




Memorandum

Date: April 4, 2024
Project: City of Sandy Wholesale Water Purchase Agreement Support
To: Jenny Coker, PE
City of Sandy
From: Jeffrey D Fuchs 
Digitally signed by Jeffrey D Fuchs
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Date: 2024.04.04 09:36:25 -0700
Re: Wholesale Purchase Agreement Timing Evaluation

The City of Sandy asked Consor to review water rates under the existing and new Wholesale Water Purchase Agreement between the City of Portland and the City of Sandy to assist Sandy in deciding whether to enter into the new agreement beginning in FY 2026 (July 1, 2026 through June 30, 2027).

While most other wholesale customers will be required to sign the agreement by June 30, 2026, Sandy has the option to wait until September 30, 2027 to sign the agreement. Sandy's current agreement with Portland expires in May 2028 but Oregon Health Authority will require Sandy and Portland to treat surface water for cryptosporidium by September 30, 2027.

Sandy has the option of entering into the new agreement in FY 2026-27 or waiting a year and signing on for FY 2027-28.

After reviewing the most recent Water Rate Comparison provided by the City of Portland, we recommend that Sandy enter into the new agreement with Portland beginning in FY 2026-27.

Based on the most recent information provided by Portland (and confirmed on 4/4/2024), the water rate for FY 2026-27 with the new agreement will be \$1.12. The rate for the existing agreement will be \$1.38. This represents a 23% savings if Sandy elects to sign the new agreement beginning in FY 2026-27. As Sandy continues to upgrade the Alder Creek Treatment Plant, Sandy may need to purchase more water than normal from Portland while the upgrades are constructed. Additional water purchased during construction would fall under whichever agreement exists between Sandy and Portland at that time. If Sandy elects to move to the new contract in FY 2026-27, the additional water would be 23% less expensive under the new contract.

Entering the new agreement also provides benefits included in the new agreement, such as the elimination of the Guaranteed Minimum Purchase. In the new agreement, Sandy will pay for only the water they use.