



City of Sandy

Agenda

City Council Meeting

Meeting Date: Monday, October 17, 2022

Meeting Time: 6:00 PM

Page

1. MEETING FORMAT NOTICE

This meeting will be conducted in a hybrid in-person / online format. The Council will be present in-person in the Council Chambers and members of the public are welcome to attend in-person as well. Members of the public also have the choice to view and participate in the meeting online via Zoom.

To attend the meeting in-person

Come to Sandy City Hall (lower parking lot entrance).
39250 Pioneer Blvd., Sandy, OR 97055

To attend the meeting online via Zoom

Please use this link: <https://us02web.zoom.us/j/82037397116>

Or by phone: (253) 215-8782; Meeting ID: 82037397116

Please also note the public comment signup process below.

2. CITY COUNCIL WORK SESSION - 6:00 PM

2.1. School Resource Officer Contract

[SRO Contract - Pdf](#)

4 - 10

3. CITY COUNCIL REGULAR MEETING - 7:00 PM

4. PLEDGE OF ALLEGIANCE

5. ROLL CALL

6. CHANGES TO THE AGENDA

7. PUBLIC COMMENT

The Council welcomes your comments at this time.

If you are attending the meeting in-person

Please submit your comment signup form to the City Recorder before the regular meeting begins at 7:00 p.m. Forms are available on the table next to the Council Chambers door.

If you are attending the meeting via Zoom

Please complete the [online comment signup webform](#) by 3:00 p.m. on the day of the meeting.

The Mayor will call on each person when it is their turn to speak for up to three minutes.

8. RESPONSE TO PREVIOUS PUBLIC COMMENTS

9. PRESENTATION

- 9.1. **Development Code Clear and Objective Audit Introduction** 11 - 13
[Clear and Objective Audit Introduction - Pdf](#)

10. CONSENT AGENDA

- 10.1. **City Council Minutes** 14 - 21
[City Council - 03 Oct 2022 - Minutes - Pdf](#)

11. ORDINANCES

12. RESOLUTIONS

- 12.1. **CWSRF Construction Loan Amendment #2** 22 - 34
Resolution 2022-25
[Resolution 2022-25 - CWSRF Construction Loan Amendment #2 - Pdf](#)

13. OLD BUSINESS

14. NEW BUSINESS

- 14.1. **Owners Representative Services Contract Amendment #3** 35 - 44
Sandy Clean Waters Phase 1A
[Leeway Engineering Solutions Owners Representative Services - Pdf](#)
- 14.2. **SandyNet Enrollment in Affordability Connectivity Program** 45 - 48
[SandyNet Affordable Connectivity Program Discussion - Pdf](#)

15. REPORT FROM THE CITY MANAGER

16. COMMITTEE /COUNCIL REPORTS

17. STAFF UPDATES

17.1. [Monthly Reports](#)

18. ADJOURN



Staff Report

Meeting Date: October 17, 2022
From Ernie Roberts, Police Chief
SUBJECT: SRO Contract Renewal

DECISION TO BE MADE:

No decision at this work session. The question for the Council at the November 7th meeting will be whether to approve the submitted School Resource Officer (SRO) contract between the City of Sandy and the Oregon Trail School District (OTSD).

PURPOSE / OBJECTIVE:

Continue to provide law enforcement services to OTSD through the City of Sandy School Resource Officer program. Maintain the positive and productive relationship between Sandy Police Department (SPD) and OTSD.

BACKGROUND / CONTEXT:

For more than two decades, the City of Sandy Police Department has provided law enforcement services through the SRO program to the Oregon Trail School District. Over time, the relationship has grown and now the police department provides two full time officers that are assigned to the district full time during the school year. SRO's enforce state and local laws, train staff, develop and maintain positive relationships with our youth and receive specialized training to be certified as an SRO in our state.

School Resource Officers have offices provided by the district at the Sandy High School and generally spend the majority of their time at that location as this is where the largest student population is located. Officers do respond to calls for service to other schools in the district when needed and also provide training on an annual basis for all Oregon Trail District staff. Training provided by our department to the staff at the Oregon Trail School District includes Emergency Operations, Active Shooter, General Security and the Run Hide Fight Program. This training is completed through table top exercises and live training that staff participates in. In addition to the training, a security audit is completed for the district on a semi annual basis.

In addition to crime prevention and training, School Resource Officers responded to a total of 372 incidents during the 2019-20 school year and 611 incidents during the 2020-21 school year. These incidents would otherwise be assigned to our patrol division.

For several years, the City had only one School Resource Officer with the District paying half the salary of the officer. Following the termination of the police services contract with the City of Estacada in 2018, the Oregon Trail School District offered to partially fund an additional School Resource Officer with the execution of a renewed

contract. Under that contract, the district compensated the City \$43,000 per officer with an escalation of 3% per year. This amount was based on the District paying half the salary of a School Resource Officer.

In a survey of other SRO programs, the cost sharing ranges vary:

- Milwaukie Police Department; Provides one officer, District pays 100% of salary and benefits.
- Wilsonville Police Department; Provides one officer, District pays 50% of salary and benefits.
- Lake Oswego Police Department; Provides two officers, District pays 100% for one officer and the City pays for the second officer.
- Albany Police Department; Provides two officers, District pays 50% of salary and benefits.
- Jefferson County Sheriffs Office; Provides one deputy, District pays 64.5% of salary and benefits.
- West Linn Police Department; Provides one officer, District pays \$88,400 for salary, City is responsible for all benefits.
- Molalla Police Department; Provides one officer, District pays \$50,000 toward salary and benefits.
- Clackamas County Sheriffs Office (North Clackamas School District); Provides two deputies, District pays 100% of the salary and benefits.

The City and the School District mutually agree on the benefits and importance of continuing the program. City staff met with council members to discuss city interests regarding the SRO contract renewal. Staff has also met with Superintendent Aaron Bayer to express our interest in realigning the contractual amount to a number that more accurately reflects the true salary and benefit costs of an SRO.

The City's interest is to increase the District's share to approximately half of the full cost of an officer, recognizing that the current and prior contracts only accounted for the District paying half of the *salary* of an SRO. Depending on the officer(s) assigned to the District, the cost of the SRO can vary greatly. The SRO is a special assignment and officers chosen for the position rotate out after serving four years. The officers currently assigned have completed three years of that rotation. Combined, the estimated full cost of the two officers for the current year is \$281,143.

The District has agreed to increase the amount of their funding per officer to \$66,627 with annual escalation of 4%. This will generate an additional \$39,280 in revenue for the Police Department in the first year of the contract, with future increases each subsequent year.

KEY CONSIDERATIONS / ANALYSIS:

Monetary contract changes.

RECOMMENDATION:

Staff recommends approval of the SRO contract renewal.

BUDGETARY IMPACT:

Additional \$39,280 in the first year of the contract.

**AGREEMENT BETWEEN THE CITY OF SANDY
AND THE OREGON TRIAL SCHOOL DISTRICT**

**TO PARTICIPATE IN THE SCHOOL RESOURCE OFFICER PROGRAM FOR ALL SCHOOL COMPRISING THE
OREGON TRIAL SCHOOL DISTRICT**

This agreement, entered into this first day of July 2022, (Execution Date) by and between the City of Sandy, a municipal corporation (CITY) and the Oregon Trail School District, a political subdivision of the State of Oregon (DISTRICT) is made in light of the following:

MISSION STATEMENT

It is the stated goal of this agreement to have a working partnership between the City of Sandy and the Oregon Trail School District to provide a safe and secure learning environment for all students and to encourage a positive learning experience.

RECITALS

- A. CITY is a municipal corporation duly organized and validly existing under the Constitution and the laws of the State of Oregon.
- B. DISTRICT is a political subdivision of the State of the State of Oregon located in Clackamas County, Oregon, and is organized and exists pursuant to the laws of the State of Oregon.
- C. DISTRICT is in need of special services available through the School Resource Officer Program (the special services are described in Section 2 and are referred to collectively as the "Services").
- D. DISTRICT is authorized to enter into this AGREEMENT pursuant to the laws of the State of Oregon.
- E. CITY employs sworn peace officers specially trained, experienced and competent to provide the Services and CITY is willing to provide Services to DISTRICT on the terms and in the manner provided within this AGREEMENT.
- F. CITY and DISTRICT are joining together in a collaborative effort to provide two (2) School Resource Officers (SRO). The SROs' primary assignments are to work with the school communities to help provide a safe and secure environment for all.

AGREEMENT

NOW THEREFORE, CITY and DISTRICT agree as follows:

1. TERM

The term of this AGREEMENT shall commence on July 1, 2022. This AGREEMENT shall expire on June 30, 2026, unless terminated as specified in Section 7.

2. CITY SERVICES

- A. Services - General: CITY will provide two (2) full-time sworn peace officers from the Sandy Police Department to the function of SRO. Each SRO shall perform services, as an employee of the City of Sandy, under the supervision and control of the Sandy Police Department Chief of Police (Chief of Police). The type and manner of performance of the services should

promote safety in the learning environment. The services contemplated by this AGREEMENT include all schools within DISTRICT.

- B. Services - Mandatory: CITY shall perform the following services:
 - i. Establish and maintain a liaison between DISTRICT personnel, Sandy Police Department personnel, and elements of the juvenile justice system.
 - ii. Serve as a resource to DISTRICT employees such as administrators, faculty and security personnel as well as students and their guardian(s) on all law enforcement-related issues including crime prevention and investigations.
- C. Services - Discretionary: City may in the sole discretion of the Officers and/or his/her supervisor, perform the following services:
 - i. Conduct patrol activity in and around the school campuses.
 - ii. Conduct preliminary and follow-up investigations of crimes that occur on or near the school campuses.
- D. Services - Security: The services performed by Officers pursuant to this AGREEMENT are not intended to supplant those provided by existing DISTRICT security personnel. DISTRICT may request security services from CITY pursuant to other provisions of this AGREEMENT

3. DISTRICT DUTIES

In addition to other duties specified within this AGREEMENT, DISTRICT shall do the following:

- A. DISTRICT will designate a staff member to serve as liaison to the Sandy Police Department to facilitate communication between DISTRICT personnel and the Officer and coordinate the Officer's activities with DISTRICT activities and events.
- B. DISTRICT personnel shall cooperate with the Officer to facilitate their performance of services pursuant to this AGREEMENT.

4. OPERATIONAL PROCEDURES

- A. Uniformed officer: Each Officer will perform their duties in full police uniform. This uniform will include safety equipment designated for use by sworn field personnel pursuant to Sandy Police Department policies and practice.
- B. Services - Timing: CITY shall, following the school calendar, provide each Officer to DISTRICT with that officer generally serving five (5) days a week and eight (8) hours each day. CITY shall use its best efforts to ensure that the same person provides services except when the employee is on paid leave or otherwise absent.
- C. Deployment of SROs on days outside of the school calendar is at the discretion of the Sandy Chief of Police.

5. FUNDING

- A. Personnel - CITY is required to maintain two (2) sworn peace officers, employed by City, to provide the services required by this AGREEMENT.
- B. District Payments - DISTRICT shall pay \$66,627 per SRO, per year, payable within thirty (30) days of receipt of an invoice from CITY. CITY will bill not earlier than September 30, annually.

- C. Funding of Personnel - CITY will assure provision of funding necessary to cover the balance of each SRO's compensation not covered by DISTRICT.
- D. Escalation - After the first year of this agreement, the amount paid by district will increase 4% annually.
- E. Proration - For each SRO under this AGREEMENT, in the event an SRO is absent, without substitute replacement, from service to the district for greater than 2 days, CITY will refund to DISTRICT an amount calculated as follows:

(SRO days absent > two days x 1/173 school days x annual district fee per SRO)

Any such payments are due to DISTRICT prior to June 30 each year.

6. SPECIAL PROVISIONS

- A. Selection of Officer(s): The Chief of Police will determine those individuals best suited for the assignment and advise the DISTRICT of the eligible candidates. The Chief of Police shall consider input from the DISTRICT representative(s) as to the selection of the Officer(s), but the Chief of Police's decision shall be final.
- B. Grant Administrative Requirements: The CITY and DISTRICT will be responsible for their own respective grant monies received, if any, including all administrative duties and responsibilities. This includes receipt and disbursement of funds financial reporting and grant management issues.
- C. Evaluation of SRO Program: The CITY will complete an evaluation of the SRO Program on an annual basis with solicited input of DISTRICT.

7. TERMINATION

DISTRICT or CITY may terminate this AGREEMENT without cause any time after the Effective Date, by giving a ninety (90) day written notice to the other party. In the event of termination, DISTRICT shall compensate CITY for Services performed to the date of termination, following the formula in section 5E of AGREEMENT. CITY shall continue to provide Services after notified to terminate and during the ninety (90) day notice period unless DISTRICT, in the notice, requests CITY not perform Services. The notice shall be deemed given when personally delivered to the DISTRICT or CITY representative or three (3) days after the date the notice is deposited in the United States mail, first-class postage paid, and addressed to the appropriate representative as specified in this AGREEMENT.

8. INDEMNIFICATION

- A. District Obligations: DISTRICT agrees to defend, indemnify, and hold CITY, its elected and appointed officials, officers, and employees harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, arising out of or in any way connected with the DISTRICT'S negligent performance of this AGREEMENT. DISTRICT assumes workers' compensation liability for injury or death of its officers, agents, employees and volunteers, and assumes no workers' compensation responsibility for the elected and appointed officials, officers, and employees of the CITY.
- B. City's Obligations: CITY agrees to defend, indemnify, and hold DISTRICT, its officers, agent, employees and volunteers harmless against and from any and all losses, claims, actions,

damages, expenses or liabilities, including reasonable attorney's fees, arising out of, or in any way connected with CITY'S negligent performance of this AGREEMENT. CITY assumes worker's compensation liability for injury or death of its elected and appointed officials, officers and employees, and assumes no workers' compensation responsibility for the officers, agents, employees and volunteers of the DISTRICT.

9. ASSIGNMENT

This AGREEMENT may not be assigned or transferred by either Party without the express written consent of the other Party.

10. NOTICE /Representatives

The CITY and DISTRICT have designated the following representatives to receive notices and act in their agency's behalf in the administration of the AGREEMENT.

CITY Chief of Police
 Sandy Police Department
 38970 Proctor Blvd
 Sandy, OR 97055

DISTRICT Superintendent
 Oregon Trail School District
 36525 SE Industrial Way
 Sandy, OR 97055

11. ENTIRE AGREEMENT

When signed the authorized representatives of both parties, AGREEMENT is the final and entire agreement. As their final expression, AGREEMENT supersedes all prior and contemporaneous oral or written communications between parties, their agents, and representatives. There are no representations, promises, terms, conditions, or obligations other than those contained herein.

IN WITNESS THEREOF, I have read this AGREEMENT and I certify that I have the authority to sign and enter into the AGREEMENT on behalf of the party I represent and agree to be bound by its terms.

Chief of Police, City of Sandy

Date

Superintendent, Oregon Trail School District

Date



Staff Report

Meeting Date: October 17, 2022
From Kelly O'Neill Jr., Development Services Director
SUBJECT: Clear and Objective Audit Introduction

DECISION TO BE MADE:

None at this meeting. This is a project update to keep the Council informed.

BACKGROUND / CONTEXT:

The purpose of the Sandy Clear and Objective Code Project is to ensure that the City of Sandy's Development Code (SDC) complies with and implements certain Oregon state laws and legislation, primarily Oregon Revised Statute (ORS) section 197.307. ORS 197.307 requires that local governments adopt and apply only clear and objective standards, conditions and procedures for the development of housing (with some exceptions for historic districts).

What makes a standard "clear and objective?"

Clear and objective standards use terms, definitions, and measurements that provide for consistent interpretation of the standard. In other words, any two people applying the same standard to a development would get the same result, and there is no need or ability for the reviewer to use their discretion in applying the standard (i.e., there is no "gray area" for interpretation). In addition to ensuring standards are clear and objective, procedures and approval criteria for residential applications need to be clear and objective as well.

Local governments are also allowed to offer a discretionary review path for housing applications (i.e., one that relies more on guidelines, rather than objective standards), provided it is an optional alternative to the clear and objective review path. This can offer more flexibility for the applicant, as well as more discretion for the reviewer.

Project Team

The project team includes City planning staff and project consultant, MIG|APG. MIG|APG was formed by the merger of Angelo Planning Group (APG) with MIG, Inc. in February 2022. The firm has expertise in all aspects of Oregon land use planning and has extensive experience in conducting code updates for communities throughout the state. To date, the MIG|APG team has worked with more than 35 communities

throughout Oregon to review, refine, and/or replace their comprehensive plans or land use/subdivision ordinances. The consultant staff for this project includes:

- Catherine Corliss, AICP, Principal and Project Manager, has over 25 years of experience auditing and updating development codes in Oregon and Washington.
- Kate Rogers, AICP, Senior Planner, has over seven years of experience in development code updates, public outreach, and land use entitlement planning.
- Brandon Crawford, Planner, is assisting Catherine and Kate with the code audit and update. Brandon has four years of experience working on development code updates and related projects.

Catherine and Kate have recently worked together on similar “clear and objective standards” projects for the cities of Hillsboro, Albany, and West Linn as well as a range of other code projects. Brandon has provided assistance on a number of other housing code projects.

Project Schedule

The consultant and City staff have made good progress on the project to date. A complete, detailed review of the SDC has been completed, which highlighted potential areas of concern. The first of two staff work sessions has been held to discuss issues with staff from other departments and obtain their insights into the areas of the code that have historically been challenging to interpret. As shown on the schedule below, we hope to be back before the City Council in a joint work session with the Planning Commission in early 2023. However, the schedule may need to be adjusted as a result of Sandy’s temporary moratorium on new development projects and its impacts on City staff capacity.

LIST OF ATTACHMENTS/EXHIBITS:

Attachment A. Project Schedule

Attachment A. Project Schedule

TASK	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	
1. Monthly meetings; ongoing coordination	[Blue bar spanning all months]											
2. Annotated outline of audit report	[Blue bar]											
3. Staff worksession 1			[Green oval]									
4. Draft audit report; staff review		[Blue bar]										
City Council briefing					[Purple oval]							
5. Draft report with code amendments					[Blue bar]							
6. Project worksession 2 / PC/CC worksession							[Green oval]	[Purple oval]				
7. Final draft report								[Blue bar]				
8. PC/CC meetings; final report										[Purple ovals]		



MINUTES
City Council Meeting
Monday, October 3, 2022 6:30 p.m.

COUNCIL PRESENT: Stan Pulliam, Mayor; Jeremy Pietzold, Council President; Laurie Smallwood, Councilor; Richard Sheldon, Councilor; Kathleen Walker, Councilor; Carl Exner, Councilor; and Don Hokanson, Councilor

COUNCIL ABSENT: (none)

STAFF PRESENT: Jordan Wheeler, City Manager; Jeff Aprati, City Recorder; Jenny Coker, Public Works Director; Tyler Deems, Deputy City Manager; Ernie Roberts, Police Chief; and Angie Welty, Human Resources Director

MEDIA PRESENT: (none)

1. CITY COUNCIL WORK SESSION - 6:30 PM

1.1. 2023 Legislative Priorities

Staff Report - 0618

The **City Manager** summarized the staff report, which was included in the agenda packet.

Council discussion ensued on the following topics:

- Need to reach out to newly elected representatives shortly after the November election
- Advantages of being focused and targeted in our requests
 - Opportunities for one large ask and several interrelated smaller asks
- Importance of asking for water and wastewater funding; impact of passing the proposed moratorium
- Urgency of making progress on the water project
 - The recent public safety power shutoff revealed opportunities for system investment
 - Alder Creek reservoir project planning is expected to begin soon
 - Sandercock Reservoir also needs improvement
- Relative size of wastewater versus water needs
- Significance of public communications for the drinking water project

- Discussions regarding retaining government relations assistance
 - Advantages of working with a smaller firm
 - Importance of having someone advocating for the city on the ground
 - Council consensus on reaching out to deVries Strategies

2. CITY COUNCIL REGULAR MEETING - 7:00 PM

3. Pledge of Allegiance

4. Roll Call

5. Changes to the Agenda

6. Public Comment

- Hollis MacLean Wenzel: expressed support for the medicinal value of psilocybin and urged others to support its authorization. Stated that she is an experienced mental health practitioner; appreciates the reluctance of some but pointed out that its classification as a Schedule 1 drug occurred 50 years ago; stated that there is little potential for abuse and many stand to benefit.
- Juan Luna: stated he received an email from the Deputy City Manager but that no one has sufficiently addressed his concerns. Stated the City's food cart ordinance is discriminatory, and that he should be able to conduct an event on private property. Stated that his business was harmed.
- Dave Carter: expressed concerns regarding traffic on Vista Loop Drive and urged the City to cut brush to establish a shoulder for pedestrian access

7. Response to Previous Public Comments

In response to Mr. Luna's comments, the **City Manager** stated that the City's letter to Mr. Luna was recently returned as undeliverable but that he was sent an email as well, and that City staff empathizes with his frustration but has a duty to enforce the municipal code.

8. Consent Agenda

- 8.1. **City Council Minutes**
September 19, 2022

Moved by Carl Exner, seconded by Kathleen Walker

Adopt the Consent Agenda

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

9. Resolutions

9.1. **PUBLIC HEARING: Temporary Moratorium on Developments with New Sewer Connections**

Resolution 2022-24

Staff Report - 0617

Abstentions

(none)

Conflicts of Interest

(none)

Staff Report

The **City Manager** summarized the staff report, which was included in the agenda packet along with presentation slides.

Public Testimony

- Jim Raze: hearing was publicized with little notice; not enough communication has occurred; it is unethical to take permit dollars and then not allow a sewer connection; large increases in SDCs have been imposed; moratorium extensions will be needed
- Sarah Higgins: not enough communication has occurred; moratorium would have a serious human impact on families and the greater community; property owners acted in good faith and relied on the City's promises
- Evan Cobb: Mr. Even followed the City's procedures and requests; the City took their money and will get paid regardless; Cedar Creek Heights being built is important for many families; the City should fix the wastewater problems and let homes be constructed at the same time.
- Kristina Molina: would like to know when these problems started; only found out about the hearing on Facebook; not enough was known

publicly about the severity of the problems; her subdivision was just approved this year; made a public records request and was told it would take time, and was this hearing to be postponed; a large amount of money is invested in current development projects; was told staff could not discuss these issues due to a gag order; families would be affected by a moratorium.

- David Carter: HB 2001 will result in additional connections; who will pay to increase capacity to account for it?
- Julie Stephens: the public was very well aware of the wastewater system challenges; supports the proposed resolution; commends the City of its work to fix the system; is glad the City is deliberately studying its options and making the wisest choices possible.
- Mac Even: has been working with City staff regularly and no indication was given that a moratorium was possible; learned about the hearing on Facebook; had been assured that things would be okay and feels misled by lies of omission; concerned that a moratorium will be extended multiple times; could be financially ruined; wants to discuss matters with the City Manager
- Janet Davis: supports the resolution which is needed as soon as possible; people should be encouraged to reduce demand on the system; appreciates the work being done by the Public Works staff.
- Travis Decker: the situation is a public relations disaster but has to be done; more communication and public discussion is needed
- Judy Ricks: client needs to sell property and would suffer substantially from a moratorium; feels blindsided; client's family has given much to the community over the years.
- Chris Anderson: this is a public relations mess; the resolution is not clear enough in stating who would be affected.

Staff Recap and Recommendation

- The City needed to avoid a sudden rush of land use applications; all legal requirements for noticing were met
- The City is negotiating for a 120 ERU allocation for land use rights vested before today

- The City is under confidential negotiations with the federal Environmental Protection Agency
- Details were provided on the land use approval process should the moratorium be approved
- Details were provided on the upcoming wastewater system stress test and the potential for additional sewer connections in the future
- Empathy was expressed for confusion and frustration among the public
- A large amount of money is being invested to make the needed improvements to the wastewater system

Council Discussion

- Decades of issues have brought the City to this point
- Serious enforcement actions are pending against the City that have the potential to bankrupt the City; negotiations are occurring in this context
- A great deal of public discussion has occurred on the wastewater system's serious needs; fee increases occurred, articles have appeared in the press, the involvement of the EPA was known
- The moratorium would not remove vested rights
 - Staff believes that currently vested rights include less than 120 ERUs that would be ready to proceed in the near future
 - Staff anticipates that additional system capacity will be generated after more improvements are made and a stress test is performed
- Frustration was expressed regarding the City's legal inability to discuss the details of ongoing enforcement negotiations; property owners are encouraged to contact staff for further information about their options
- Staff need to exercise the maximum amount of transparency possible
- Appreciation that the City has an engineer as Public Works Director
- Appreciation that systemic deficiencies are now being addressed by staff and Council, and that modern asset management strategies are being employed
- The Council is committed to fixing the system's problems
- Acknowledgement of the gravity of this decision, but that the EPA escalation tied the City's hands and no other options are available. The City is moving as fast as possible to rectify the long-standing problems.

Moved by Laurie Smallwood, seconded by Don Hokanson

Close the public hearing.

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

Moved by Don Hokanson, seconded by Laurie Smallwood

***Adopt Resolution 2022-24, approving a moratorium on development
pursuant to OFS 197.505 to 197.540 based on limited sanitary sewer capacity***

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

10. Old Business

10.1. Sandy Clean Waters Update

The **Public Works Director** summarized the staff report and delivered a slide presentation on the status and future of the Sandy Clean Waters project. Both the report and the slides were included in the agenda packet.

Council discussion ensued on the following issues:

- The NPDES approval process and the scope of the EPA's review; clarification that it will be a long iterative process that will involve multiple changes and a rigorous examination of the science
- The degree to which anticipated growth has been accounted for in the facilities plan
- Explanation of the 3-Basin Rule and the fact that Tickle Creek is mass load limited and an alternate discharge location is needed
- Discussion of contractor costs
- Discussion of the public's interest in the NPDES permit process and opportunities for input

11. Report from the City Manager

- LOC annual conference logistics
- Update on culvert work on the 362nd Avenue / Bell Street extension
- Thanks for a successful Future Fest
- Suggestion for a Council tour of water system facilities

12. Committee /Council Reports

Councilor Hokanson
(none)

Councilor Exner

- A Bee City USA sign was installed
- Reminder not to mow grass in ditches
- ODOT street barricades should be removed
- Concern regarding traffic safety around the sidewalk construction near Vista Loop Dr.

Councilor Walker

- Recap of Library Advisory Board meeting; discussion included new building facilities in Hoodland
- Discussion occurred at Future Fest regarding the possibility of establishing a city-wide 25 mph speed limit in residential areas

Councilor Sheldon

(none)

Councilor Smallwood

- Thanks to staff for coordinating the successful Future Fest event

Council President Pietzold

- Recap of recent Economic Development Advisory Board meeting
- Suggestion to explore opportunities for childcare policy initiatives

Mayor Pulliam

- Thanks to staff for their work on Sandy Clean Waters and for coordinating the successful Future Fest event

13. Staff updates

13.1. [Monthly Reports](#)

14. Adjourn

15. CITY COUNCIL EXECUTIVE SESSION

The City Council will meet in executive session pursuant to ORS 192.660(2)(d)

Mayor, Stan Pulliam

City Council
October 3, 2022

City Recorder, Jeff Aprati

Draft



Staff Report

Meeting Date: October 17, 2022

From Jenny Coker, Public Works Director

SUBJECT: Resolution 2022-25 - CWSRF Construction Loan Amendment #2

DECISION TO BE MADE:

Whether to adopt Resolution 2022-25 authorizing Amendment #2 to the CWSRF loan.

BACKGROUND / CONTEXT:

Resolution 2022-25 authorizes Amendment #2 to the Clean Water State Revolving Loan Fund (CWSRF) through the Oregon Department of Environmental Quality (DEQ).

The current Phase 1A CWSRF loan provides financing for the Condition Assessment Improvements to the Existing Wastewater Treatment Plant and Rainfall Derived Inflow and Infiltration Reduction Improvements to the Wastewater Collection System (Project). This amendment increases the loan amount by \$4,700,000 to an updated total loan amount of \$20,700,000.

This amendment covers increased project costs due to pandemic-related construction delays and inflation as well as other condition related improvements that were found to be necessary at the time of construction including the emergency repair to the Strawbridge Parkway sinkhole. The CWSRF loan has a low-interest rate of 1.22%, making this funding source preferable over regular market-rate loans.

Attached is Resolution 2022-25 and the draft loan agreement for Amendment #2 of the CWSRF Construction Loan (Loan Agreement No. R80492).

RECOMMENDATION:

Adopt Resolution 2022-25 authorizing Amendment #2 to the CWSRF loan.

BUDGETARY IMPACT:

The proposed resolution will increase CWSRF loan funding for the Sandy Clean Waters Program Phase 1A by \$4,700,000 to an updated total loan amount of \$20,700,000. This is accounted for in the Program Budget.

SUGGESTED MOTION LANGUAGE:

"I move to adopt Resolution 2022-25."

LIST OF ATTACHMENTS/EXHIBITS:

- Resolution 2022-25
- Loan Amendment #2
- Opinion of Counsel



NO. 2022-25

A RESOLUTION AUTHORIZING AMENDMENT #2 TO A LOAN FROM THE CLEAN WATER STATE REVOLVING LOAN FUND BY ENTERING INTO A FINANCING CONTRACT WITH THE OREGON DEPARTMENT OF ENVIRONMENTAL QUALITY

Whereas, the City of Sandy (Recipient) desires to amend the existing construction loan agreement (R80942) with the Oregon Department of Environmental Quality (DEQ) to finance Condition Assessment Improvements to the Existing Wastewater Treatment Plant and Rainfall Derived Inflow and Infiltration Reduction Improvements to the Wastewater Collection System (Project); and

Whereas, the Recipient owns and operates a wastewater collection and treatment system as defined in Oregon Administrative Rule 340-054-0010; and the Recipient has requested an amendment to the existing loan agreement (R80492) with the DEQ to obtain additional financial assistance for the Project, and the DEQ has approved the Recipient's application for additional financial assistance from the Clean Water State Revolving Fund; and

Whereas, the Recipient is required, as a prerequisite to the receipt of additional financial assistance from the DEQ, to amend the existing Contract with the DEQ, substantially in the form attached here to as Exhibit A; and

Whereas, the City Attorney has reviewed the Loan Agreement and furnished the attached Opinion of Counsel regarding the City's fitness to enter into the Agreement;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sandy:

Section 1: The City Manager is hereby authorized to sign Amendment No. 2 to Clean Water State Revolving Fund Loan Agreement No. R80492, attached hereto as Exhibit A, in the revised amount of \$20,700,000 with an annual interest rate of 1.22%.

This resolution is adopted by the Common Council of the City of Sandy and approved by the Mayor this 17 day of October 2022

Stan Pulliam, Mayor

#2022-25

ATTEST:

Jeff Aprati, City Recorder

#2022-25

**CLEAN WATER STATE REVOLVING FUND
LOAN AGREEMENT NO. R80492
AMENDMENT NO. 2
CITY OF SANDY**

This Amendment No. 1 (“Amendment”) to Loan Agreement No. R80492 (the “Loan Agreement”) is executed between the STATE OF OREGON ACTING BY AND THROUGH ITS DEPARTMENT OF ENVIRONMENTAL QUALITY (“DEQ”) and City of Sandy (the “Borrower”), effective as of the Effective Date indicated below. Capitalized terms used in this Amendment which are not defined herein have the meanings assigned to them in the Loan Agreement.

The purpose of this Amendment is to increase the loan amount by \$4,700,000 and update the Loan Reserve Requirement accordingly as well as update Appendix A: Repayment Schedule and Appendix B: Estimated CWSRF Loan Disbursement Schedule.

The parties agree as follows:

1. **EFFECTIVE DATE.** This Amendment is effective on the date that it is fully executed and approved as required by applicable law.
2. **AMENDMENTS TO AGREEMENT.**
 - a. ARTICLE 1(C) is amended and restated as follows:
“(C) LOAN AMOUNT: \$20,700,000.”
 - b. The second sentence of ARTICLE 5(C)(1) is amended and restated as follows:
“Until the Final Loan Amount is calculated, the Loan Reserve Requirement is \$386,925.”
 - c. The attached “Appendix A: Repayment Schedule” replaces the current “Appendix A: Repayment Schedule” in its entirety.
 - d. The attached “Appendix B: *Estimated* CWSRF Loan Disbursement Schedule” replaces the current “Appendix B: *Estimated* CWSRF Loan Disbursement Schedule” in its entirety.
3. **COUNTERPARTS.** This Amendment may be executed in two or more counterparts, each of which is an original and all of which when taken together are deemed one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart.

4. **ORIGINAL AGREEMENT.** Except as expressly amended above, the terms and conditions of the Loan Agreement shall remain in full force and effect. The Borrower certifies that the representations, warranties, and certifications in the original Agreement are true and correct as of the effective date of this Amendment and with the same effect as though made at the time of this Amendment.

BORROWER: CITY OF SANDY

By: _____

Date: _____

Typed Name: _____

Title: _____

STATE OF OREGON ACTING BY AND THROUGH ITS
DEPARTMENT OF ENVIRONMENTAL QUALITY

By: _____

Date: _____

Jennifer Wigal, Administrator
Water Quality Division

APPENDIX A: REPAYMENT SCHEDULE

OREGON DEPARTMENT OF ENVIRONMENTAL QUALITY
 CLEAN WATER STATE REVOLVING FUND LOAN PROGRAM
REPAYMENT SCHEDULE

BORROWER:	City of Sandy	INTEREST RATE:	1.22%
SRF LOAN NO.:	R80492	TERM IN YEARS:	20
LOAN AMOUNT:	\$ 20,700,000	PAYMENT AMOUNT: \$	583,570
		ANNUAL FEE:	0.50%

Due Date	Pmt#	PAYMENT				Principal Balance
		Principal	Interest	Fees	Total	
		PF Included				20,200,000
8/1/2024	1	0	456,270	0	456,270	20,200,000
2/1/2025	2	460,350	123,220	101,000	684,570	19,739,650
8/1/2025	3	463,158	120,412	0	583,570	19,276,492
2/1/2026	4	465,983	117,587	96,382	679,952	18,810,509
8/1/2026	5	468,826	114,744	0	583,570	18,341,683
2/1/2027	6	471,686	111,884	91,708	675,278	17,869,997
8/1/2027	7	474,563	109,007	0	583,570	17,395,434
2/1/2028	8	477,458	106,112	86,977	670,547	16,917,976
8/1/2028	9	480,370	103,200	0	583,570	16,437,606
2/1/2029	10	483,301	100,269	82,188	665,758	15,954,305
8/1/2029	11	486,249	97,321	0	583,570	15,468,056
2/1/2030	12	489,215	94,355	77,340	660,910	14,978,841
8/1/2030	13	492,199	91,371	0	583,570	14,486,642
2/1/2031	14	495,201	88,369	72,433	656,003	13,991,441
8/1/2031	15	498,222	85,348	0	583,570	13,493,219
2/1/2032	16	501,261	82,309	67,466	651,036	12,991,958
8/1/2032	17	504,319	79,251	0	583,570	12,487,639
2/1/2033	18	507,395	76,175	62,438	646,008	11,980,244
8/1/2033	19	510,491	73,079	0	583,570	11,469,753
2/1/2034	20	513,605	69,965	57,349	640,919	10,956,148
8/1/2034	21	516,737	66,833	0	583,570	10,439,411
2/1/2035	22	519,890	63,680	52,197	635,767	9,919,521
8/1/2035	23	523,061	60,509	0	583,570	9,396,460
2/1/2036	24	526,252	57,318	46,982	630,552	8,870,208
8/1/2036	25	529,462	54,108	0	583,570	8,340,746
2/1/2037	26	532,691	50,879	41,704	625,274	7,808,055
8/1/2037	27	535,941	47,629	0	583,570	7,272,114
2/1/2038	28	539,210	44,360	36,361	619,931	6,732,904
8/1/2038	29	542,499	41,071	0	583,570	6,190,405
2/1/2039	30	545,809	37,761	30,952	614,522	5,644,596
8/1/2039	31	549,138	34,432	0	583,570	5,095,458
2/1/2040	32	552,488	31,082	25,477	609,047	4,542,970
8/1/2040	33	555,858	27,712	0	583,570	3,987,112
2/1/2041	34	559,249	24,321	19,936	603,506	3,427,863
8/1/2041	35	562,660	20,910	0	583,570	2,865,203
2/1/2042	36	566,092	17,478	14,326	597,896	2,299,111
8/1/2042	37	569,545	14,025	0	583,570	1,729,566
2/1/2043	38	573,020	10,550	8,648	592,218	1,156,546
8/1/2043	39	576,515	7,055	0	583,570	580,031
2/1/2044	40	580,031	3,538	2,900	586,469	0
TOTALS		20,200,000	3,015,499	1,074,764	24,290,263	
REQUIRED LOAN RESERVE:		\$	386,925			

Appendix B: Estimated CWSRF Loan Disbursement Schedule

Disb. Number	Paid/ Estimate	Gross Disb. Amount	Principal Forg. Applied	Net Amount Disbursed	Disb. Date
1_2	Paid	3,470,466	500,000	2,970,466	12/9/2021
3	Paid	1,436,126	0	1,436,126	1/18/2022
4	Paid	1,394,742	0	1,394,742	2/9/2022
5	Paid	433,307	0	433,307	4/11/2022
6_7_8	Paid	1,840,986	0	1,840,986	5/26/2022
9	Paid	221,110	0	221,110	7/17/2022
10	Estimate	1,500,000	0	1,500,000	12/1/2022
11	Estimate	1,500,000	0	1,500,000	2/1/2022
12	Estimate	1,500,000	0	1,500,000	3/1/2023
13	Estimate	1,500,000	0	1,500,000	4/1/2023
14	Estimate	1,500,000	0	1,500,000	5/1/2023
15	Estimate	1,500,000	0	1,500,000	6/1/2023
16	Estimate	1,500,000	0	1,500,000	7/1/2023
17	Estimate	1,403,263	0	1,403,263	8/1/2023
TOTAL:		20,700,000	500,000	20,200,000	

**CLEAN WATER STATE REVOLVING FUND
LOAN AGREEMENT NO. R80492
AMENDMENT NO. 2
CITY OF SANDY**

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BORROWER: CITY OF SANDY

By: _____

Date: _____

Typed Name: _____

Title: _____

STATE OF OREGON ACTING BY AND THROUGH ITS
DEPARTMENT OF ENVIRONMENTAL QUALITY

By: _____

Date: _____

Jennifer Wigal, Administrator
Water Quality Division

APPENDIX A: REPAYMENT SCHEDULE

OREGON DEPARTMENT OF ENVIRONMENTAL QUALITY
 CLEAN WATER STATE REVOLVING FUND LOAN PROGRAM
REPAYMENT SCHEDULE

BORROWER:	City of Sandy	INTEREST RATE:	1.22%
SRF LOAN NO.:	R80492	TERM IN YEARS:	20
LOAN AMOUNT:	\$ 20,700,000	PAYMENT AMOUNT: \$	583,570
		ANNUAL FEE:	0.50%

Due Date	Pmt#	PAYMENT				Principal Balance
		Principal	Interest	Fees	Total	
		PF Included				20,200,000
8/1/2024	1	0	456,270	0	456,270	20,200,000
2/1/2025	2	460,350	123,220	101,000	684,570	19,739,650
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10	Estimate	1,500,000	0	1,500,000	12/1/2022
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14	Estimate	1,500,000	0	1,500,000	5/1/2023
15	Estimate	1,500,000	0	1,500,000	6/1/2023
16	Estimate	1,500,000	0	1,500,000	7/1/2023
17	Estimate	1,403,263	0	1,403,263	8/1/2023
TOTAL:		20,700,000	500,000	20,200,000	

EXHIBIT B



March 17, 2021

SENT VIA ELECTRONIC MAIL (mwalker@ci.sandy.or.us)

Mike Walker, Public Works Director
City of Sandy
39250 Pioneer Blvd.
Sandy, OR 97055

Re: Clean Water State Revolving Fund Loan Agreement No. R80942
Opinion of Counsel Letter

Dear Mike:

Per your request, please find our opinion below. You may include this letter with other materials you provide ODEQ in connection with the loan.

1. Once approved by the Sandy City Council, the city has the power and authority to execute, deliver and perform its obligations under Loan Agreement No. R80942.
2. Once approved by the Sandy City Council, an authorized representative from the city may execute the Loan Agreement and it will then be valid, binding and enforceable by and against the city in accordance with the terms of the Loan Agreement.
3. To our present knowledge, the amendment does not violate any other agreement, statute, court order, or law to which the city is a party or by which it or any of its property or assets is bound.
4. The "Gross Revenues" from which the "Net Revenues" are derived and that are used as security for the loan will not constitute taxes that are limited by Section 11b, Article XI of the Oregon Constitution.

Please let me know if you have any questions.

Sincerely,

David Doughman



Staff Report

Meeting Date: October 17, 2022

From Jenny Coker, Public Works Director
Amendment #3, Leeway Engineering Solutions Phase 1A Owners

SUBJECT: Representative Services

BACKGROUND / CONTEXT:

At their March 15, 2021 meeting, City Council authorized the City Manager to sign an agreement with Leeway Engineering Solutions for Owner's Representation services on Phase 1A of the Clean Waters Program. The negotiated fee for the required services totaled \$242,735. This contract was then amended per the following:

- Amendment #1 dated January 2022 – Extended the contract by 10 months through the completion of Phase 1A (assumed to be October 2022) for \$369,873.
- Amendment #2 dated April 2022 – Added the sub-consultant Waterdude and effort for Leeway to oversee the sub-consultant contract for \$152,681.

KEY CONSIDERATIONS / ANALYSIS:

Amendment #3 will provide continuing Owner's Representative Services and covers the following additional services:

Extended Project Schedule

This amendment will extend services for eight months from October 2022 to June 2023. The construction of the WWTP Condition Assessment Improvements Project has been extended longer than expected due to equipment lead time delays. Additionally, Leeway Engineering will provide services for overseeing the facility plan amendment, stress testing, and additional collection system infiltration and Inflow reduction projects that will extend into the first half of 2023.

Additional requested ongoing services

Managing the information requests and supporting continuing negotiations with the United States Department of Justice (DOJ) and the United States Environmental Protection Agency (EPA), planning and initiation of future phases of the Collection System program elements, and overseeing the American Rescue Plan Act (ARPA) funding requirements and applying for additional funding sources.

Additional Contract Scope

Expands the Contract scope to include upcoming new requirements including, but not limited to, overseeing the facility plan amendment, overseeing the coordination of WWTP stress testing, and execution of additional regulatory requirements such as the

development of a Capacity, Management, Operations, and Maintenance (CMOM) program.

The requested amendment for Owner Representative support totals \$883,779. The updated proposal and a detailed description of the additional services are attached.

RECOMMENDATION:

Authorize the City Manager to sign Amendment #3 to the Owners Representative agreement with Leeway Engineering Solutions.

BUDGETARY IMPACT:

The proposed Amendment, which totals \$883,779, is funded by the Clean Water State Revolving Fund (CWSRF) and American Rescue Plan Act (ARPA).

SUGGESTED MOTION LANGUAGE:

"I move to authorize the City Manager to sign Amendment #3 to the Owners Representative agreement with Leeway Engineering Solutions in the amount of \$883,779."

LIST OF ATTACHMENTS/EXHIBITS:

- Draft contract amendment #3, including a scope and fee for additional services.



Attachment A

Scope of Services

City of Sandy, Oregon

Phase 1A Owner's Representation Services, Clean Waters Program Amendment No. 3

The City of Sandy (City) is in the midst of a large program to address needed improvements in their wastewater collection, conveyance, and treatment system. The City has retained Leeway Engineering Solutions (Leeway) to provide Owner's Representative (ORep) services to assist with the wastewater program.

This Scope of Services encompasses the third Contract amendment. Below summaries of previous contract amendments:

- Amendment No. 1 – Extended the contract by 10 months through the completion of Phase 1A (assumed to be October 2022)
- Amendment No.2 – Added the sub-consultant Waterdude and effort for Leeway to oversee the sub-consultant contract.

As the program has evolved, the scope of the Owner's Representation Services contract has also increased. This Amendment No. 3 covers the following:

- Extend the Contract by 8 months through June 2023
- Amends the Contract to account for additional requested ongoing services for the Clean Waters Program including, but not limited to, managing the information requests and supporting continuing negotiations with the United States Department of Justice (DOJ) and the United States Environmental Protection Agency (EPA), planning and initiation of future phases of the Collection System program elements, and overseeing American Rescue Plan Act (ARPA) funding requirements.
- Expands the Contract scope to include upcoming new requirements including, but not limited to, overseeing the facility plan amendment, overseeing the coordination of WWTP stress testing, and execution of additional regulatory requirements such as development of a Capacity, Management, Operations, and Maintenance (CMOM) program.

With the ever-changing needs of the program, Leeway's original scope could not have accurately predicted all of the items needed to support the program. However, Leeway has been able to complete all out-of-scope tasks (approximately 200 hours of work) within the official contract amount. Out-of-scope completed to date include, but are not limited to the following items:

- Provided ARPA loan application support, including assistance in applying for additional funds
- Developed ARPA loan required reports and updates.
- Coordination with FCS group to develop a rate model based on affordability
- Re-evaluated cost estimates in the 2019 Facility Master Plan

- Developed the Request for Proposals (RFP) and managed the selection process for Facility Plan Amendment
- Three months of extended management of Basin 2/8 construction that extended beyond contract duration
- Developed a sampling analysis plan for National Pollutant Discharge Elimination System (NPDES) permitting
- Completed the “city portions” of the EPA application form 3510-2A for NPDES permitting
- Facilitated meetings and distributed meeting notes for the NPDES bi-weekly meetings
- Developed Technical Memos as requested by EPA/DOJ
- Applied for an amendment on the Phase 1A CWSRF loan
- Applied for a new CWSRF loan for Phase 1B
- Facilitated the GMP negotiations and contracting between the CM/GC and the City for an additional 3 early work packages.
- Contracting support and construction management for the Tupper Road Emergency Culvert Project
- Design and Bidding oversight for Basin 6/7
- Preparing for and facilitating program meetings, such as program updates and Council Advisory Committee meetings, at a frequency greater than originally scoped.
- On-boarding of new City staff to the Clean Waters Program

In order to provide continuing Owner’s Representative Services through June 2023, the following scope of services will be performed:

Phase 1. Program Management and Consultant Management

Objective: Provide and perform program administration and management activities and provide consultant management on the City’s behalf through June 2023.

- Activities:** This phase includes technical and financial management, including the following:
- Extension of services in Amendment No.1 from November 2022 to June 2023
 - Continued services to re-evaluate project cost estimates
 - Provide support for developing a plan to address program affordability issues and inputs to update the City’s rate model
 - Oversight of the Facility Plan Amendment project and consultant team, including providing any needed data to Facility Plan Amendment consultant
 - Development of Contract, Contract Amendments, and staff reports of Clean Water Program consultants
 - Development of a RFP for the design of known needed improvements at the WWTP
 - Development regarding a public involvement strategy and implementation plan

LEEWAY ENGINEERING SOLUTIONS, LLC

2 of 7

Deliverables: Deliverables developed under this phase shall include:

- Progress updates
- Project status reports
- Variance reports
- Monthly invoices
- Staff reports
- Contracts and Contract Amendments
- Upkeep of project dashboard
- Compile comment review logs
- Progress updates, project status reports, variance reports, and monthly invoice reviews.
- All other construction-related documents referenced in the above activities

Assumptions: This phase assumes the following assumptions:

- Project duration extension of 8 months
- Weekly check-in calls, 0.75 hours per call and 0.5 hours for preparation
- Monthly WW Advisory Board meetings, 1 hour per meeting and 2 hours for preparation
- Bi-weekly miscellaneous brainstorming/check-in/coordination meetings, 1 hour per meeting
- Management of 8 Consultant contracts (WWTP Improvements Design, WWTP Improvements CM/GC, NPDES Support, Communications, Collection System Basin 6 and 7 Design, Collection System Basin 6 and 7 CM/GC, Facility Plan Amendment Professional Services, Waterdude)

Phase 2. EPA and DEQ Negotiations, CWSRF, and DEQ support

Objective: Provide regulatory assistance including negotiations with DEQ, coordination with DEQ on WW Program, and continued compliance with the CWSRF loan requirements.

Activities: This phase includes the following:

- Extension of services in Amendment No.1 from November 2022 to June 2023
- Develop technical responses to EPA's requests
- Provide support, planning, and coordination for developing responses to EPA/DOJ requests
- Developing initial reporting as required by EPA mandate

Deliverables: Deliverables developed under this phase shall include:

- Technical documents as required by DEQ
- Technical Memos as requested by EPA/DOJ
- Data as requested by EPA/DOJ

Assumptions: This phase assumes the following assumptions:

- Access to other City-consultants

LEEWAY ENGINEERING SOLUTIONS, LLC

3 of 7

- Monthly DEQ meetings, 1 hour per meeting
- Attendance in 8 additional virtual EPA negotiation and prep meetings, 1.5 hour per meeting
- EPA will request 2 additional TMs related to the WWTP and Collection System

Phase 3. Funding Support

Objective: Provide required technical support for funding the WW Program.

Activities: This phase includes the following:

- Extension of services in Amendment No.1 from November 2022 to June 2023
- Preparing engineering documents in support of the City's loan applications
- Providing review of reports and documents needed for loan grant applications
- Provide engineering support and participate in meetings with the City's financial staff and consultants for ongoing rate and SDC studies
- Prepare disbursement requests and other documents as required by ARPA grant funding

Deliverables: Deliverables developed under this phase shall include:

- Other funding support documents
- Technical documents as required by Business Oregon
- Technical documents as required by CWSRF

Assumptions: This phase assumes the following assumptions:

- Any additional Environmental Permitting support that is required by loan applications is assumed to be after the conclusion of Amendment 3, and the new Program Manager contract can be utilized to provide this support.
- Attendance in 3 virtual ARPA funding meetings, 1 hour per meeting
- Support for 2 new rate study updates
- Attendance in 2 virtual Energy Trust of Oregon meetings, 1 hour per meeting

Phase 4. WWTP Improvements Oversight

Objective: Provide and perform Project Management activities of the Existing WWTP Condition Assessment Improvements Project. Provide Consultant and CM/GC management during the project construction phase.

Activities: This phase includes technical and financial management, including the following:

- Extension of services in Amendment No.1 from November 2022 to June 2023
- Oversee development of the stress testing plan and coordination assistance with execution of the actual stress testing of the WWTP
- Improvements focused on increased maintenance and operations of the WWTP.
- Develop project contracts and staff reports

Deliverables: Deliverables developed under this phase shall include:

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4 of 7

- Compile review comment logs
- Progress updates, project status reports, variance reports, monthly invoice reviews, meeting outlines, and minutes.
- Complete project contracting and staff reports

Assumptions: This phase assumes the following assumptions:

- Five additional project meetings
- Stress test planning and execution is not budgeted in this scope of work and will be conducted by another City consultant and Veolia staff

Phase 5. WWTP CM/GC Services During Construction

Objective: Provide services during construction of the Existing WWTP Condition Assessment Improvements Project.

Activities: Tasks include:

- Extension of services in Amendment No.1 from November 2022 to June 2023

Deliverables: Deliverables developed under this phase shall include:

- All other construction-related documents referenced in Amendment No. 1 activities

Assumptions: This phase assumes the following assumptions:

- Construction substantial completion in February 2023
- Leeway will not be performing daily inspections. City staff and/or Veolia staff will provide as-needed observations of ongoing work.
- Special inspections and testing will be either added to the CM/GC contract or the City will contract directly.
- Bi-Weekly check-in meetings, 1 hour per meeting
- Three site visits during construction

Phase 6. NPDES permit support

Objective: Provide and perform Project Management activities of the NPDES Support Project. Provide Consultant management during the project and ensure progression toward a new NPDES and possibly a WPCF permit.

Activities: Tasks include:

- Extension of services in Amendment No.1 from November 2022 to June 2023
- Fill out the City's sections of the NPDES application on behalf of the City.
- Facilitate bi-weekly meeting and record meeting minutes
- Oversee coordination of data collection and Freedom of Information Act requests for missing data.

Deliverables: Deliverables developed under this phase shall include:

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5 of 7

- Technical review comment logs

Assumptions: This phase assumes the following assumptions:

- Bi-weekly check-in meetings, 1 hour per meeting
- Bi-weekly meeting notes and agendas

Phase 7. Wastewater Operations Support

Objective: Provide administration of Waterdude Wastewater Operations Support Project

Activities: This phase includes technical and financial management, including the following:

- Extension of services in Amendment No.2 from November 2022 to June 2023
- Management of the Waterdude, the Wastewater Operations Support sub-consultant
- Facilitate and check-in meetings
- Coordination with Veolia on tasks and data

Deliverables: No deliverables under this phase.

Assumptions: This phase assumes the following assumptions:

- Monthly check-in meetings (8), 1 hour per meeting

Phase 8. Tupper Road Storm Sewer Rehabilitation

Objective: Phase is complete.

Activities: None.

Deliverables: None.

Phase 9. 2022-2023 Collection System Program Elements

Objective: Progress the required collection system program elements, such as the flow and rainfall monitoring program, development and implementation of the MH grouting program, recalibration and remodeling of the collection system, and development of the CMOM plan.

Activities: This phase includes the following:

- Development of City-supported flow monitoring program, including standard operating procedures (SOPs) for flow monitoring installation and maintenance, rain gauge installation and maintenance, and ongoing data quality.
- Two site visits will be conducted to validate quality of installations
- As required by EPA, weekly data analysis of monitoring data and reporting of data quality and any corrective measures that are required
- Recalibration of the Collection System Model after the completion of Basin 6/7 rehabilitation and the initial MH grouting program, per industry-accepted practices and EPA requirements.

- Oversight of Basin 6/7 Construction, including construction management and approval of invoices, continued engineering support during construction, and specialty inspections
- Development of the CMOM plan and program, in accordance with EPA guidelines

Deliverables: Deliverables developed under this phase shall include:

- Flow and rain monitoring reports
- Model recalibration and updated peak flow TM
- Basin 6/7 Contracts, and Construction Management documents
- CMOM Draft and Final Plan

Assumptions: This phase assumes the following assumptions:

- Flow and rainfall monitoring from November 1 to April 30
- 3 rain gauges and 7 flow monitors will be deployed during the monitoring period from 2022-2023
- Flow data will be telemetered, per EPA requirements
- Model will be developed per EPA requirements
- City will maintain the rain gauges and flow meters
- Basin 6/7 and MH grouting projects will both be completed by March 2023

Phase 10. Routine Repair and Maintenance (RRM) Projects

Objective: Provide administration of Routine Repair and Maintenance Projects

Activities: This phase includes technical and financial management, including the following:

- Facilitate and check-in meetings
- Oversight of RRM improvements projects
- Coordination with Veolia on tasks and data

Deliverables: Deliverables developed under this phase shall include:

- Supporting documentation regarding RRM projects

Assumptions: This phase assumes the following assumptions:

- Monthly check-in meetings (8), 1 hour per meeting

Level of Effort Estimate

Leeway proposes to complete this work as detailed above on a time and expenses basis summarized on the attached Level of Effort estimate. This “not-to-exceed” amount is based on this scope of work and will not be exceeded without approval and written authorization by the City of Sandy.

**PHASE 1A OWNER'S REPRESENTATION SERVICES, CLEAN WATERS PROGRAM SUPPORT AMENDMENT NO.3
CITY OF SANDY, OREGON
PROPOSED LEVEL OF EFFORT**

	LABOR CLASSIFICATION (HOURS)							Estimated Fees Amendment No. 3						
	Principal Engineer RKL \$221.00	Principal Engineer CMD \$191.00	Senior Project Engineer YMM \$174.00	Project Manager BMP \$174.00	Project Engineer ZIS \$160.00	Staff Engineer LYK / CCP \$120.00	Administrative Specialist BLK \$95.00	Hours	Labor	2023 Escalation 4.5%	Expenses	Subconsultant Stantec, Inc.	Subconsultant Markup (5%)	Total
Phase 1 - Program Management and Consultant Management	86	40	0	458	48	104	20	756	\$ 128,398	\$ 4,333	\$ 1,029	\$ 68,100	\$ 3,405	\$ 205,266
Phase 1 Subtotal	86	40	0	458	48	104	20	756	\$ 128,398	\$ 4,333	\$ 1,029	\$ 68,100	\$ 3,405	\$ 205,266
Phase 2 - EPA and DEQ Negotiations, CWSRF, and DEQ support	110	50	8	188	4	242	0	602	\$ 97,644	\$ 3,295	\$ 219	\$ 39,000	\$ 1,950	\$ 142,108
Phase 2 Subtotal	110	50	8	188	4	242	0	602	\$ 97,644	\$ 3,295	\$ 219	\$ 39,000	\$ 1,950	\$ 142,108
Phase 3 - Funding Support	25	5	0	53	0	140	0	223	\$ 32,502	\$ 1,097	\$ -	\$ -	\$ -	\$ 33,599
Phase 3 Subtotal	25	5	0	53	0	140	0	223	\$ 32,502	\$ 1,097	\$ -	\$ -	\$ -	\$ 33,599
Phase 4 - WWTP CM/GC Improvements Oversight	2	95	0	15	0	0	0	112	\$ 21,197	\$ 715	\$ -	\$ -	\$ -	\$ 21,912
Phase 4 Subtotal	2	95	0	15	0	0	0	112	\$ 21,197	\$ 715	\$ -	\$ -	\$ -	\$ 21,912
Phase 5 - WWTP CM/GC Services During Construction	6	10	0	275	0	123	0	414	\$ 65,846	\$ 2,222	\$ 1,116	\$ -	\$ -	\$ 69,185
Phase 5 Subtotal	6	10	0	275	0	123	0	414	\$ 65,846	\$ 2,222	\$ 1,116	\$ -	\$ -	\$ 69,185
Phase 6 - NPDES Permit Support	45	84	0	60	0	40	0	229	\$ 41,229	\$ 1,391	\$ 1,116	\$ 10,000	\$ 500	\$ 54,237
Phase 6 Subtotal	45	84	0	60	0	40	0	229	\$ 41,229	\$ 1,391	\$ 1,116	\$ 10,000	\$ 500	\$ 54,237
Phase 7 - Wastewater Operations Support	4	50	0	16	0	20	0	90	\$ 15,618	\$ 527	\$ -	\$ -	\$ -	\$ 16,145
Phase 7 Subtotal	4	50	0	16	0	20	0	90	\$ 15,618	\$ 527	\$ -	\$ -	\$ -	\$ 16,145
Phase 8 - Tupper Road Storm Sewer Rehab	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Phase 8 Subtotal	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Phase 9 - 2022-2023 Collection System Program Elements														
Flow and Rain Monitoring Program	24	20	72	6	0	192	4	314	\$ 45,736	\$ 1,544	\$ 360	\$ -	\$ -	\$ 47,640
Collection System Model Recalibration	48	0	180	12	0	450	4	690	\$ 98,016	\$ 4,411	\$ -	\$ -	\$ -	\$ 102,427
CM Oversight CS6&7 (assume 5 months)	15	0	40	15	120	60	2	250	\$ 39,285	\$ 884	\$ 280	\$ -	\$ -	\$ 40,449
CMOM Program	40	144	96	16	80	220	4	596	\$ 95,032	\$ 3,207	\$ 280	\$ -	\$ -	\$ 98,519
Phase 9 Subtotal	127	164	388	49	200	922	14	1850	\$ 278,069	\$ 10,046	\$ 920	\$ -	\$ -	\$ 289,035
Phase 10 - RRM Projects	0	50	0	0	0	0	0	50	\$ 9,550	\$ 322	\$ -	\$ 40,400	\$ 2,020	\$ 52,292
Phase 10 Subtotal	0	50	0	0	0	0	0	50	\$ 9,550	\$ 322	\$ -	\$ 40,400	\$ 2,020	\$ 52,292
TOTAL - ALL PHASES	405	498	396	1114	312	1591	34	4326	\$ 690,053	\$ 23,950	\$ 4,401	\$ 157,500	\$ 7,875	\$ 883,779



Staff Report

Meeting Date: October 17, 2022

From Greg Brewster, IT/SandyNet Director

SUBJECT: SandyNet Affordable Connectivity Program Discussion

DECISION TO BE MADE:

Whether SandyNet should enroll and participate in the Affordability Connectivity Program to offer a low-income broadband plan to qualifying households.

BACKGROUND / CONTEXT:

On December 31st 2021, the Federal Communications Commission, FCC announced the [Affordable Connectivity Program](#) (ACP) to replace the previous Emergency Broadband Benefit program (EBB) which was released in February, 2021.

The EBB was released to aid households who were struggling to afford broadband service during the Covid-19 pandemic. Households that qualified and enrolled with the EBB were provided broadband at a discounted price. The impact of the program was large enough that the FCC drafted the ACP in late 2021 to continue to provide relief to those struggling after COVID funds dwindled. In January of 2022, the EBB was rolled into the ACP program.

Previously, many providers had not enrolled in the EBB because of lack of stable funding, which was later resolved. ACP is currently funded until 2025, where it will be re-evaluated by Congress. ACP provides a \$30 discount to qualifying households, and reimbursement of that \$30 to the Internet Service Provider (ISP).

A household is eligible for the Affordable Connectivity Program if a member of the household meets at least *one* of the criteria below:

- Has an income that is at or below 200% of the federal poverty guidelines;
- Participates in certain assistance programs, such as SNAP, Medicaid, Federal Public Housing Assistance, SSI, WIC, or Lifeline;
- Participates in Tribal specific programs, such as Bureau of Indian Affairs General Assistance, Tribal TANF, or Food Distribution Program on Indian Reservations;
- Is approved to receive benefits under the free and reduced-price school lunch program of the school breakfast program, including through the USDA Community Eligibility Provision in the 2019-2020, 2020-2021, or 2021-2022 school year;
- Received a Federal Pell Grant during the current award year; or
- Meets the eligibility of criteria for a participating provider's existing low-income program.

On November 1st, 2021, Sandy City Council allocated funds from the State & Local Fiscal Recovery Funds (SLFRF) of the American Rescue Plan Act (ARPA) to SandyNet to build out several underserved areas within Sandy city limits. The U.S. Treasury Department's Coronavirus SLFRF Final Rules emphasize the importance of participants enrolling in a low-income subsidy program that meets one of the following:

- Participating in the FCC's Affordable Connectivity Program
- Providing access to a broad-based affordability program to low-income consumers that provides benefits commensurate to ACP

KEY CONSIDERATIONS / ANALYSIS:

ACP has requirements and responsibilities that fall onto the service provider. Enrollment in ACP would require the service provider to incur additional overhead when processing requests. Application adjudication is performed by the FCC. Additionally, the FCC handles the processing for collecting information by providing customers and service providers the ability to submit information for FCC review. This process differs from EBB and previous programs such as the FCC's Lifeline program, where the service provider worked closely with the State's Public Utility Commissions (PUC) to process applications. The burden of service providers is to perform community outreach to spread the word, maintain record of household Universal Service Administration Company, USAC applicant IDs, verify enrolled individuals through audits and provide reports to the FCC. While this burden is less than prior programs, it should be noted that when processing and reconciling ACP enrolled accounts, there will be additional administrative overhead to the ISP. Staff has determined that the additional burden poses negligible impact on overall costs and effectiveness of the program.

Additionally, ACP requirements dictate that for ACP enrolled households, the service provider must provide a minimum of 90 days past due before suspending service for non-payment. City of Sandy policy already allows for 60 days past due before suspension, and staff does not anticipate additional burden by extending suspension another 30 days. Since ACP states that up to \$30 will be covered by the FCC and reimbursed to the service provider, ACP can be applied to any service tier. Meaning that the SandyNet plan of \$44.95 for 500/500 Mbps service would now be \$14.95 and \$59.95 would become \$24.95 for Gigabit customers. ACP does not cover any other costs, such as one-time costs, including installation fees. Finally, ACP must be offered in all service territories, regardless of the medium. This means that the provider must offer ACP enrollment to any households that are eligible, regardless of funding options/projects or service territory.

Staff considered creating its own in-house rate-assistance program, like the program that is already implemented for water and sewer. Review of the SLFRF Final Rule for low-income program offerings require that alternative programs provide benefits that are in line with ACP. All models that were built by Staff were unable to provide more benefit to the customer and less burden to the service provider when compared to ACP.

Additional models show that enrolling in ACP, even with the additional overhead, has little to no effect on the break even point, given that SandyNet would be recouping the difference in cost to operate from the FCC. This price model allows a very discounted service to the customer (typically \$15 to be collected by the City) and maintains the standard model and break-even projections for service connections.

Back in 2021, when the EBB was implemented, SandyNet chose to not pursue an application due to increased risk to the provider. Lack of guaranteed future funding and amount of staff time required to implement and maintain the program during COVID was deemed not feasible and Staff determined that the risks and requirements outweighed the benefit. SandyNet has also not opted to offer a lower speed tier as less bandwidth does not equate to lower operational costs for the utility.

Since the implementation of the ACP and the rollover from the EBB, many other providers have since implemented ACP successfully. As of October 3rd, 2022 over 14,103,132 households have enrolled. As of August 2022, Clackamas County has 2,577 households actively enrolled and participating in ACP. Only 1.5% of households in Clackamas County take advantage of the service. On July 21st, 2022, the White House stated that upwards of 40% of American households qualify for ACP, however the national average sits below one fourth of that currently. Using the average enrollment rate of Clackamas County, SandyNet should expect similar take rates for enrollment. Additionally, SandyNet reached out to MINET (Monmouth/Independence) back in June to identify its take rate and any other additional risks. MINET's take rate for ACP was less than .5% and confirmed that the requirements of ACP did not overburden the provider.

Since the City of Sandy designated its SLFRF funds as revenue recovery, it can be said that SandyNet is not obligated to fulfill the U.S Department of the Treasury's requirements to offer a low-income option for customers benefiting from the ARPA related projects. However, SandyNet has long searched for a low-income program which could meet service connection requirements with minimal overhead and impact to Staff. In 2019, SandyNet explored filing a petition with the Oregon PUC to be granted the status of an Eligible Telecommunications Carrier, ETC and take advantage of the Federal Lifeline and Oregon Telephone Assistance Program, OTAP, which is subsidized by state and federal Universal Service Funds, (S/F)USF. Upon review and writing of SandyNet's petition, it was determined that the subsidy amount and the increased burden on staff during COVID was not a viable solution at the time.

SandyNet has historically offered low pricing for its advertised speeds and used a rate model that was designed to handle build-out costs and invest in customers over long periods of times. This model has incurred small rate increases over the years, maintaining its position as the lowest cost provider for its offered speeds. Established competitors can offer a slower rate plan and price, which is often free to the household when coupled with slow speeds or other potential restrictions. SandyNet weighed the options of offering a free tier to households who are ACP eligible, however the revenue

sustained solely from a \$30 a month reimbursement, would not meet the costs of service.

RECOMMENDATION:

After considering multiple options and programs over the past three years, SandyNet staff determined that in its current state, ACP is an acceptable solution for implementing a low-income program for eligible households. Staff has confidence that the risks outlined in this report can be mitigated and that SandyNet is not exposing itself to unnecessary risk by partaking in the ACP. In March, 2022 the SandyNet Advisory Board reviewed modeling options and discussed in detail the best route, determining that ACP was the only solution that was viable.

Staff respectfully requests that City Council approve SandyNet enrollment and participation in the ACP to offer a low-income option for qualifying households.

BUDGETARY IMPACT:

Projected take-rates from previous SandyNet ARPA Expansion discussions are expected with the approval of ACP participation.

Additionally, approval works toward [City Council Goal 1-F](#) and implementation can help SandyNet generate additional revenue that would otherwise be lost.