



Wilsonville Storm & Sewer Cost of Service and Rate Design

November 3, 2025





Agenda

- **Cost of Service:** Total amount of rate revenue needed from a customer class to pay for the cost to serve that class.
- The results will be integrated with the revenue requirement analysis to ensure the utility is properly funded.
- The focus is on sewer (no changes to stormwater).



Revenue requirement review



Methodology



Cost-of-service results



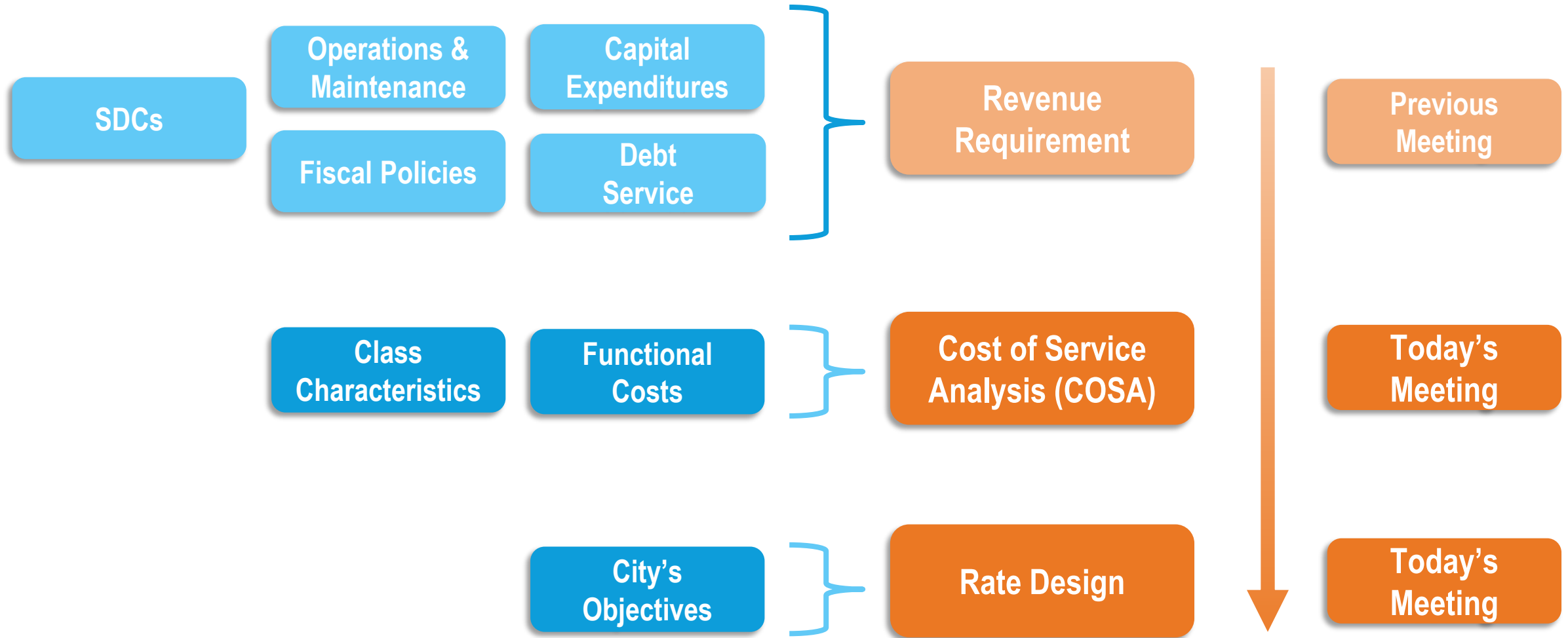
Rate design and sample bills



Feedback / tweaks welcome



Rate Study Overview





Stormwater Utility



Existing Storm Utility Rates

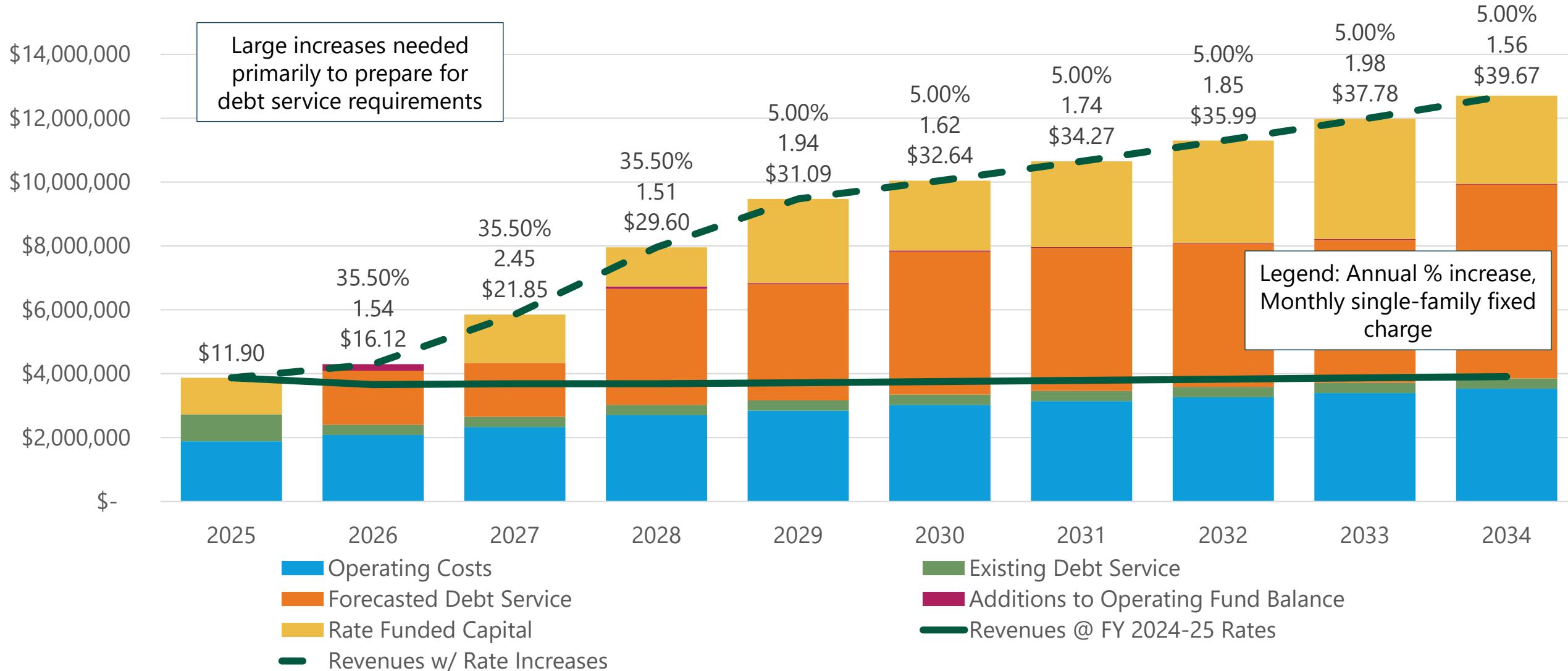
Storm Water Fee:

Supports complying with state and federal environmental protection laws

	<u>1/1/2022</u>	<u>1/1/2023</u>	<u>1/1/2024</u>
Residential	11.90	11.90	11.90
Multifamily & Non-Residential: is based on the the impervious surface area ÷ 2750 sqft and then multiplied by the residential rate.			



Stormwater Revenue Requirement





Across-the-Board Stormwater Rates

	2025	2026	2027	2028	2029	2030
Rate Increases		35.50%	35.50%	35.50%	5.00%	5.00%
<u>Fixed charge by Class</u>						
Single Family Residential	\$11.90	\$16.12	\$21.85	\$29.60	\$31.09	\$32.64
Non-Residential/Multi-Family						
Base Rate per ERU*	\$11.90	\$16.12	\$21.85	\$29.60	\$31.09	\$32.64
8,250 ISF** example	\$35.70	\$48.37	\$65.55	\$88.81	\$93.26	\$97.92

**Assumes an equivalent residential unit (ERU) of 2,750 impervious square feet*

***ISF = impervious square feet*

Sewer Utility





Existing Sewer Utility Rates

Sewer Base Fees (includes the first 2 units)

<u>Water Meter Size</u>	<u>1/1/2022</u>	<u>1/1/2023</u>	<u>1/1/2024</u>
Residential/Multifamily	19.84	19.84	19.84
Non-Residential:			
5x8" or 3/4"	31.94	31.94	31.94
1"	50.08	50.08	50.08
1 1/2"	80.33	80.33	80.33
2"	116.60	116.60	116.60
3"	201.25	201.25	201.25
4"	322.21	322.21	322.21
6"	624.53	624.53	624.53
8"	987.34	987.34	987.34
10"	1761.37	1761.37	1761.37

Additional Sewer Units

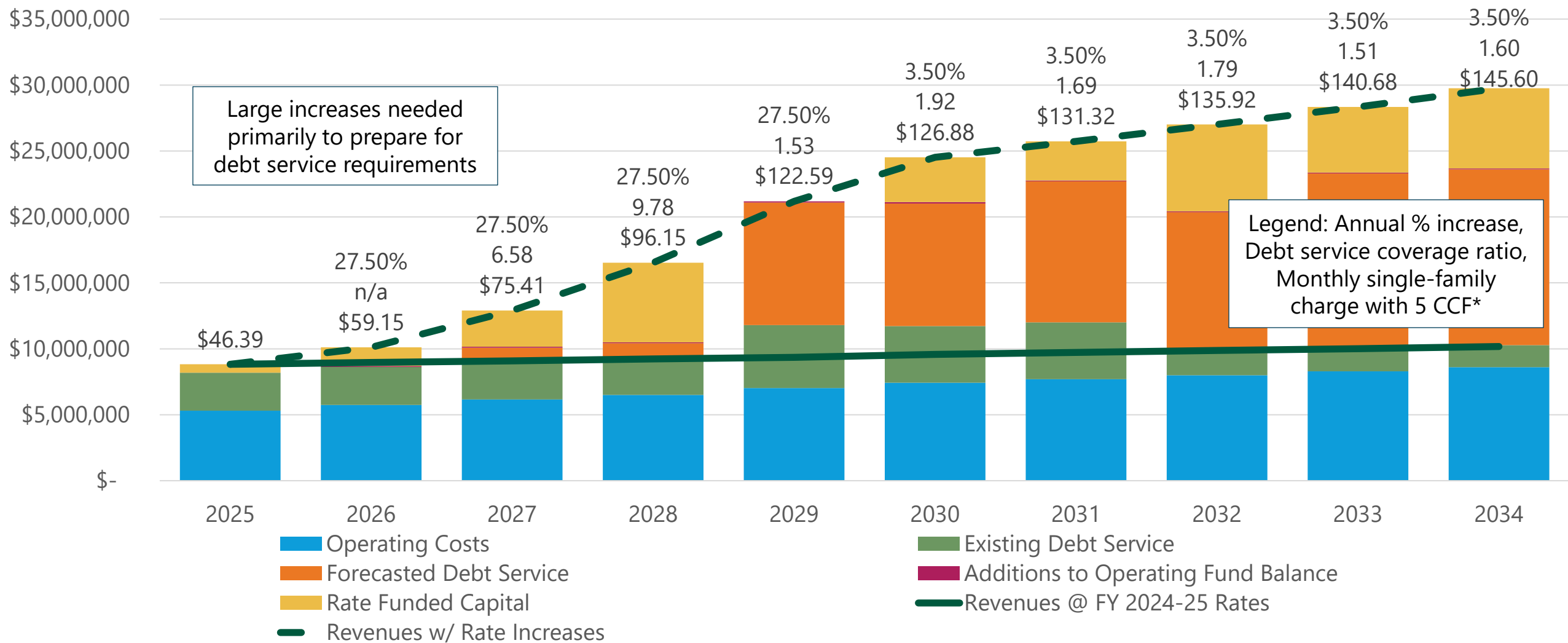
	<u>1/1/2022</u>	<u>1/1/2023</u>	<u>1/1/2024</u>
Additional units	8.85	8.85	8.85

Residential sewer charges are based on the winter average. The winter average is based on the water consumption between November through March. This most accurately reflects indoor water use. New customers are based on the system wide residential average. Averages are re-calculated each April.

Multifamily and Non-Residential is based on monthly water use as irrigation is separately metered.



Sewer Revenue Requirement



Sewer Utility Cost of Service





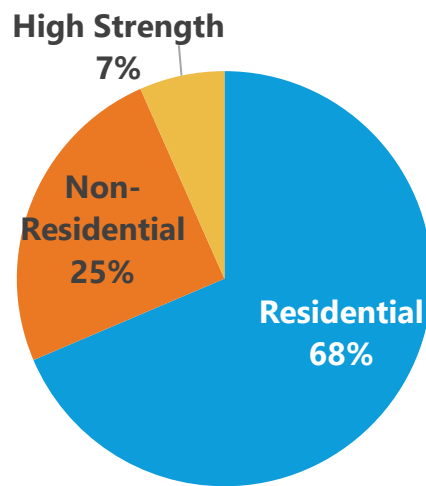
How Will Costs Be Equitably Distributed?

Revenue requirement: How big is the pie?



Cost of service: How should the pie be sliced?

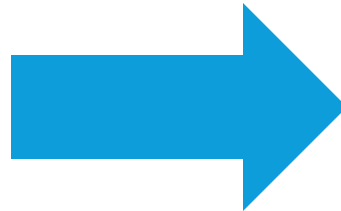
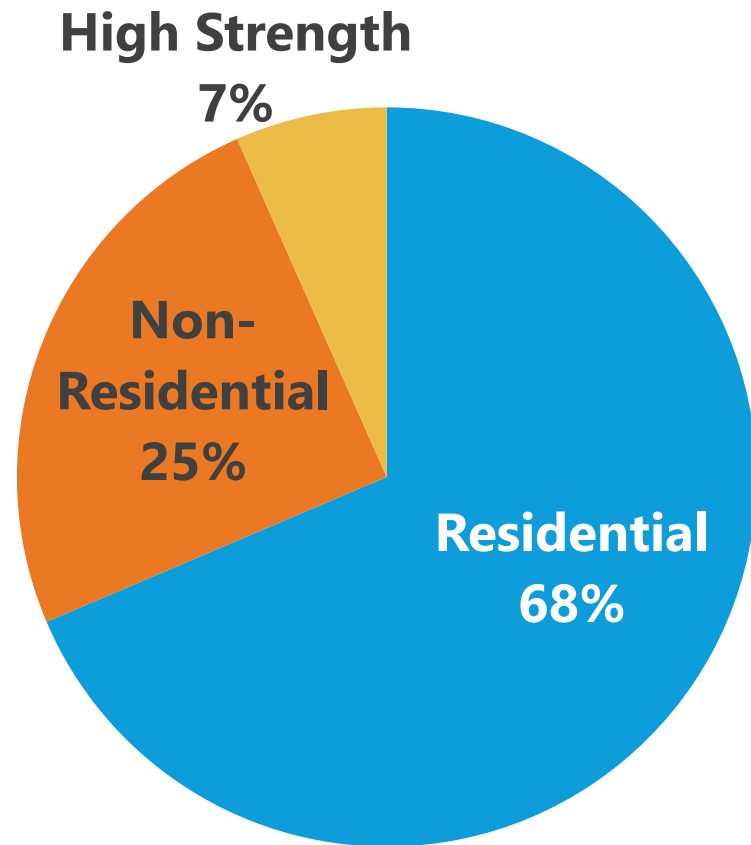
Existing Revenue Collection



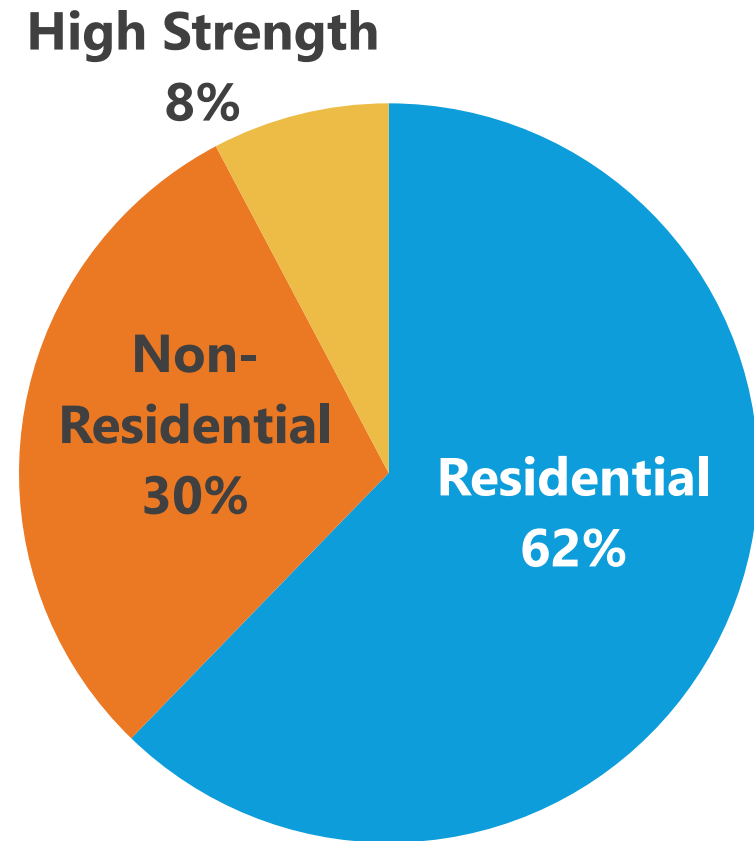


Cost-of-Service Shifts

Existing Revenue Collection



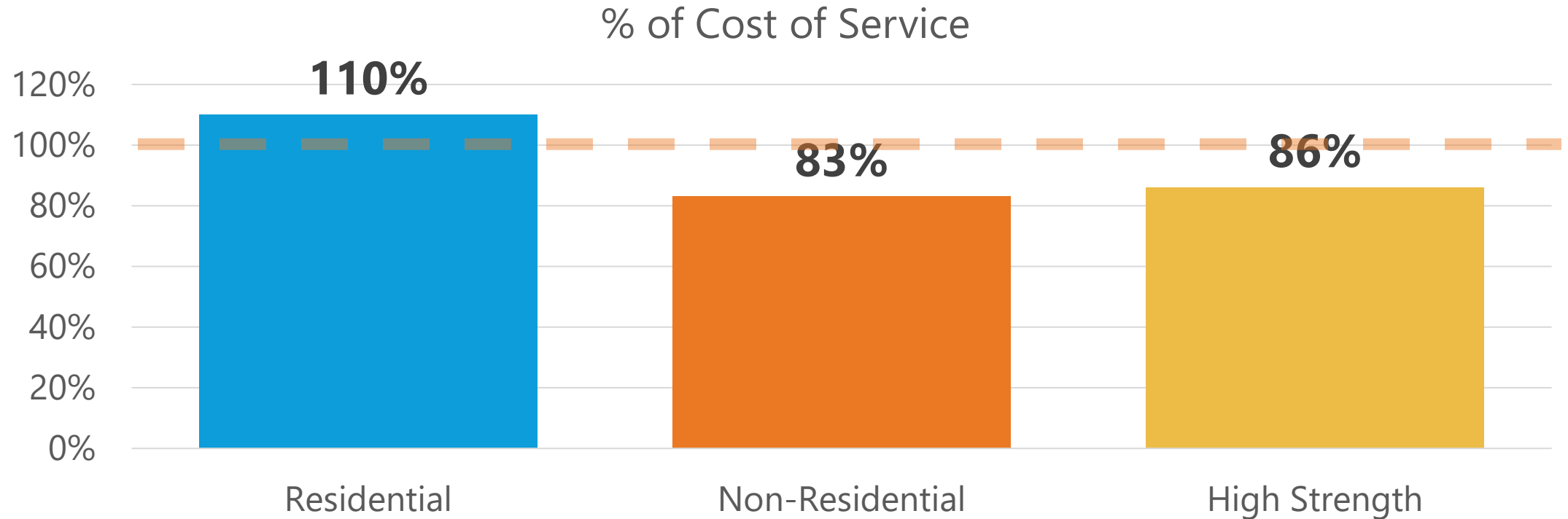
Cost of Service





COSA Results (FY 2025-26)

- Typical results fall within +/- 5% of the cost-of-service
- COSA indicates a need for a non-residential and high strength rate increase





Phase-in Schedule

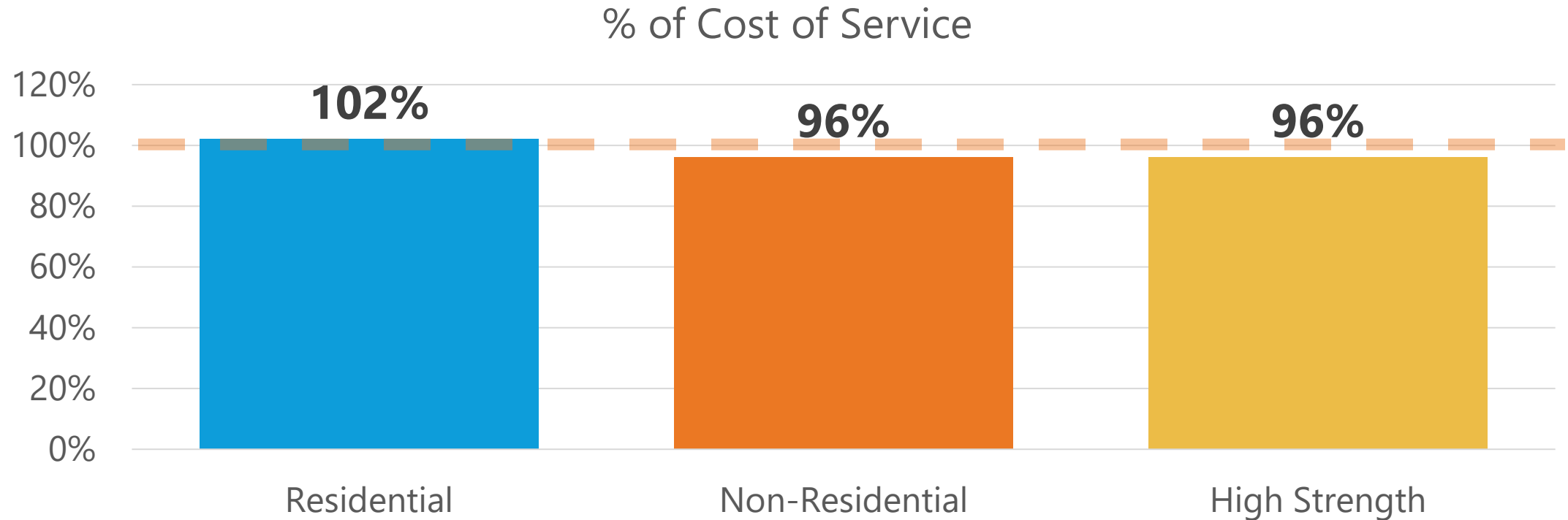
	2026	2027	2028	2029	2030
Overall Revenue Increase	27.50%	27.50%	27.50%	27.50%	3.50%
Residential	25.44%	25.34%	25.24%	25.14%	3.50%
Non-Residential	32.00%	32.00%	32.00%	32.00%	3.50%
High Strength	32.00%	32.00%	32.00%	32.00%	3.50%

- Residential increases are less than the overall revenue increase because they are currently overpaying
- Non-residential and High Strength increases are higher than the average because they are currently underpaying



COSA Results (FY 2029-30)

- Typical results fall within +/- 5% of the cost-of-service
- COSA indicates a need for a non-residential and high strength rate increase



Rate Design





Three Scenarios

- Rates assumed to go into effect on January 1 of each fiscal year
- **Scenario 1 (ATB):** Across-the-board rate increases
 - Maintains the existing rate structure
- **Scenario 2 (COSA):** Use the COSA phase-in to set rate increases by class
 - Improves class equity over five years
- **Scenario 3 (COSA No Allowance):** As Scenario 2, but without the 2 CCF allowance
 - Improves class equity over five years
 - Increases revenue stability by raising the fixed charge



Scenario 1: Across-the-Board Sewer Rates

	2025	2026	2027	2028	2029	2030
Overall Revenue Increase		27.50%	27.50%	27.50%	27.50%	3.50%
<u>Fixed charge by Class</u>						
Single Family Residential/Multifamily	\$19.84	\$25.30	\$32.25	\$41.12	\$52.43	\$54.27
Non-Residential						
5/8" or 3/4"	\$31.94	\$40.72	\$51.92	\$66.20	\$84.41	\$87.36
1"	\$50.08	\$63.85	\$81.41	\$103.80	\$132.34	\$136.98
1 1/2"	\$80.33	\$102.42	\$130.59	\$166.50	\$212.28	\$219.71
2"	\$116.60	\$148.67	\$189.55	\$241.67	\$308.13	\$318.92
3"	\$201.25	\$256.59	\$327.16	\$417.13	\$531.83	\$550.45
4"	\$322.21	\$410.82	\$523.79	\$667.84	\$851.49	\$881.29
6"	\$624.53	\$796.28	\$1,015.25	\$1,294.45	\$1,650.42	\$1,708.18
8"	\$987.32	\$1,258.83	\$1,605.01	\$2,046.39	\$2,609.15	\$2,700.47
10"	\$1,761.37	\$2,245.75	\$2,863.33	\$3,650.74	\$4,654.70	\$4,817.61
<u>Volume Charge: per CCF of water (>2 CCF)</u>						
Additional units	\$8.85	\$11.28	\$14.39	\$18.34	\$23.39	\$22.58



Scenario 2: COSA Phase-in

	2025	2026	2027	2028	2029	2030
Residential Revenue Increase		25.44%	25.34%	25.24%	25.14%	3.50%
Non-Residential Revenue Increase		32.00%	32.00%	32.00%	32.00%	3.50%
<u>Fixed charge by Class</u>						
Single Family Residential/Multifamily	\$19.84	\$24.89	\$31.19	\$39.07	\$48.89	\$50.61
Non-Residential						
5/8" or 3/4"	\$31.94	\$42.16	\$55.65	\$73.46	\$96.97	\$100.36
1"	\$50.08	\$66.11	\$87.26	\$115.18	\$152.04	\$157.36
1 1/2"	\$80.33	\$106.04	\$139.97	\$184.76	\$243.88	\$252.41
2"	\$116.60	\$153.91	\$203.16	\$268.18	\$353.99	\$366.38
3"	\$201.25	\$265.65	\$350.66	\$462.87	\$610.99	\$632.37
4"	\$322.21	\$425.32	\$561.42	\$741.07	\$978.22	\$1,012.45
6"	\$624.53	\$824.38	\$1,088.18	\$1,436.40	\$1,896.05	\$1,962.41
8"	\$987.32	\$1,303.26	\$1,720.31	\$2,270.80	\$2,997.46	\$3,102.37
10"	\$1,761.37	\$2,325.01	\$3,069.01	\$4,051.09	\$5,347.44	\$5,534.61
<u>Volume Charge: per CCF of water (>2 CCF)</u>						
Residential (additional units)	\$8.85	\$11.10	\$13.92	\$17.43	\$21.81	\$22.58
Non-Residential (additional units)	\$8.85	\$11.68	\$15.42	\$20.35	\$26.87	\$27.81



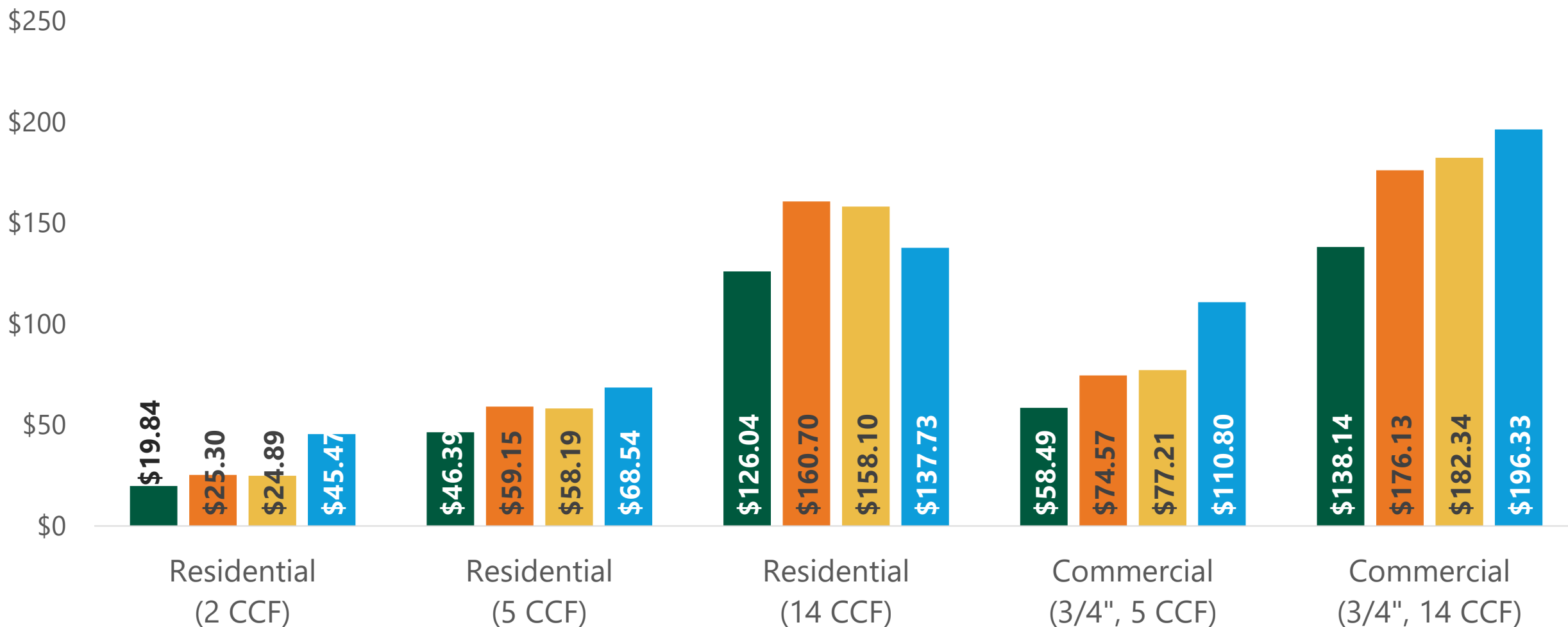
Scenario 3: COSA Phase-in (No Allowance)

	2025	2026	2027	2028	2029	2030
Residential Revenue Increase		25.44%	25.34%	25.24%	25.14%	3.50%
Non-Residential Revenue Increase		32.00%	32.00%	32.00%	32.00%	3.50%
<u>Fixed charge by Class</u>						
Single Family Residential/Multifamily	\$19.84	\$30.10	\$37.73	\$47.25	\$59.13	\$61.21
Non-Residential						
5/8" or 3/4"	\$31.94	\$63.29	\$83.54	\$110.27	\$145.56	\$150.66
1"	\$50.08	\$99.23	\$130.99	\$172.90	\$228.23	\$236.22
1 1/2"	\$80.33	\$159.17	\$210.11	\$277.34	\$366.09	\$378.91
2"	\$116.60	\$231.04	\$304.97	\$402.57	\$531.39	\$549.99
3"	\$201.25	\$398.77	\$526.38	\$694.82	\$917.17	\$949.27
4"	\$322.21	\$638.45	\$842.76	\$1,112.44	\$1,468.43	\$1,519.82
6"	\$624.53	\$1,237.50	\$1,633.50	\$2,156.22	\$2,846.21	\$2,945.82
8"	\$987.32	\$1,956.36	\$2,582.40	\$3,408.76	\$4,499.57	\$4,657.05
10"	\$1,761.37	\$3,490.13	\$4,606.97	\$6,081.20	\$8,027.19	\$8,308.14
<u>Volume Charge: per CCF of water</u>						
Residential (additional units)	\$8.85	\$7.69	\$9.64	\$12.07	\$15.10	\$15.64
Non-Residential (additional units)	\$8.85	\$9.50	\$12.54	\$16.56	\$21.86	\$22.62



Sample Monthly Bills by Usage and Customer

■ 2025 Rates ■ 2026 Rates (ATB) ■ 2026 Rates (COSA) ■ 2026 Rates (COSA w/o allowance)





Sample Monthly Bills by Usage and Customer

Customer	2025 Rates	2026 Rates (ATB)	2026 Rates (COSA)	2026 Rates (COSA w/o allowance)
Residential (2 CCF)	\$19.84	\$25.30	\$24.89	\$45.47
Residential (5 CCF)	\$46.39	\$59.15	\$58.19	\$68.54
Residential (14 CCF)	\$126.04	\$160.70	\$158.10	\$137.73
Commercial (3/4", 5 CCF)	\$58.49	\$74.57	\$77.21	\$110.80
Commercial (3/4", 14 CCF)	\$138.14	\$176.13	\$182.34	\$196.33



High Strength Sample Bill

Charge	Amount	Units	2025 Rates	2026 Rates (ATB)	2026 Rates (COSA)
Flow Charge	2,173	CCF	\$19,231	\$24,520	\$25,385
BOD Charge	3,244	lbs.	\$3,342	\$4,260	\$4,411
TSS Charge	679	lbs.	\$699	\$891	\$923
Total			\$23,272	\$29,671	\$30,719



Next Steps

- **November - Public Engagement**
- **December 15, 2025 - Adopt proposed rate increases**



Council Feedback

- **Preference for sewer utility rate scenario.**
 - » **Scenario 1 – Across-the-Board**
 - » **Scenario 2 – Phase-In**
 - » **Scenario 3 – No Allowance/Phase-In**
- **Adoption of annual utility rate inflation adjustment.**
- **Elimination of storm utility rate exemptions.**
- **Proposed utility rates and implementation schedule.**

Thank you! Questions?

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