this LOU.

The Purchaser agrees that no employee may access the City property pursuant to this LOU until attendance and successful completion of on-site operations and safety training provided by the City.

The Purchaser shall accurately log product amounts it obtains.

The Purchaser shall provide contact information for all personnel accessing the City campus and utilizing the Brine Facility.

The Purchaser shall pay Fifty cents (\$0.50) per gallon of brine and Eighty cents (\$0.80) cents per gallon of hot mix within 45 days of receipt of an invoice.

The Purchaser shall be responsible for any damage to the City's property or injuries to City personnel caused by the intentional or negligent conduct of its employees and agents. To that end, the Purchaser shall maintain insurance in the minimum limits provided by the Idaho Tort Claims Act to cover damages or injuries resulting from the use of the Brine Facility.

The Purchaser agrees that it shall leave the City's Brine Facility in the condition in which it existed at the time the Purchaser accessed the facility. Failure to do so, or the failure to remove and dispose of debris and waste materials created or brought to the facility by the Purchaser may result in termination of this LOU.

MUTUAL UNDERSTANDING OF THE PARTIES

The Parties understand that this LOU is a statement of the Parties' current intent regarding identifiable categories of need related to the production, availability, and payment of the City-supplied brine product. Either Party can discontinue performing any or all the foregoing responsibilities at any time upon at least ninety (90) days advance written notice regarding the same. Either Party, however, can terminate this LOU immediately upon breach of any of the other Party's responsibilities outlined herein.

The Parties agree to discuss any disputes arising under this LOU in good faith prior to engaging in any formal dispute resolution. The Parties further agree that the exclusive form of dispute resolution shall be arbitration pursuant to the rules of the Uniform Arbitration Act. The parties agree to mutually select an arbitrator. If the parties cannot agree within five (5) business days to an arbitrator, the parties agree the Administrative Judge of the First Judicial District shall appoint an arbitrator.

The Parties agree to maintain Worker's Compensation coverage on all of its own employees, including the employees of subcontractors, during the term of this LOU as required by Title 72, Idaho Code.

CITY OF COEUR D'ALENE

Date: _____

Date:
