



STAFF REPORT

Meeting Type: City Council
Meeting Date: November 4, 2024
From: Jenny Coker, Public Works Director
Subject: IGA with Portland Water Bureau for Drinking Water Design and Construction

DECISION TO BE MADE:

Whether to authorize the City Manager to enter into an intergovernmental agreement (IGA) with the Portland Water Bureau to work collaboratively to design and construct drinking water facilities required to meet the bilateral compliance agreement for cryptosporidium.

BACKGROUND / CONTEXT:

On October 6, 2008 the City Council voted to purchase drinking water from the City of Portland and signed the existing wholesale water agreement. By that time Sandy had outgrown its two existing water supplies at Alder Creek and Brownell Springs, and the City of Portland Bull Run source provided a critical third supply. Sandy cannot meet our water demands throughout the year with only Alder Creek and Brownell Springs. Based on this, as well as the benefits of improved City resilience to wildfire and drought, the City of Sandy signed the new 30-year wholesale water agreement with Portland Water Bureau at the April 15, 2024 Council meeting.

Both the City of Sandy and the City of Portland are under a bilateral compliance agreement with EPA/OHA for the treatment of cryptosporidium of the Bull Run water source, with a compliance date of September 30, 2027. This agreement has been the impetus for the historic infrastructure investment in the Portland Filtration Facility as well as the Sandy Drinking Water Reinvestment Program. Sandy must move the connection to the Portland system from Hudson Pump Station to a new City of Sandy owned pump station located at the Portland Filtration Facility, and construct a pipeline conveying the filtered water to the City of Sandy, as recommended in of the [Water System Master Plan](#) accepted at the [December 19, 2022](#) Council Meeting.

KEY CONSIDERATIONS / ANALYSIS:

This IGA has been prepared to formalize the agreements of both Cities working as partners to meet the bilateral compliance agreement.

Portland Water Bureau, City of Sandy staff and Program Management Team Stantec have been working collaboratively to get this critical infrastructure designed, integrated within two different jurisdictional systems, permitted, and constructed under tight timelines.

Several benefits are realized by Sandy and Portland by this agreement. Portland has agreed to integrate the City of Sandy's Bull Run Pump Station at the filtration facility and has agreed to conveying

treated water in a pipeline they are already installing. This agreement allows the City of Sandy to pay Portland only for the increase in pipeline size, saving the City considerable expense by building a shorter transmission main.

In addition, Sandy has resources that benefit the City of Portland. The Revenue reservoir can provide gravity fire flow to the Portland Filtration Facility, if required. Designing the Sandy system to accommodate this allows Portland to eliminate some of emergency infrastructure at the Filtration Facility.

This IGA formalizes the spirit of the two water utilities working together, realizing shared benefits to rate payers of both jurisdictions. The cost savings for these shared savings will not be calculated until construction is completed and will be formalized in a second IGA.

The IGA identifies and addresses impacts to Sandy's infrastructure, operations and maintenance activities during the design of the Filtration Plant projects. It also memorializes each parties responsibilities during the design and construction of the Filtration Projects.

BUDGET IMPACT:

The IGA will reduce the cost of the Portland-Sandy Filtration System Pipeline and Pump Station that is mandated by the 2018 Bilateral Compliance agreement. Exact costs and savings will not be determined for several years until the Sandy and Portland Projects are both completed.

RECOMMENDATION:

Staff recommends Council authorize the City Manager to execute an Intergovernmental Agreement with Portland Water Bureau (2024) that is substantially similar to the draft attached.

SUGGESTED MOTION LANGUAGE:

"I move to authorize the City Manager to execute a substantially similar intergovernmental agreement with the Portland Water Bureau."

LIST OF ATTACHMENTS / EXHIBITS:

- Draft Intergovernmental Agreement Portland Water Bureau (2024)
 - Exhibit A - Filtration Projects Map
 - Exhibit B-1 – [Previous Water Sales Agreement \(linked on website\)](#)
 - Exhibit B-2 – [New Water Sales Agreement \(linked on website\)](#)
 - Exhibit C – IGA Statement of Work