



## CITY COUNCIL MEETING STAFF REPORT

<b>Meeting Date:</b> February 2, 2026		<b>Subject: Resolution No. 3229</b> Establishing and Imposing Just and Equitable Sewer User Fees and Repealing Resolution No. 2325 and Resolution No. 1987.  <b>Staff Member:</b> Zach Weigel, P.E. City Engineer and Keith Katko, Finance Director  <b>Department:</b> Community Development and Finance	
<b>Action Required</b>		<b>Advisory Board/Commission Recommendation</b>	
<input checked="" type="checkbox"/> Motion <input checked="" type="checkbox"/> Public Hearing Date: Continue to March 16, 2026 <input type="checkbox"/> Ordinance 1 <sup>st</sup> Reading Date: <input type="checkbox"/> Ordinance 2 <sup>nd</sup> 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  <b>Comments:</b> N/A	
<b>Staff Recommendation:</b> Staff recommends Council continue the hearings to a date certain of March 16, 2026.			
<b>Recommended Language for Motion:</b> I move to continue Resolution No. 3229 and to a date certain of March 16, 2026.			
<b>Project / Issue Relates To:</b>			
<input type="checkbox"/> Council Goals/Priorities:	<input checked="" type="checkbox"/> Adopted Master Plan(s): 2015 Wastewater Collection System Master Plan, 2023 Wastewater Treatment Plant Master Plan		<input type="checkbox"/> Not Applicable

### ISSUE BEFORE COUNCIL:

A City of Wilsonville resolution establishing and imposing just and equitable sewer user fees and repealing Resolution No. 2325 and Resolution No. 1987, Capital Improvement Project (CIP) #2066.

**EXECUTIVE SUMMARY:**

Sewer utility rates were last increased in October 2011 by Resolution No. 2325 in preparation for a major expansion of the Wastewater Treatment Plant. The adopted resolution included consecutive rate increases of 15% in 2012, 12% in 2013, and 10% in 2014. Since that time, the sewer utility rate has not been adjusted and is not indexed for inflation.

On January 18, 2024, City Council adopted the 2023 Wastewater Treatment Plant Master Plan (Ordinance No. 888). The adopted plan included an updated Capital Improvement Project (CIP) list consisting of sewer treatment plant improvements that will be needed over the next 20 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 sewer 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 sewer utility fund.

Beginning in July 2024, the City entered into a Professional Services Agreement with FCS Group to perform a sewer rate fee study, resulting in a recommended sewer utility rate and implementation schedule. On April 21, 2025, City Council received a briefing from the project team regarding the sewer utility fund revenue requirements, identifying a draft schedule of annual rate increases necessary to fund the City's sewer utility. The project team followed up with City Council at a November 3, 2025 work session, presenting three (3) sewer rate implementation alternatives. Based on feedback provided by City Council, the final recommended sewer utility rate and implementation schedule is as follows:

Year	2026	2027	2028	2029
Rate Increase (Residential)	25.44%	25.34%	25.24%	25.14%
Rate Increase (Non-Residential)	32.00%	32.00%	32.00%	32.00%
Rate Increase (High-Strength)	32.00%	32.00%	32.00%	32.00%

The rate increases shown will go into effect on January 1<sup>st</sup> of each year. After the sewer rate increase implementation schedule is completed, an annual inflationary adjustment will begin on January 1, 2030, and continue each year thereafter.

The public hearing was opened on December 15. Following public comments, the public hearing for Resolution No. 3229 was continued to a date certain of February 2, 2026.

**EXPECTED RESULTS:**

Continuation of the public hearing for Resolution No. 3229 to a date certain of March 16, 2026.

**TIMELINE:**

Public hearing for Resolution No. 3229 continued to a date certain of March 16, 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 (2) work sessions with City Council to discuss the sewer utility rate and implementation schedule on April 21, 2025 and on November 3, 2025. On November 17, 2025, notice of the proposed sewer utility rate increase was mailed to the top ten sewer customers within Wilsonville, inviting questions, comments, and concerns to be shared with the project team.

A public open house was held on December 2, 2025, with an estimated 50 interested sewer utility customers in attendance to learn about the sewer 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 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 sewer utility rate information has been maintained and updated by the project team for the duration of the project. Written public comments regarding the updated sewer utility rates are included as **Attachment 1**.

Public input will also be accepted at the December 15 city council public hearing.

**POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:**

The updated sewer utility rate and implementation schedule will provide the revenue necessary to maintain a financially sound sewer utility program, helping to make sure sewer is properly treated, isn't backing up into homes and businesses, making for clean streams and rivers and a healthy environment.

**ALTERNATIVES:**

Council could choose to adopt a sewer utility rate and implementation schedule at a lower rate or slower schedule. However, doing so will likely lead to insufficient revenue to adequately maintain and operate the sewer system and delayed capital investment to replace worn out, outdated infrastructure, ultimately resulting in deferred maintenance and higher future costs for customers.

**CITY MANAGER COMMENT:**

N/A

**ATTACHMENTS:**

1. Written Public Comment Received as of December 4, 2025

2. Resolution No. 3229
  - A. Sewer User Fee Schedule