



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