



# CITY OF CONCORD

*New Hampshire's Main Street™*

## REPORT TO MAYOR AND CITY COUNCIL

**DATE:** February 14, 2020

**To:** Mayor and City Council

**From:** Earle M. Chesley, P.E., General Services Director

**Subject:**

### **Recommendation**

Accept this report and approve the attached resolution to repurpose \$13,750.00 from FY 2016 CIP 124 to FY 2017 CIP 321.

### **Background**

In FY 2017, the General Services Department initiated a Water and Wastewater Rate Study to evaluate the current fiscal structure of both utilities. Historic relatively flat growth in demand over the past years prompted the study to assess both the fixed and variable portions of the rate. Presently, the water utility includes a fixed portion of the rate called an availability charge that is based upon fire flow and is predicated on the assessed value of the property. The waste water rate has only a variable component based upon flow.

### **Discussion**

During the study period, complexities of the fixed fee became apparent suggesting that alternative measures to assess this portion of the charge should be considered. The City's direction to move towards a new financial accounting system further underscores the need to conduct this assessment. The estimated cost to perform this additional work is not to exceed \$18,500 and sufficient funds remain in CIP 124 due to favorable procurement and execution of this project to accomplish this task.

Cc Jeffrey Hoadley, Deputy Director