



STAFF REPORT

Meeting Type: City Council
Meeting Date: January 21, 2025
From: Nellie deVries, Government Relations
Subject: Update: Sandy Funding Request for 2025 Oregon Legislative Session

PURPOSE / OBJECTIVE:

To discuss the City's strategy for securing funds from the State Legislature for our wastewater projects during the 2025 session.

BACKGROUND / CONTEXT:

Sandy faces significant and extremely expensive wastewater system improvement needs, as detailed during the Council work session on [December 2, 2024](#). It is important for the City to make every effort to minimize the impact of these project costs on ratepayers. Accordingly, the City is engaged in another effort to secure state funding for Sandy's wastewater improvement projects during the 2025 session of the Oregon Legislature.

KEY CONSIDERATIONS / ANALYSIS:

The City will be requesting \$14 million from the state this session, which is expected to be spent during the next biennium (the City plans to return to the Legislature in following sessions to request further assistance). Meetings have been scheduled with the co-chairs of the Ways and Means Committee, the Speaker of the House, and the City's representative and senator; additional meetings will be scheduled in the coming weeks.

The \$14 million request is comprised of two parts: \$5.5 million for additional rehabilitation needs at the existing wastewater treatment plant, and \$8.5 million for design and engineering of a wastewater pipeline to Gresham.

The City has received advice that emphasizing the impact that state funding assistance would have on the ability of Sandy to produce more housing units will be the most persuasive argument the City can make when communicating this funding ask to lawmakers.

This housing-forward approach is reflected in the bullet points on the following page, which summarize the request.

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.

RECOMMENDATION:

Review and discuss the funding request strategy with the City's government relations representative, Nellie deVries.