



STAFF REPORT

Meeting Type: City Council Work Session
Meeting Date: March 3, 2025
From: Jeff Aprati, Deputy City Manager
Subject: Follow-Up Discussion: Wastewater Discharge Alternatives

PURPOSE / OBJECTIVE:

At the request of the Mayor, this discussion is being scheduled to allow the Council an opportunity to further review and discuss the City's wastewater discharge alternatives.

BACKGROUND / CONTEXT:

The Council held a work session on December 2, 2024 to review draft amendment to the City's Wastewater Facility Plan. The amendment process has identified two viable options for discharging the City's wastewater: (1) construction of a membrane bioreactor and an effluent pipeline and outfall to the Sandy River, or (2) conveyance of our wastewater to the City of Gresham for treatment and discharge under their NPDES permit.

[The full December 2, 2024 staff report can be referenced here.](#)

[Presentation slides from the December 2, 2024 work session can be referenced here.](#)

At the conclusion of the December discussion, the Council provided direction to staff to perform the necessary work to confirm the viability of the Gresham discharge solution, which appears to be the most favorable option for the City. Subsequently, staff executed a [memorandum of understanding](#) with Gresham, and the Council authorized two task orders to perform an engineering analysis to confirm Gresham's excess wastewater system capacity, and to perform a conceptual design and alignment study of the required pump station and pipeline. Those task orders can be referenced [here](#), and [here](#), respectively. The final step to confirm the viability of the Gresham option will be to successfully negotiate an intergovernmental agreement that includes a connection charge and payment terms acceptable to both cities. With that step complete, Sandy will be in a position to finalize and adopt the Wastewater Facility Plan Amendment and submit it for regulatory approval, which is an important requirement of the Consent Decree.

KEY CONSIDERATIONS / ANALYSIS:

Per Council request, staff developed a fact sheet explaining the multiple alternatives that were studied as potential solutions for discharging Sandy's wastewater during the plan amendment process. [That fact sheet is now posted](#) and advertised on the City's website for the public's information.

While the draft amendment document goes into much further detail, the fact sheet summarizes the potential options and the reasons that those other than the two outlined above were found to be unworkable.

The following is an excerpt from the December 2nd staff report (with [update notations](#) as applicable), providing a useful summation of these topics:

Facility Alternative Recap

- A regional treatment solution appears to be the most viable option for Sandy. It has the greatest potential to generate political and financial support, and it gets the City out of the treatment business in the long term. [Staff is proceeding to confirm this solutions viability, per Council direction.](#)
- A Sandy River outfall is a good secondary option to retain, though it comes with significant challenges and uncertainties. [If the Gresham solution proves to be unworkable for some reason, this is the likely fallback option.](#)
- The project team has determined that remaining on Tickle Creek over the long term is not a viable solution, even if the Three Basin Rule is revised. Tickle Creek flow levels are too low to meet dilution ratio requirements; we would max out and be out of compliance in less than 16 years.
- The City is still pursuing Three Basin Rule accommodations in our permit renewal to provide near-term certainty while improvements are constructed. [The City Manager has been named to the Three Basin Rule revision advisory committee; discussions with DEQ are ongoing.](#)

Issues of Fairness: Cost Burden

- Both viable facility alternatives carry an unacceptably high cost for Sandy to bear on our own.
- Sandy is subject to more stringent wastewater regulations than almost any other city in Oregon. Compliance with the Three Basin Rule raises the cost of our required capital improvements by at least \$60 million; a cost that should not be borne by a town of 13,000 residents for the benefit of 300,000 downstream water customers.
- Sandy will do everything possible to communicate this message and secure substantial additional funding from the State and other entities to lessen the impact to our ratepayers. [These points are being made repeatedly and strenuously as the City advocates for funding assistance at multiple levels of government.](#)

Funding Sources

- Even though we are doing everything we can to secure grants, large loans will still be necessary. Lenders require Sandy to raise utility rates to ensure repayment (coverage requirements).
- The City is also pursuing raising system development charges (SDCs) to ensure that the cost of these improvements is appropriately spread. [A public hearing is scheduled for March 17, 2025.](#)

RECOMMENDATION:

The Mayor has asked for this agenda item to allow the Council to further discuss these important issues, and to ask questions of staff and the Stantec team (who will also be present) as needed.

LIST OF ATTACHMENTS / EXHIBITS:

- [December 2, 2024 work session staff report](#)
- [December 2, 2024 work session slides](#)
- [Memorandum of Understanding with Gresham](#)
- [Gresham wastewater system analysis task order](#)
- [Pump station and pipeline conceptual design and alignment task order](#)
- [Wastewater discharge alternative fact sheet](#)