



City of Red Bank

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Red Bank, Tennessee 37415
423.877.1103

May 15, 2008

Hamilton County Water and Wastewater Treatment Authority
P.O. Box 8856
Chattanooga, TN 37414

Dear Honorable WWTA Commissioners:

It has come to our attention that at a special called WWTA Board meeting last week, which our representative Wayne Hamill was unable to attend, a \$8.00 monthly fee for sewer rehabilitation was passed that would apply to all rate payers within Hamilton County. We don't know if advance knowledge of this fee was given before the vote but we surely did not know about it; otherwise, we would have brought up a glaring disproportionate burden that this will place on the citizens of Red Bank.

As the Board may or may not know, the rate payers of the City of Red Bank presently alone pay a higher sewer fee rate than anyone else in the Hamilton County WWTA. The average amount based on 5,000 gallons usage is an additional \$8.71 per month more than all other rate payers in WWTA. A breakdown of usage comparison from 4,000 to 6,000 gallons used and the corresponding difference in rates is attached.

We were under the impression that WWTA was going to have to somehow act upon the sewer moratorium on Signal Mountain but did not know that our citizens would be paying for their rehabilitation also in addition to our own. The City of Red Bank undertook a major sewer rehabilitation program in the mid 1990's which incurred substantial debt. This major rehab included smoke testing and the rehabilitation of service laterals, similar to what the Board has authorized for Signal Mountain. However, in the case of Red Bank, the City required the private property owners to pay the total cost of rehabilitation on their own property while the City was responsible for the part of the service lateral from the right of way to the main service line. Red Bank currently pays this higher fee because of sewer rehabilitation in Red Bank which the WWTA chose to solely make the rate payers of Red Bank responsible for the payback of the debt burden.

An additional \$8.00 per month would mean Red Bank ratepayers would be paying a total cost of \$16.71 while others in the County will pay an additional \$8.00 per month.

(continued on next page)

Joe Glasscock
Mayor

Ronnie Moore
Vice Mayor

Floy Pierce
Commissioner

Monty Millard
Commissioner

Ruth Jeno
Commissioner

Christopher J. Dorsey
City Manager

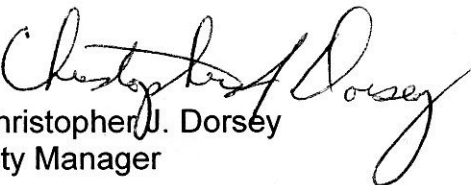
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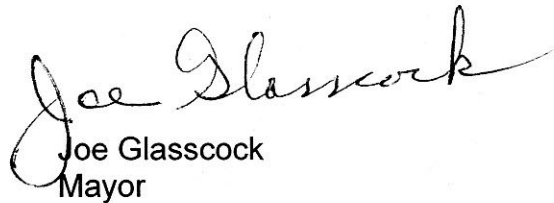
Hamilton County Water and Wastewater Treatment Authority

If you look at the average median income of all municipalities serviced by WWTA (attached) you will see the extra burden placed on Red Bank residents becomes much more significant.

We believe all Hamilton County residents on WWTA should be paying the same rate and not require Red Bank rate payers to pay over double the amount because of more sewer rehabilitation and the resulting debt burden.

Sincerely,


Christopher J. Dorsey
City Manager


Joe Glasscock
Mayor

cc: WWTA Board Members
Hamilton County Commissioners
Mayor Claude Ramsey

Usage Comparison

(for rates, see Exhibit B and C provided by WWTa)

This comparison is for Red Bank ratepayers versus all of the other WWTa ratepayers in Hamilton County.

Red Bank:	4,000 gallons = $10.75 + (4 - 1.5 \times 5.63) =$	\$ 24.83
All Others:	4,000 gallons = 4×4.35	<u>17.40</u>
		\$ 7.43 per month higher
Red Bank:	5,000 gallons = $10.75 + (5 - 1.5) \times 5.63 =$	\$ 30.46
All Others:	5,000 gallons = 5×4.35	<u>21.75</u>
		\$ 8.71 per month higher
Red Bank:	6,000 gallons = $10.75 + (6 - 1.5) \times 5.63$	\$ 36.09
All Others:	6,000 gallons = 6×4.35	<u>26.10</u>
		\$ 9.99 per month higher

Median Income for Hamilton County Households

Red Bank	\$ 33,848
Signal Mountain	\$ 66,900
East Ridge	\$ 36,347
Soddy Daisy	\$ 37,163
Lakesite	\$ 54,219
Walden	\$ 68,977
Ridgeside	\$ 88,996
Lookout Mountain	\$ 100,782

Source: Sam Saieed
Regional Planner
Southeast TN Development District

Exhibit B

HAMILTON COUNTY WATER & WASTEWATER TREATMENT AUTHORITY**SCHEDULE OF WASTEWATER RATES**

JANUARY 1, 2008

The following monthly wastewater rates will become effective as January 1, 2008:

Gallons/month	Cost/1,000 gallons
First 100,000	\$4.35
Next 650,000	3.20
Next 1,250,000	2.57
Over 2,000,000	1.84

The minimum monthly bill, based on water meter size, shall be as follows:

<u>WATER METER SIZE</u>	<u>MINIMUM GALLONS</u>	<u>SEWER MINIMUM BILL</u>
Less than 1"	2,000	\$ 8.70
1"	14,301	\$62.21
1 1/2"	32,007	\$139.23
2"	56,671	\$246.52
3"	132,841	\$577.86
4"	245,494	\$1,067.90
6"	584,729	\$2,543.57
8"	1,034,280	\$4,499.12

Exhibit C

HCWWTA RED BANK (2605) SEWER BILLING RATES 2008

For the City of Red Bank the following rate structure shall apply:

The following monthly wastewater rates will become effective as January 1, 2008 for the City of Red Bank:

- a. For the first 1500 gallons or less, a minimum charge of \$10.75.
- b. For all over 1500 gallons, a charge of \$5.63 per 1000 gallons. (4000 gallons = \$10.75 + (4.0-1.5) x \$5.63= \$24.83)
- c. City of Red Bank owned Buildings and Properties shall be charged in accordance to (a) and (b) above; regardless of meter size.

The minimum Monthly Charge, based on water meter size, shall be as follows:

<u>WATER METER SIZE</u>	<u>MINIMUM GALLONS</u>	<u>SEWER MINIMUM BILL</u>
Less than 1"	1,500	\$10.75
1"	13,000	\$75.50
1 1/2"	30,000	\$171.21
2"	50,000	\$283.81
3"	120,000	\$677.91
4"	220,000	\$1,240.91
6"	530,000	\$2,986.21
8"	940,000	\$5,294.51