



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: February 2, 2026		Subject: Resolution No. 3230 Establishing and Imposing Just and Equitable Stormwater User Fees and Repealing Resolution No. 2507 and Resolution No. 2353. Staff Member: Zach Weigel, P.E. City Engineer Keith Katko, Finance Director Department: Community Development & Finance	
Action Required		Advisory Board/Commission Recommendation	
<input checked="" type="checkbox"/> Motion <input checked="" type="checkbox"/> Public Hearing Date: February 2, 2026 <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda		<input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable	
		Comments: N/A	
Staff Recommendation: Staff recommends Council adopt Resolution No. 3230.			
Recommended Language for Motion: I move to adopt Resolution No. 3230 with alternative (select 1, 2, 3, or 4).			
Project / Issue Relates To:			
<input type="checkbox"/> Council Goals/Priorities:	<input checked="" type="checkbox"/> Adopted Master Plan(s): 2024 Stormwater Master Plan	<input type="checkbox"/> Not Applicable	

ISSUE BEFORE COUNCIL:

A City of Wilsonville resolution establishing and imposing just and equitable stormwater user fees and repealing Resolution No. 2507 and Resolution No. 2353, Capital Improvement Project (CIP) #7059.

EXECUTIVE SUMMARY:

Stormwater utility rates were last increased in January 2015 by Resolution No. 2507 to incorporate the storm pipe replacement needs identified in the 2014 Charbonneau Consolidated Improvement Plan. Since that time, the stormwater utility rate has not been adjusted and is not indexed for inflation.

On April 1, 2024, City Council adopted the 2024 Stormwater Master Plan (Ordinance No. 890). The adopted plan included an updated Capital Improvement Project (CIP) list consisting of stormwater infrastructure improvements that will be needed over the next twenty years to meet projected growth, operation and maintenance needs, and regulatory requirements.

Also impacting utility rates is the construction inflation that occurred between 2020 and 2023, with an estimated 53.8% increase according to the Federal Highway Administration: National Highway Construction Cost Index. Such an unprecedented increase in a short period of time has had a significant impact on the City's ability to fund needed stormwater capital improvement projects. As a result of the updated capital project list, construction inflation, and length of time since the last utility rate increase, review of the current utility rates is necessary to maintain financially sound stormwater utility fund.

Beginning in July 2024, the City entered into a Professional Services Agreement with FCS Group to perform a stormwater rate fee study, resulting in a recommended stormwater utility rate and implementation schedule. Based on feedback provided by City Council during two work sessions with the project team, a recommended stormwater utility rate and implementation schedule consisting of an across-the-board adjustment was presented to the City Council for adoption at a public hearing on December 15, 2025.

Based on testimony provided by community members at the public hearing, City Council directed staff to reassess the stormwater capital improvement project list and prepare stormwater rate alternatives that have less impact on Wilsonville utility customers. City Council continued the public hearing until February 2, 2026.

Since that time, the project team has reviewed the stormwater Capital Improvement Project (CIP) list. The projects on the list in the near term are to address verified pipeline deterioration issues or areas of localized flooding. The major projects scheduled within the next five years, including the total estimated cost and portion funding by System Development Charges (SDC), are as follows:

Boeckman Creek Flow Mitigation	\$6.6M (\$1.6M in SDC)
Miley Road Stormwater Improvements	\$11.3M
Garden Acres Pond Retrofit	\$3.8M (\$1.4M in SDC)
Day Road Stormwater Improvements	\$12.0M (\$4.6M in SDC)
Charbonneau Consolidated Plan Storm Improvements	\$2.0M per year

Due to the potential risk of significant increase in costs due to emergency construction and repair from damage caused by failed infrastructure and potential flooding during large rainfall events, the project team does not recommend removal of any stormwater projects from the CIP.

Upon further review of the stormwater utility rate and implementation schedule, the project team has identified four alternatives, including the stormwater rate schedule previously recommended, for City Council consideration. The estimated budgetary Impacts associated with each alternative are provided below.

Option 1: Original Stormwater Rate Proposal

Date	Increase per ERU	New Rate
2026	\$4.22	\$16.12
2027	\$5.73	\$21.85
2028	\$7.75	\$29.60

ERU = Equivalent Residential Unit = 2750 square feet of impervious area

Option 2: Flat - 3 Year

Date	Increase per ERU	New Rate
2026	\$5.75	\$17.65
2027	\$5.75	\$23.40
2028	\$5.75	\$29.15

Option 3: Flat – 5 Year

Date	Increase per ERU	New Rate
2026	\$4.15	\$16.05
2027	\$4.15	\$20.20
2028	\$4.15	\$24.35
2029	\$4.15	\$28.50
2030	\$4.15	\$32.65

Option 4: Escalate – 5 Year

Date	Increase per ERU	New Rate
2026	\$3.25	\$15.15
2027	\$3.75	\$18.90
2028	\$4.25	\$23.15
2029	\$4.75	\$27.90
2030	\$5.00	\$32.90

Option 1 – This is the stormwater rate increase that was recommended to City Council for adoption on December 15, 2025.

Option 2 – This alternative flattens out the annual stormwater rate in Option 1 and keeps the three-year implementation schedule. The stormwater rate does slightly increase in the first year

but prevents a bigger rate jump in third year. This alternative has no negative impact on revenue generated and does not result in any project delays.

Option 3 – This alternative flattens out the annual stormwater rate increase and extends the schedule to a five-year implementation period. Lengthening the rate increases over a longer period time results in an estimated total revenue loss of \$2.8 million in the first four years, resulting in an estimated delay in the Charbonneau stormwater projects of approximately 3 years.

Option 4 – This alternative provides for a lower stormwater rate in the first year and steps up the increases each year over a five-year period. Because the stormwater rate starts at a lower amount, the project team estimates a total revenue loss of \$4.2 million in the first four years, resulting in an estimated 4-5 year delay in the rehabilitation of the deteriorated stormwater pipelines identified in the Charbonneau Consolidated Improvement Plan.

The stormwater rate increase adopted will go into effect on March 1, 2026 and then January 1 of each year after that. At the time the stormwater rate increase implementation schedule is completed, an annual inflationary adjustment will begin and continue each year thereafter.

In addition, the project team is recommending elimination of the storm utility rate exemption. There are currently 122 accounts across the city that are not currently charged a storm utility fee on their monthly utility bill, most of which are older accounts from the 1990's that did not have storm drainage service at that time, but since have been provided service. In addition, a major component of the storm water utility is management of runoff from public streets and facilities, as well as implementation of the City's National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm System (MS4) permit program, which affects all customers within Wilsonville.

EXPECTED RESULTS:

The updated stormwater utility rate will provide the estimated revenue necessary to fund staffing, materials, and capital improvements necessary to maintain and operate the stormwater utility, replace worn out, outdated infrastructure and meet regulatory requirements, helping to maintain a financially sound stormwater utility program.

TIMELINE:

If adopted by City Council, the selected stormwater fee and implementation alternative will go into effect beginning on March 1, 2026.

CURRENT YEAR BUDGET IMPACTS:

The consultant work is included in the Fiscal Year (FY) 2025-26 Capital Improvement Program (CIP) Budget.

COMMUNITY INVOLVEMENT PROCESS:

The project team has held two work sessions with City Council to discuss the stormwater utility

rate and implementation schedule on April 21, 2025 and on November 3, 2025. On November 17, 2025, notice of the proposed stormwater utility rate increase was mailed to the top ten stormwater customers within Wilsonville, inviting questions, comments, and concerns to be shared with the project team.

Also, on November 17, 2025, notice of the proposed elimination of the storm utility rate exemption was mailed to all 122 affected property owners, inviting concerned customers to schedule time with the project team to discuss the stormwater utility fee and the potential increase on their monthly utility bill.

A public open house was held on December 2, 2025, with an estimated 50 interested stormwater utility customers in attendance to learn about the stormwater utility rate, proposed fee increase and implementation schedule, and engage in a question-and-answer session with the project team. Advance notice of the open house was sent via postcard to every stormwater customer within Wilsonville, published in the Boones Ferry Messenger, and posted through Let's Talk Wilsonville! and social media.

A project webpage with up-to-date stormwater utility rate information has been maintained and updated by the project team for the duration of the project.

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:

The updated stormwater utility rate and implementation schedule will provide the revenue necessary to maintain a financially sound stormwater utility program, helping to make sure stormwater runoff is properly treated, avoiding localized flooding in neighborhoods and on roadways, preventing erosion of stream channels and slopes, making for clean waterways and a healthy environment.

ALTERNATIVES:

The project team has provided four alternatives for City Council consideration for adoption. The original proposal stormwater rate schedule and Option 1 will not result in a reduction in revenue or delay priority infrastructure projects. Should Council select either Option 3 or 4, the project team estimates a loss of \$2.8M - \$4.2M in revenue, resulting in 3 – 5 year delay of the high priority Charbonneau Consolidated Plan stormwater improvements. Staff recommends adoption of Option 1 as a result of the increased risk of private property damage and higher costs associated with emergency infrastructure repairs due to the delay of high priority projects to address localized flooding and deteriorated pipe conditions. Ultimately, selection of reduced stormwater rate or extended implementation schedule will result in higher future costs for utility customers.

CITY MANAGER COMMENT:

N/A

ATTACHMENTS:

1. Resolution No. 3230 – Option 1
 - A. Stormwater User Fee Schedule – Option 1

2. Resolution No. 3230 – Option 2
 - A. Stormwater User Fee Schedule – Option 2
3. Resolution No. 3230 – Option 3
 - A. Stormwater User Fee Schedule – Option 3
4. Resolution No. 3230 – Option 4
 - A. Stormwater User Fee Schedule – Option 4

RESOLUTION NO. 3230**A RESOLUTION OF THE CITY OF WILSONVILLE ESTABLISHING AND IMPOSING JUST AND EQUITABLE STORMWATER USER FEES AND REPEALING RESOLUTION NO. 2507 AND RESOLUTION NO. 2353.**

WHEREAS, the City of Wilsonville Ordinance No. 433 provides the overall City implementing policy and procedures for stormwater management and for imposing a charge (stormwater fee) for stormwater services; and

WHEREAS, the purpose of this resolution is to provide a uniform framework for the imposition of a stormwater fee for stormwater services including, but not limited to, administrative review procedures and stormwater quality management. The stormwater fee is adopted to ensure that any person whose property generates stormwater runoff from impervious surfaces pay a stormwater fee for stormwater service in proportion to the amount of impervious surface area on their property; and

WHEREAS, the City of Wilsonville provides stormwater services including, but not limited to management and implementation of the City National Pollution Discharge Elimination System (NPDES) Municipal Separate Storm System (MS4) permit and erosion control and sediment prevention program; maintenance, operation, and capital improvement of stormwater treatment and collection systems that serve public roadways and facilities; restoration of stream channels and wetlands to improve water quality and channel stability; street sweeping; and projects to address localized flooding, which benefit all utility customers residing and operating within the Wilsonville service district, and as a result are assessed and responsible for payment of the stormwater fee; and

WHEREAS, the City of Wilsonville Fiscal Management Policies require stormwater charges to be sufficient to finance all operating, capital outlay, debt service expenses, operating contingency and reserve requirements; and

WHEREAS, in 2024 the City of Wilsonville adopted a Stormwater Master Plan (Ordinance No. 890), including the list of stormwater system improvement projects to address the City's need through the 20-year planning horizon; and

WHEREAS, the stormwater user fee was last updated by City Council on January 5, 2015 (Resolution No. 2507) and has remained unchanged since January 1, 2021; and

WHEREAS, the City of Wilsonville has experienced significant construction cost inflation between 2021 and 2023, an estimated 53.8% increase nationwide as reported by the Federal Highway Administration; and

WHEREAS, a stormwater utility rate study was initiated to determine necessary actions to address the effects of inflation on the stormwater utility fund since the last study completed in 2015 and evaluate revenue requirements to address the operating and capital needs identified in the 2024 Stormwater Master Plan; and

WHEREAS, the 2014 Charbonneau Consolidated Improvement Plan stormwater capital improvement project list was reviewed in detail and costs updated to present day estimates by the Community Development staff in preparation for the stormwater rate study; and

WHEREAS, the City of Wilsonville has hired Financial Consulting Solutions Group, Inc. (FCS Group), an expert consultant in the field of utility rate setting, who has completed a fund analysis that provides an equitable system of user charges; and

WHEREAS, work sessions with the City Council regarding stormwater user fees were held on April 21, 2025 and November 3, 2025, resulting in a preferred stormwater rate structure and implementation schedule; and

WHEREAS, the rate structure reflects a stormwater service charge based on an Equivalent Residential Unit (ERU) of 2,750 square feet of impervious surface; and

WHEREAS, the City duly issued a public notice of the proposed rate increase and mailed notices to Wilsonville residents and businesses on November 17, 2025, including several articles pertaining to the pending increase in the Boones Ferry Messenger as recently as December 2025 and held a public open house with interested stormwater utility customers on December 2, 2025; and

WHEREAS, Resolution No. 2353 applies to stormwater user fees and stormwater system development charges; and

WHEREAS, Resolution No. 2507 amended the applicable provision of Resolution No. 2353 as they apply to the stormwater user fees and collection charges; and

WHEREAS, Resolution No. 3210 amended the applicable provision of Resolution No. 2353 as they apply to the stormwater system development charges; and

WHEREAS, Resolution No. 3230 establishes new stormwater user fees and repeals Resolution No. 2353 and Resolution No. 2507, leaving in place Resolution No. 3210.

NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

PART I	DETERMINATION & FINDINGS
PART II	DEFINITIONS
PART III	ESTABLISHES THE STORMWATER FEE FOR STORMWATER SERVICES AND DISBURSEMENT OF FUNDS
ARTICLE I	ADMINISTRATION
ARTICLE II	EFFECTIVE DATES
ARTICLE III	USER FEES FOR STORMWATER SERVICE
ARTICLE IV	DISBURSEMENT OF FUNDS
ARTICLE V	REFUNDS
ARTICLE VI	GENERAL FUND SERVICES
PART IV	STATEMENT OF VALIDITY
PART V	REPEAL OF EXISTING RESOLUTIONS
PART VI	EFFECTIVE DATE

Part I: DETERMINATION AND FINDINGS

- A. The City Council adopts above recitals as findings and incorporates them by reference in support of this Resolution.
- B. The City Council has reviewed the proposed stormwater fee for stormwater services and finds the proposed fee to be rationally based and financially prudent.

Part II: DEFINITIONS

The following words and phrases, as used within this Resolution, have the following definitions and meanings:

- A. "City Council" means the governing body of the City of Wilsonville.
- B. "DCD" means director of the Community Development Department.
- C. "Impervious Surface" means any substance or material restricting the passage of water including, but not limited to, roofing materials, concrete, asphalt, compacted gravel, compacted dirt, or excavated slopes.
- D. "Industrial" means all buildings or structures in which a product is manufactured, stored or distributed, or any combination of the above.
- E. "Owner" means the owner or owners of record title or; the purchaser or purchasers under a recorded sales agreement, and other persons having an interest of record in the described real property.
- F. "Stormwater" means water that originates during precipitation events, snowmelt or runoff water from overwatering that enters the stormwater system. Stormwater that does not soak into the ground becomes surface runoff, which either flows directly into surface waterways or is channeled into storm sewers, which eventually discharge to surface waters.
- G. "Water quality" means a measure of the condition of water relative to the requirements of one or more biotic species and or to any human need or purpose. It is most frequently used by reference to a set of standards against which compliance can be assessed. The most common standards used to assess water quality relate to health of ecosystems, safety of human contact and drinking water.

Part III: ESTABLISHES THE STORMWATER FEE FOR STORMWATER SERVICES AND DISBURSEMENT OF FUNDS

ARTICLE I Administration

Section 1. The City's organization includes a Community Development Department, the Director of which is employed by the City Manager. In addition to such other duties and responsibilities that may be assigned to this person, the Director of

Community Development (DCD) shall be responsible for the administration of the stormwater fee as part of this Resolution, for developing administrative procedures for the calculation and collection of stormwater fees and for developing and administering stormwater management programs and related activities.

ARTICLE II Effective Dates

Section 1. Stormwater rates will be phased in over three years as reflected in **Exhibit A**. First increase shall be effective March 1, 2026. Subsequent increases shall be effective January 1, 2027 and January 1, 2028. An inflationary increase based on the Consumer Price Index, West Region will be applied to the stormwater rates on an annual basis effective January 1, 2029.

ARTICLE III User Fees for Stormwater Service

Section 1. Methodology

For ease of administration and to standardize application, the stormwater fee is based on an equivalent residential unit (ERU). The ERU is based on 2,750 square feet of impervious surface per equivalent residential unit.

Section 2. Implementation of Fees

A stormwater user fee is hereby imposed upon all water, sewer, and stormwater customers residing or operating within Wilsonville.

Section 3. Initial Service

When a water, sewer, or stormwater service is initially provided to any building(s), a stormwater user fee shall be charged monthly.

Section 4. Charge to Users

All water, sewer, and stormwater utility customers and users of properties with impervious surfaces are hereby charged stormwater user fee at the single-family

unit rate (ERU) as provided in **Exhibit A** per 2,750 square feet of impervious surface area. Actual monthly fees will be calculated in accordance with Ordinance No. 433.

- A. For each two thousand seven hundred fifty square feet of impervious surface the said property shall be charged the rate for a single-family unit. The minimum service charge shall be established at the rate of one single family unit.
- B. The stormwater for a mobile home park shall be established at the rate of one single-family per space.
- C. The stormwater fee for a multiple-family building or facility shall be calculated based on the square feet of impervious surface; however, the maximum charge shall be limited to the number of multiple family units on the property multiplied by the charge for a single-family unit.
- D. All charges for stormwater services furnished or rendered by the City of Wilsonville shall be chargeable to the current user of the property where water, sewer, or stormwater services are supplied. In addition, the current property user and property owner shall be personally liable for all charges accrued against the property designated within the application.
- E. The City reserves the right to cut off and disconnect water services to the premises without further notice when charges for water and stormwater services become delinquent, and the expense thereof shall be borne by the user to which such services have been supplied. The City shall provide a minimum of 3 days' notice by a door hanger or by mail prior to water service disconnection.

Section 5. Annual Increase of Fees

Stormwater user fees shall be reviewed annually and increased for inflation based on the Consumer Price Index, West Region according to the schedule provisions of Article II, Section 1, of this Resolution.

Section 6. User Fees Within City

The stormwater fees effective March 1, 2026, January 1, 2027, and January 1, 2028 are provided in **Exhibit A**.

Option 2**ARTICLE VI
Disbursement of Funds**

Section 1. All payments received by the City for stormwater services rendered under the provisions of this resolution shall be deposited in the Stormwater Operating Fund.

Section 2. The stormwater fee payments received shall be credited to the accounts established for the operation and maintenance of the stormwater system and all conveyances, and all elements of the NPDES stormwater management program as well as any debt service which may be funded with revenue bonds which are repaid from the stormwater fee. Operations and maintenance costs may include personnel, equipment, materials, system replacements and capital improvement outlay.

**ARTICLE V
Refunds**

Section 1. Refunds of storm water fees may be made upon initiations of the DCD or upon written application filed with the DCD. Refunds shall only be allowed upon a finding by the DCD that there was an actual clerical error in the calculation of the fee.

**ARTICLE VI
General Fund Services**

Section 1. For use of city-owned right-of-way, a franchise fee of four percent (4%) of the gross annual revenue from the stormwater fee for stormwater services will be collected and remitted quarterly to the general fund.

Part IV: STATEMENT OF VALIDITY

- A. The invalidity of any section, clause, sentence or provision of this Resolution shall not affect the validity of any part of this Resolution which can be given effect without such invalid part or parts.

Part V: REPEAL OF EXISTING RESOLUTIONS

- A. By the adoption of this Resolution, Resolution No. 2353 and Resolution No. 2507 are hereby repealed.

Part VI: EFFECTIVE DATE

- A. This Resolution is effective upon adoption.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 2nd day of February, 2026, and filed with the Wilsonville City Recorder this date.

Shawn O'Neil, Mayor

ATTEST:

Kimberly Veliz, MMC, City Recorder

SUMMARY OF VOTES:

Mayor O'Neil

Council President Berry

Councilor Cunningham

Councilor Scull

Councilor Shevlin

EXHIBITS:

- A. Stormwater User Fee Schedule

EXHIBIT A

Stormwater User Fee Schedule

	3/1/2026	1/1/2027	1/1/2028
<u>Charge per ERU</u>			
Residential	\$17.65	\$23.40	\$29.15

Multifamily & Non-Residential: is based on the impervious surface area divided by 2750 square feet, then multiplied by the residential rate (ERU)