



STAFF REPORT

Meeting Type: Council Work Session
Meeting Date: March 2, 2026
From: AJ Thorne, Public Works Director
Subject: Program Update: Sandy Drinking Water Reinvestment

PURPOSE / OBJECTIVE:

The purpose of this work session is to provide the City Council with an update on the goals and status of the Sandy Drinking Water Reinvestment Program. No decisions from the City Council are requested.

BACKGROUND / CONTEXT:

The City of Sandy's (City) drinking water is sourced from two City sources - Alder Creek and Brownell Springs. As Sandy outgrew these two sources, the City became a wholesale water customer of the Portland Water Bureau (Portland) and added Bull Run as a third water source. The City is unable to meet all of its water needs without the Portland Bull Run source. Currently Portland and Alder Creek provide about 42% of water supply each during the peak summer season, with Brownell Springs accounting for approximately 35% of the Average Day Demand during most of the year, but is regulated down to approximately 7% during the peak season demand (summer months).

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**. Portland is awaiting the EPA's decision on Portland's formal request for a two-year extension of this compliance date due to the Land Use Board of Appeals (LUBA) receiving an appeal and delaying the release of a decision, which was made **February 13, 2026**, in approval of the Bull Run Filtration Facility. Sandy anticipates submitting their request for an extension soon.

The infrastructure at the Alder Creek Plant consists of a raw water pipeline, the Alder Creek intake, and a water treatment plant (WTP) building, all constructed in the 1970s. Additionally, a raw water pump station was constructed in the early 1990s. The Alder Creek WTP has three filter units that were installed in 1995. However, over the past two decades, the capacity and reliability of the Alder creek WTP have significantly declined due to mechanical control issues and age-related deterioration. In 2022, the WTP was operating at half capacity and with zero redundancy.

In the winter of 2023, a conceptual design report was developed by Stantec based on the recommendations of the **Water System Master Plan** that was accepted at the **December 19, 2022** Council Meeting. The conceptual design report recommended upgrades to the Alder Creek WTP, including the installation of membrane equipment skids and enhancements to the raw water pump station and membrane feed tank. The conceptual design also validated the Water System Master Plan recommendations of building a pipeline and pump station and purchasing filtered water from Portland as the most resilient and most cost-effective option for Sandy citizens.

Funding

Currently the City has developed a total funding package of \$49,485,000, with \$24.5 million in low-interest loans and \$24,985,000 secured in a full faith and credit bond. Additional funding will be pursued with Business Oregon or WIFIA dependent upon the Pump Station project bid.

KEY CONSIDERATIONS / ANALYSIS:

The program team is making steady progress and is actively monitoring both the schedule and budget. However, it is important to be aware of certain risks. As it is reasonable to assume that the Portland filtration facility will not be in operation by the deadline, the Alder Creek WTP project is anticipated to be completed by September 2027 in advance to mitigate the delay issues in the Pump Station component as part of the Portland to Sandy project.

NEXT STEPS

- Securing Construction Financing for the balance of the program from Business Oregon and WIFIA
- Bid phase documents for the Portland to Sandy Pump Station
- Substantial Completion of the Transmission Main project
- Substantial Completion of the Alder Creek WTP project
- Substantial Completion of the Disinfection System project
- Final Design of Brownell Springs
- Land Use Planning determination for the Portland to Sandy Pump Station

LIST OF ATTACHMENTS / EXHIBITS:

- Presentation slides