



Sewer and Storm SDC Stakeholder Meeting Notes

PROJECT: Wilsonville Utility Revenue Assessment & Fee Update
Project No. 2066 & 7059

LOCATION: Wilsonville City Hall
Willamette River I
29799 SW Town Center Loop East
Wilsonville, OR 97070

DATE/TIME: August 5, 2025, 10:00am

ATTENDANCE: Zach Weigel, Wilsonville; Keith Katko, Wilsonville; Jeanna Troha, Wilsonville; John Ghilarducci, FCS; Zech Hazel, FCS; Seth Henderson, Level Development NW; Rand Waltz, AKS Engineering

MEETING NOTES:

Is the reimbursement portion of the SDC fee based on the original infrastructure costs?
Yes, the reimbursement fee is based on original infrastructure costs.

How far out does the improvement portion of the SDC fee look?
The SDC improvement fee is based on the timeframe included in the utility master plans, generally 20-year outlook. The projects and the fee is based on providing future service to the urban reserve areas.

Does the storm system reimbursement portion of the SDC fee focus on the conveyance system?
Yes. The cost of the pipe system capacity is included in the storm reimbursement SDC fee calculation.

Is the usage growth rate assumed in the SDC calculations higher than what other agencies assume in the region.
Yes, the assumed growth rate is a little higher than comparable jurisdictions in the region, which results in an overall lower SDC than if a slower growth rate is assumed. The SDC analysis tries to match the expected overall growth to the project list, which will self-correct overtime. For example, if no growth is occurring, then there is also no need for the project that provides additional capacity.



Does the proposed SDC methodology address SDC credits?

No. SDC credits are governed by the City's municipal code and there are no anticipated code changes with the updated storm and sewer methodology. A developer will still be responsible for providing the required infrastructure and credits for "oversizing" will be made available. This also applies to necessary pump station infrastructure with SDC credits available for oversizing to serve future service areas.

Has the City considered adopting an SDC deferral program, such that SDC fees are paid at the time of occupancy instead of building permit issuance? It is challenging for developers to carry the financing costs of SDC fees between permit issuance and occupancy.

To date, the City has not and is not planning on implementing a SDC deferral program. The City relies heavily on SDC funds to pay for infrastructure projects and is already constantly running behind development to install needed infrastructure. Without other funding sources, such as Urban Renewal or Federal/State Grants, the City cannot build necessary infrastructure without collection of SDC. Any delay of SDC collection not only puts the City further behind in raising funds to build needed infrastructure, the City then has to carry those deferred costs, which are not SDC eligible costs.

Still would like the City to consider implementing an SDC deferral program to support residential development.

Does the City Council review or edit the project list that the SDC fee is based on?

The City Council can edit the project list, but it is not that common. With the Parks SDC a few years ago, City staff proposed for City Council consideration an edited list of project costs to help reduce the Parks SDC fee. With the sewer and storm project list, all of the projects are needed to support development, so there isn't really anything to cut back on. Any cuts to those project lists would mean current residents and businesses would be subsidizing development through the utility fee to construct the needed capacity. This is something that Wilsonville has not done in the past.

What are the next steps?

The City will be assessing the impact on SDC revenue resulting from a couple of implementation schedule alternatives over the next month. A final SDC work session with the Wilsonville City Council is scheduled for September 4 with final adoption on September 15. The new SDC rates and methodology is scheduled to go into effect on January 1, 2026.



Wilsonville Sewer and Stormwater System Development Charges



August 5, 2025



Agenda

- **System Development Charge:** A one-time fee paid at the time of development to collect the cost of capacity for growth.
- Results shown today will be the maximum defensible system development charges



Methodology



Existing and planned capacity of each system



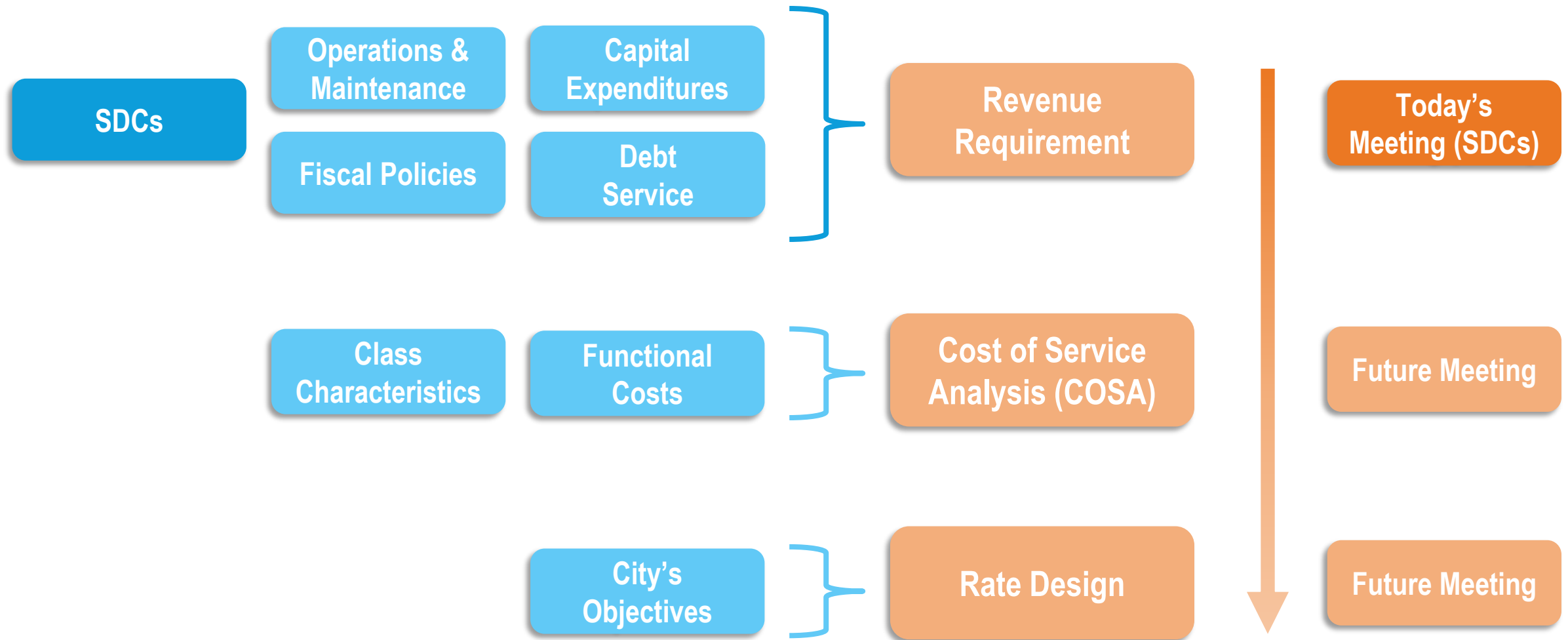
Eligible cost of the project lists and existing systems



Feedback / tweaks welcome



Rate Study Overview





Key Characteristics of SDCs

SDCs are one-time charges, not ongoing rates. Paid at the time of development.

SDCs are available for water, wastewater, stormwater, transportation, and parks.

SDCs are for capital only, in both their calculation and in their use.

SDCs include both existing and future (planned) infrastructure cost components.

SDCs are for “system” facilities, not “local” facilities.



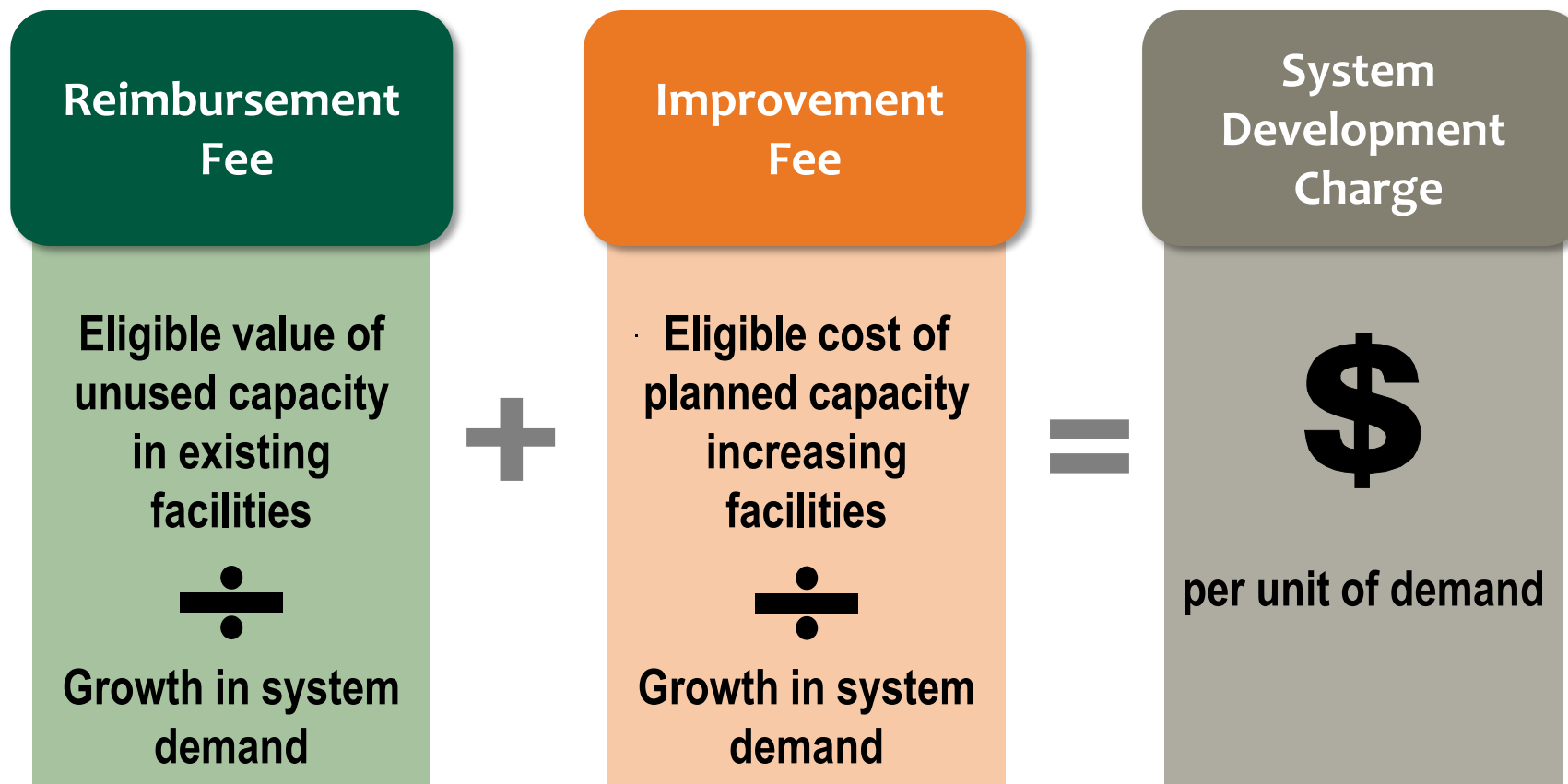
Legal Framework for SDCs

ORS 223.297 - 316, known as *the SDC Act*, provides “a uniform framework for the imposition of system development charges by governmental units” and establishes “that the charges may be used only for capital improvements.”





The SDC Calculation





Methodology Goals

- Calculations are intended to set the maximum defensible SDCs
- Council can adopt anything up to that maximum for any reason

**Council's
Range of
Options**

**Current
SDCs**

**Max
Defensible
SDCs**



Stormwater SDC



Calculated Stormwater SDC

Calculated SDC	
Improvement Fee Cost Basis	\$ 14,979,904
Outstanding Improvement Fee Fund Balance	(2,309,441)
Reimbursement Fee Cost Basis	14,594,801
Compliance Costs	90,520
Total	\$ 27,355,784
Growth in EDUs	7,745
Improvement Fee per EDU	\$1,636
Reimbursement Fee per EDU	\$1,884
Compliance Fee per EDU	\$12
Total SDC per EDU (2,750 Sq. Ft.)	\$3,532



Growth in Stormwater EDUs

	2024	2043	CAGR	Growth (2024-2043)	Growth Share
Impervious Acres	2,881	3,785	1.45%	905	23.90%
Billable EDUs	24,663	32,408	1.45%	7,745	23.90%

Source: Stormwater Master Plan, Appendix B, Attachment B (growth in impervious acres); City customer billing data (billable EDUs)

- Based on the City's planned growth in impervious acres, the number of billable stormwater equivalent dwelling units (EDUs) will increase by 7,745



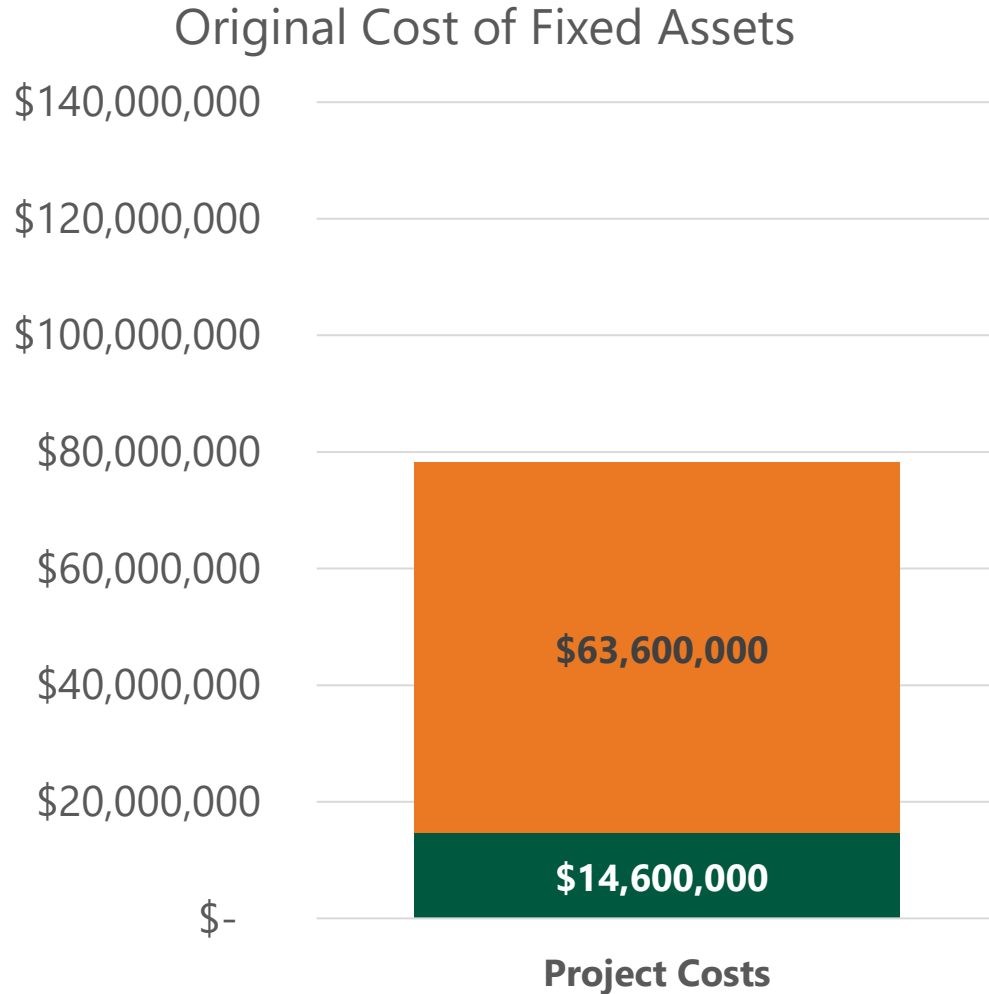
Stormwater Improvement Fee Cost Basis



- Most of the City's stormwater project list is for the rehabilitation and repair of deficient assets
- Only about \$15 million (13% of the project list total) is for capacity for growth



Stormwater Reimbursement Fee Cost Basis



- Most of the City's stormwater fixed asset list is not recoverable in the SDC
- Only about \$14.6 million (19% of the fixed asset list total) represents available capacity for growth



Calculated Stormwater SDC

Calculated SDC	
Improvement Fee Cost Basis	\$ 14,979,904
Outstanding Improvement Fee Fund Balance	(2,309,441)
Reimbursement Fee Cost Basis	14,594,801
Compliance Costs	90,520
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Sewer SDC





Calculated Sewer SDC (MCE Method)

Calculated Cost Bases	Full SDC
Improvement Fee Cost Basis	\$ 98,744,256
Outstanding Improvement Fee Fund Balance	(550,583)
Reimbursement Fee Cost Basis	16,793,844
Compliance Costs	45,260
Total	\$ 115,032,777

Calculated SDC (MCE Method)	Full SDC
Improvement Fee per MCE	\$13,068.61
Reimbursement Fee per MCE	\$2,277.22
Compliance Fee per MCE	\$6.31
Total SDC per MCE	\$15,352.15

MCE = meter-capacity equivalent



Sewer SDC Capacity

- Unlike stormwater, where capacity was measured in one metric (EDUs), sewer has four measures of capacity:
 - » **Collection (Flow)** – Measured in average dry weather flow
 - » **Treatment (Flow)** – Measured in peak hourly flow
 - » **Treatment (BOD)** – Measured in maximum month pounds per day
 - » **Treatment (TSS)** – Measured in maximum month pounds per day
- Measuring capacity in four different ways allows the City to charge high-strength customers



Sewer Capacity

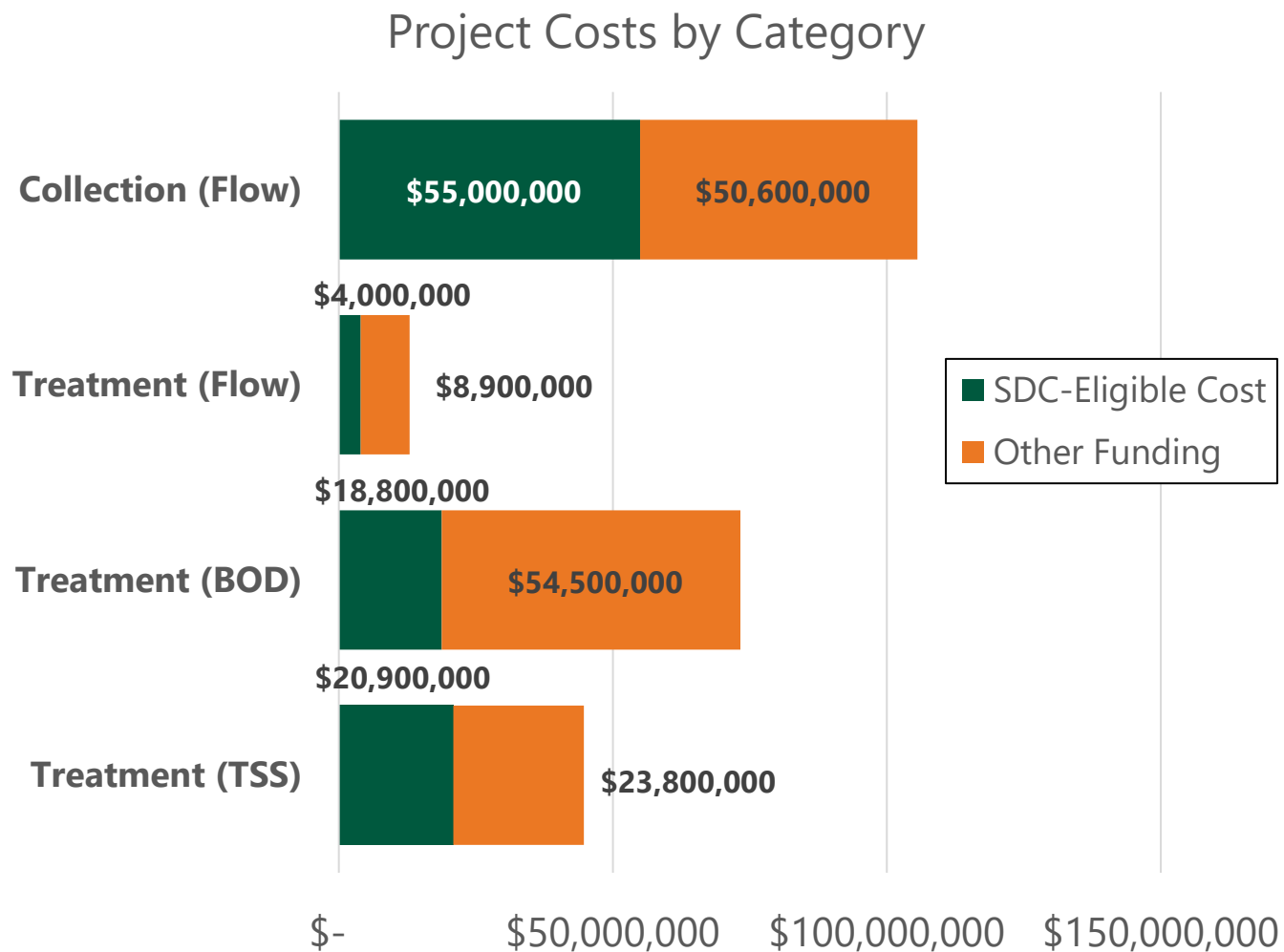
Flows and Loadings	Collection (Flow)	Treatment (Flow)	Treatment (BOD)	Treatment (TSS)
Units	ADWF mgd	PHF mgd	MM ppd	MM ppd
2020 Loadings	1.91	8.79	10,685	8,906
2025 Loadings (Estimated)	2.24	10.10	12,379	10,265
2045 Loadings	4.20	17.60	22,301	18,116
Growth Rate	3.20%	2.82%	2.99%	2.88%

Abbreviations: ADWF = average dry weather flow, mgd = million gallons per day, PHF = peak hour flow, ppd = pounds per day

Growth (Flows and Loadings Method)	Collection (Flow)	Treatment (Flow)	Treatment (BOD)	Treatment (TSS)
Units	PHF gpd	PHF gpd	MM ppd	MM ppd
2025	10,099,355	10,099,355	12,379	10,265
2045	17,600,000	17,600,000	22,301	18,116
Growth	7,500,645	7,500,645	9,922	7,851



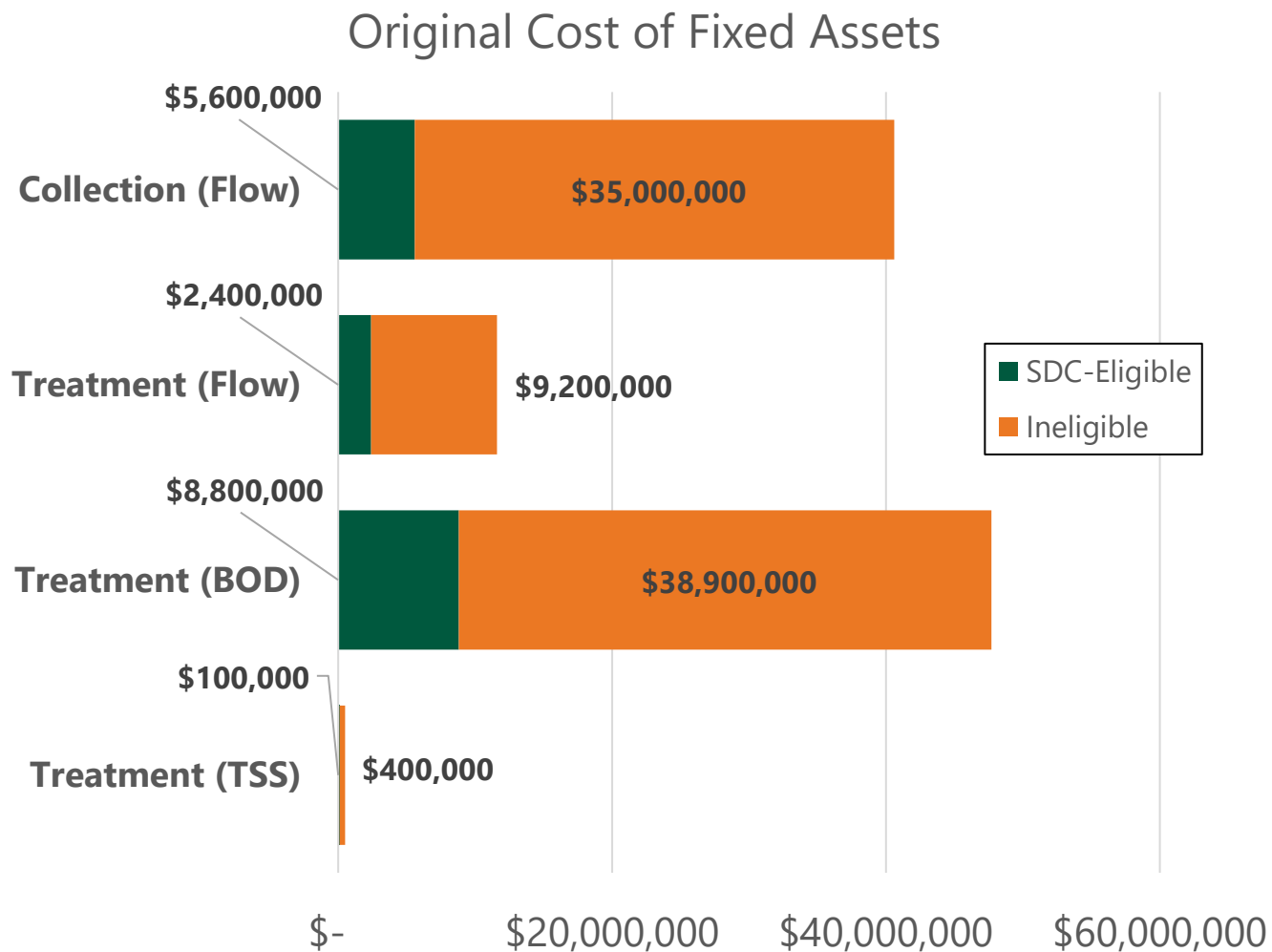
Sewer Improvement Fee Cost Basis



- \$98.7 million (about 42%) of the City's sewer project list is allocable to growth
- The remainder (\$137.8 million) must be collected from other sources



Sewer Reimbursement Fee Cost Basis



- \$16.8 million (about 17%) of the City's fixed assets represent capacity available for growth



Calculated Sewer SDC (MCE Method)

Calculated Cost Bases	Full SDC
Improvement Fee Cost Basis	\$ 98,744,256
Outstanding Improvement Fee Fund Balance	(550,583)
Reimbursement Fee Cost Basis	16,793,844
Compliance Costs	45,260
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Improvement Fee per MCE	\$13,068.61
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Compliance Fee per MCE	\$6.31
Total SDC per MCE	\$15,352.15



Calculated Sewer SDC (Flows and Loadings Method)

Calculated Cost Bases	Collection (Flow)	Treatment (Flow)	Treatment (BOD)	Treatment (TSS)
Improvement Fee Cost Basis	\$ 55,012,026	\$ 3,973,884	\$ 18,831,716	\$ 20,926,630
Outstanding Improvement Fee Fund Balance	(137,646)	(137,646)	(137,646)	(137,646)
Reimbursement Fee Cost Basis	5,561,896	2,384,988	8,752,538	94,422
Compliance Costs	11,315	11,315	11,315	11,315
Total	\$ 60,447,591	\$ 6,232,541	\$ 27,457,923	\$ 20,894,722

Calculated SDC (Flows and Loadings Method)	Collection (Flow)	Treatment (Flow)	Treatment (BOD)	Treatment (TSS)
Units	PHF gpd	PHF gpd	MM ppd	MM ppd
Growth in Units	7,500,645	7,500,645	9,922	7,851
Improvement Fee per Unit	\$7.32	\$0.51	\$1,884.10	\$2,647.94
Reimbursement Fee per Unit	\$0.74	\$0.32	\$882.13	\$12.03
Compliance Fee per Unit	\$0.00	\$0.00	\$1.14	\$1.44
Total SDC per Unit	\$8.06	\$0.83	\$2,767.37	\$2,661.41



SDC Schedule (MCE Method)

Meter Size	MCEs	SDC
5/8"	1.00	\$15,352
1"	2.50	\$38,380
1 1/2"	5.00	\$76,761
2"	8.00	\$122,817
3"	16.00	\$245,634
4"	25.00	\$383,804
6"	50.00	\$767,607



SDC Example (Flows and Loadings Method)

SDC Category	Unit	Unit Rate	Quantity	Calculated SDC
Collection (Flow)	PHF gpd	\$8.06	4,000 gpd	\$32,236
Treatment (Flow)	PHF gpd	\$0.83	4,000 gpd	\$3,324
Treatment (BOD)	MM ppd	\$2,767.37	5 ppd	\$13,837
Treatment (TSS)	MM ppd	\$2,661.41	5 ppd	\$13,307
Total				\$62,704



Next Steps

- **System development charge scenarios?**
- **Cost-of-service analyses**
- **Rate design**

Thank you! Questions?

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