



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: June 2, 2025		Subject: Sewer & Storm System Development Charge Update Staff Member: Zach Weigel, P.E., City Engineer Keith Katko, Finance Director Department: Community Development and Finance	
Action Required		Advisory Board/Commission Recommendation	
<input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input type="checkbox"/> Resolution <input checked="" 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: N/A			
Recommended Language for Motion: N/A			
Project / Issue Relates To:			
<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, 2024 Stormwater Master Plan		<input type="checkbox"/> Not Applicable

ISSUE BEFORE COUNCIL:

Staff will provide a briefing on the updated sewer and storm System Development Charge (SDC) and discuss next steps.

EXECUTIVE SUMMARY:

System Development Charges (SDCs) are one-time charges assessed on development at the time of building permit issuance. The SDC fees pay for expansion and extension of utility infrastructure that is needed to accommodate future growth. Growth-related infrastructure improvements include upsizing pipelines, expansion of pumping and treatment facilities, and extension of pipelines to serve new development areas. The SDC fee provides a mechanism for which new growth pays for its fair share of infrastructure costs rather than existing taxpayers or utility ratepayers, ensuring “growth pays for growth.”

The SDC calculation consists of three components. The Reimbursement Fee represents developer reimbursement of previous City investment in stormwater and sewer capacity that is being used by the development. The Improvement Fee represents the cost of planned capacity increasing infrastructure that serves future growth. The SDC calculation also includes a nominal Compliance Fee for the costs associated with implementing the SDC program.

The City of Wilsonville’s stormwater SDC was last updated in April 2012 by Resolution No. 2353. The adopted resolution included an implementation schedule per Equivalent Residential Unit (ERU) as follows:

2012 Stormwater SDC Implementation Schedule

Date	Improvement Fee	Reimbursement Fee	Total Fee
2012	\$620	\$160	\$780
2013	\$748	\$320	\$1,068
2014	\$876	\$480	\$1,356

The Stormwater SDC is indexed for inflation on an annual basis and updated every July 1. The current total Stormwater SDC fee is \$2,432 per ERU.

In April 2006, the Sewer SDC was last updated by Resolution No. 1987, establishing a total sewer SDC of \$4,068 per ERU. Like the Stormwater SDC, the Sewer SDC is indexed for inflation on an annual basis. Currently, the total Sewer SDC is \$7,102 per ERU. Both the Stormwater and Sewer SDC are scheduled for a 0.4% annual inflation increase planned for July 1, 2025.

On January 18, 2024, City Council adopted the 2023 Wastewater Treatment Plant Master Plan (Ordinance No. 888). Also, the 2024 Stormwater Master Plan was adopted by City Council on April 1, 2024 (Ordinance No. 890). Adoption of both Master Plan documents included new Capital Improvement Project (CIP) lists, which consist of utility improvements that will be needed over the next twenty years to meet projected growth, operation and maintenance needs, and regulatory requirements. Both Master Plan documents identify the projects or portions of projects that are needed to support anticipated growth within Wilsonville.

With the updated twenty-year project list, review of the stormwater and sewer SDC is necessary to ensure development is paying its share of needed infrastructure costs. Beginning in July 2024, the City entered into a Professional Services Agreement with FCS Group to perform a sewer and storm rate and SDC fee study that will result in a recommended update to the sewer and storm utility rate and SDC fee. FCS Group has completed the stormwater and sewer SDC analysis and has determined the maximum defensible SDC for each utility as follows:

Stormwater SDC

SDC Type	Fee per ERU
Improvement Fee	\$1,636
Reimbursement Fee	\$1,884
Compliance Fee	\$12
Total	\$3,532
Increase	\$1,100

Sewer SDC

SDC Type	Fee per ERU
Improvement Fee	\$14,745.11
Reimbursement Fee	\$2,569.36
Compliance Fee	\$7.12
Total	\$17,321.58
Increase	\$10,219.56

The project team would like to answer any questions from City Council and receive feedback prior to issuing the 90-day notice, as required by Oregon law, prior to the first public hearing for adoption of a SDC methodology. Once the 90-day notice is issued, the project team will make the proposed SDC methodology available for public review and schedule stakeholder meetings with interested parties.

EXPECTED RESULTS:

The updated stormwater and sewer SDC fee will provide the estimated funding required for completing the infrastructure projects needed to accommodate future growth within Wilsonville. The recommended SDC fees will ensure that growth will pay for its share of infrastructure costs rather than existing taxpayers and utility ratepayers.

TIMELINE:

Final utility rate and SDC adoption are anticipated for the third quarter of 2025.

CURRENT YEAR BUDGET IMPACTS:

The consultant work is included in the current CIP budget. Funds not spent in the Fiscal Year (FY) 2024-25 budget will be rolled over to the FY2025-26 fiscal year to ensure adequate funds are available for the completion of this work.

COMMUNITY INVOLVEMENT PROCESS:

Prior to adoption of a final utility rate and SDC fee schedule, the project team will be holding a virtual open house with interested community members, stakeholder meetings with the Home Builders Association and local developers, and coordination with top ten industrial users for their input into rate and fee analysis. Prior to any rate or fee increase becoming effective, articles will be printed in the Boones Ferry Messenger, flyers included in the monthly utility bills, and information provided on the City's website.

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:

The updated utility rate and SDC fee will provide the funding necessary to support planned growth, maintain existing utility assets, and meet regulatory requirements, helping to maintain a financially sound sewer and storm utility program.

ALTERNATIVES:

N/A

CITY MANAGER COMMENT:

N/A

ATTACHMENT:

1. Wilsonville Stormwater and Sewer SDC Update Slide Deck