

# CITY OF SANDY WASTEWATER IMPROVEMENTS



## Funding Request: \$14 Million

### Problem: Sandy Wants to Develop New Housing but is Under a Development Moratorium

Sandy is one of the fastest growing cities in Oregon, and with over 650 acres of buildable land within the urban growth boundary and continued robust demand forecasted, Sandy has considerable potential to continue leading the region in housing production. Unfortunately, because of the condition of Sandy’s wastewater system, that potential has been interrupted. The city is currently under a development moratorium that prohibits accepting any new development applications. The moratorium was required by a consent decree between Sandy, Oregon DEQ, and the US EPA – a settlement of past wastewater permit violations from Sandy’s rapid growth and the inability of the wastewater system to keep up.

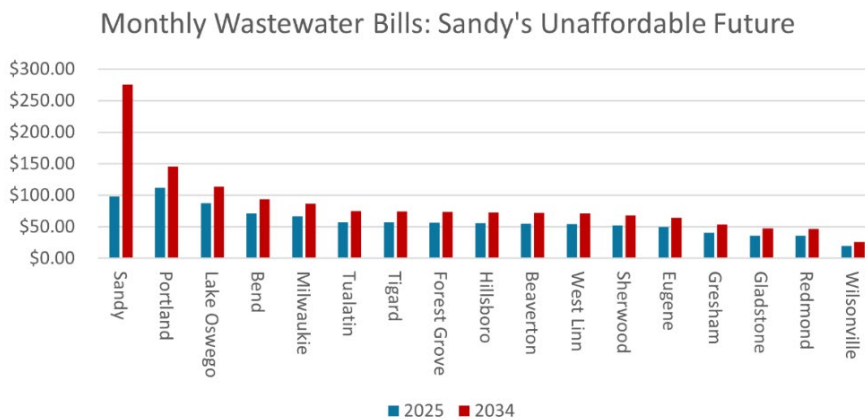
Before Sandy’s moratorium can be lifted, significant improvements are required to be made to the wastewater system to increase capacity. **These system improvements are extremely expensive:** the latest estimates put the total cost of Sandy Clean Waters (Sandy’s wastewater system improvement program) at **over \$200 million**; an enormous cost for a town of only 13,000 residents. With about 5,000 wastewater customers, that amounts to a cost burden of over **\$40,000 for every Sandy ratepayer**.

### Unaffordable Rate Increases

Since 2019, **Sandy has already raised wastewater rates by over 250%** to pay for the over \$200 million in required system improvements. Unfortunately, Sandy is projecting **eight more years of double-digit rate increases** to pay for the loans needed to complete this work.

These unprecedented rate increases put Sandy at risk of becoming an unaffordable place to live, for both current and prospective residents. **Financial assistance from the state would allow Sandy to complete this critical work and reduce the impact on already overburdened ratepayers.**

State funds will also help ensure that new housing development projects remain viable, and **help keep the cost of living in Sandy within reach for low to middle income families looking for housing in Sandy.**



\* Comparison city rates assume a 3% annual increase

## **Solution: Regional Wastewater Treatment**

Sandy's existing wastewater discharge site is on Tickle Creek, a tributary of the Clackamas River. Because of that location, Sandy is subject to the **Three Basin Rule** - a state drinking water regulation adopted in the 1970s and last amended in the 1990s, which permanently caps the volume of effluent that can be discharged in the Clackamas, Santiam, and McKenzie River basins. The effluent cap means that Sandy needs a new discharge location. One expensive solution would have involved developing a new outfall location on the highly valued and pristine Sandy River, which the city hopes to avoid.

After careful consideration, the City Council identified the option of **pumping wastewater to the Gresham Wastewater Treatment Facility** as the most viable alternative for Sandy. This regional partnership will move Sandy's wastewater discharge to the much larger Columbia River, rather than the Clackamas River watershed which is a drinking water source for 300,000 residents in the Portland metro area. Discharging to the Columbia through the City of Gresham will vastly increase Sandy's wastewater system capacity and allow the moratorium to be lifted. The project will require a new pump station and up to 14 miles of new pipeline, as well as a connection charge to access Gresham's system.

## **Project Timeline and Interim Improvement Needs**

Sandy and Gresham are working quickly to complete prerequisite analyses and solidify an intergovernmental framework for the wastewater discharge partnership, but it is estimated that design, engineering, and construction of the pipeline and pump station will take over five years to complete.

In the meantime, Sandy needs to make additional upgrades and repairs to its existing wastewater treatment plant to protect the water quality of Tickle Creek, meet the terms of the consent decree, and remain in compliance with our permit while construction of the pipeline is underway.

## **Sandy's Funding Ask: A Worthwhile Investment to Produce Housing and Protect the Environment**

Demand is strong for housing in Sandy. The updated Housing Needs Analysis projects that Sandy needs to build 2,424 new housing units to accommodate 6,350 new residents by 2043 (a 46% growth rate over the next 20 years). **Sandy wants to deliver on this potential for new housing.** Additionally, Sandy's plan to pump wastewater to the Gresham Wastewater Treatment Facility will **avoid discharging effluent into the Clackamas River watershed, thereby protecting a critical drinking water source for 300,000 Oregonians.**

- **\$8.5 Million for design and engineering of the new pipeline to Gresham**

Design and engineering for a new pump station and 14 miles of force main pipeline from Sandy to Gresham's wastewater treatment plant. Pipe alignment to begin within Hwy 26 right-of-way, then proceed northwest to the facility. **When the pipeline is completed Sandy's development moratorium can be lifted**, unlocking Sandy's ability to meet the strong demand for housing within the 650 acres of buildable land within the urban growth boundary.

- **\$5.5 Million for repairs and upgrades to Sandy's existing wastewater treatment plant**

New ultraviolet effluent disinfection system to protect Tickle Creek and maintain permit compliance while the new pipeline is constructed. Additional funding for expansion of equalization basin and pump station rehabilitation. DEQ/EPA will allow Sandy **190 new housing units worth of additional capacity in the interim** once these repairs and upgrades are completed.

In total, Sandy respectfully requests **\$14 Million**, which will fund the initial phases of the pipeline to Gresham, and protect water quality by keeping the existing treatment plant in compliance until pipeline construction is completed.