



City of Chattanooga

Water Quality Program Rate Study

Preferred Rate Structure & Programs

Stormwater Regulations Board Work Session Brochure

May 14, 2018

Current Program Status

The Water Quality Program includes 150 employees who meet the needs of the Municipal Separate Storm Sewer System NPDES Permit, provide drainage and flood protection and development services. The Water Quality Fee is assessed on annual property tax bills.

- Current Rate: \$115.20 per ERU annually
- Current Projected Fiscal Year (FY) 2018 Gross Revenue: \$20,960,000
- To meet basic services, need minimum 3% rate increase for five years

Preferred Programs

To meet permitted mandates and provide the expected level of service to our citizens the following rate structure and programs are recommended for FY 2019 through FY 2023:

New and Expanded Activities (5 year average costs)

- Perform CIP projects to address TMDL's for \$2.0 Million per year
- Expand program for Green Infrastructure Maintenance for \$0.5 Million per year
- Increase Pipe Infrastructure projects by \$1.0 Million per year
- New Program for Maintenance of Residential Detention Ponds for \$1 Million per year
- Increase Land Development Fees to decrease level of subsidy from WQ fees.
- Fund WQ CIP with available funds per year: \$3.5 Million to \$10.2 Million during first 5 years

Preferred Rate Structure (Scenario 5)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Calculated Rate/ERU/Year	\$115.20	\$126.49	\$138.78	\$152.33	\$167.22	\$183.54
Annual Rate Increase	0.00%	9.80%	9.71%	9.77%	9.77%	9.76%
Water Quality Fee, Gross Revenue	\$20,960,000	\$23,040,000	\$25,320,000	\$27,830,000	\$30,590,000	\$33,620,000
Land Disturbance Permit Fee, Gross Revenue	\$73,255	\$362,400	\$362,400	\$362,400	\$362,400	\$362,400
Total Gross Revenue	\$21,033,255	\$23,402,400	\$25,682,400	\$28,192,400	\$30,952,400	\$33,982,400
Operating Expenses	\$20,020,000	\$19,870,000	\$22,130,000	\$22,360,000	\$23,510,000	\$23,700,000
Capital Projects Cost	\$1,013,255	\$3,532,400	\$3,552,400	\$5,832,400	\$7,442,400	\$10,282,400



Preferred Land Disturbing Fee Schedule

Permit	Fee
Simple residential	\$250 min. (up to 1 acre of disturbed area)
Complex	\$250 per acre or part thereof
Revision after second review (each)	\$1,000
Post-issued revision (each)	\$1,000
Variance or Infeasibility Request	\$1,375
Bonds/Letter of credit (each)	\$675
Driveway Tile/Culvert Sized by City (each)	\$500
As-Built Survey/Certification Review (each)	\$675
Grading only	\$250 per acre or part thereof
Timber Removal Permit	\$250 per acre or part thereof
Tree Ordinance (each)	\$500

Other Rate Scenarios Considered

- Scenario 1 included
 - Adding 22.5 new employees and various equipment
 - Converting the Land Development Office to fully self-supporting from fee revenue
- Scenario 2 demonstrated what would happen if no rate increase occurs
- Scenario 3 considered removal of the GI and Pipe program, no increased field crews
- Scenario 4 considered the same assumptions as Scenario 1 except various Land Disturbance Fee structures were considered.

While each of the above scenarios were valuable in demonstrating options, in the end the Preferred Rate Structure is recommended to provide the level of service needed to meet regulatory requirements, share permit fee costs with the development community, minimize the addition of new employees and provide a fair and reasonable rate for our citizens.