

CITY OF HAPPY VALLEY FEASIBILITY STUDY



CLIENT
City of Happy Valley

LOCATION
Happy Valley, Oregon

DURATION
8 months

ROLE
Project Management
Technical Lead

BUDGET
\$250,000

COMPLETED
August 2018



Rate studies often work with known capital and operational expenditures that are extrapolated over time to understand revenue needs in to the future. But what if a City was building a utility from scratch? How does the City accurately portray costs and ensure that its customer demands are being met?

This exact scenario is one the City of Happy Valley is considering. The City of Happy Valley is a quickly growing community in the Portland, Oregon metro area. Water Environment Services (WES), a county-wide utility, currently provides sewer collection and stormwater services for the City. As the City grows, it looks to consider owning, operating, and maintaining its own sewer and stormwater utilities. Since the City does not currently provide these services, City staff have questions regarding the feasibility of owning and operating the collection systems. Importantly:

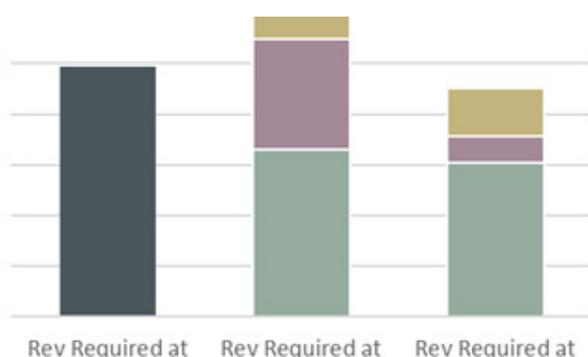
- At what level of service should the new system operate and how do we use existing asset data to help establish these levels of service?
- What will it cost to operate the system at these varying levels of service?
- How do we clearly convey these varying service level costs to the rest of the community?

Blue Cypress Consulting, in partnership with FCS GROUP, performed a feasibility analysis to ease staff concerns and help set the City up for future success no matter the type of decision made. Blue Cypress

approached this task by combining a detailed level of service (LOS) analysis alongside operational and capital needs and cost assessments.

Through the LOS assessment, Blue Cypress worked closely with City staff to understand the type and amount of service to be provided by the new utilities. Taking a LOS approach built a true understanding of system needs and the foundation of an asset management program.

Next it was important to take this LOS understanding and apply it to the financial modeling tool built for this project. The tool was used to run different LOS scenarios and help clearly convey costs and importantly rate impacts over time. Through this approach, staff could appreciate the positive or negative risk impacts customers may see through the decisions made by the City.



Revenue Comparisons