

Sewer bond details

Part 1 of 3

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Why politicians avoid the word “tax”

You likely read my column last week on fees and taxes. In short, politicians can delegate the setting of fees to their bureaucrats. In Havasu, the city manager can and will raise your sewer fees without your review or approval!

What rights do you have as a voter to change a fee or stop an increase?

None! You can't vote on it! You can't stop it! You can't change it! You have no right of direct intervention! For example, the city refused to accept my two initiative petitions and refused to put the two measures on the ballot because they claimed what I wanted to stop was an administrative action.

What are my objectives?

1. Give the citizens a vote on sewer issues at the November 2014 election.
2. Stop the sewer fee increase reported by Fitch Ratings to be 6.2% in 2014.

Do we have options?

Yes! I retained an attorney, Harvey Jackson. As a former mayor of Havasu, he knows municipal law and is an expert in voter initiatives.

Jackson in a letter to the city disputes the positions of the attorneys hired by the city. *“The enclosed initiative simply follows the language of the original initiative ...”* *“The proposed initiative in effect forces the Council to take the election already authorized in the original November 6, 2001 initiative ...passed by 78%.”*

Following is the text of the 2001bond initiative as it appeared on the ballot:

*“For the purpose of providing funds to acquire, construct, improve and extend a wastewater treatment plant and system utilizing conventional technology for Lake Havasu City (the “City”), both within and without the corporate limits of the City, including acquisitions of land, interests in land and rights-of-way necessary for such purposes, establishment of necessary reserve funds and payment of costs and fees in connection therewith; shall the City be authorized to issue and sell not exceeding \$463,000,000 aggregate principal amount of bonds, such bonds to be payable solely from the revenues of the City’s water and wastewater system or, **at the option of the Mayor and Council, such bonds to be issued as tax secured bonds and be payable from water and wastewater system revenues and from ad valorem taxes levied on all taxable property within the City** without limit as to rate or amount. Such bonds to be issued in one or more series, maturing not more than thirty (30) years from the date of issuance of such series and bearing interest at a rate or rates not in excess of 12% per annum.”*

Why can’t the city council follow the original text as approved by the voters?

That’s the point of my voter initiative! Simply force the Mayor and Council to follow the option of using multiple sources of fee and tax revenues as dictated by the voters in 2001 by an overwhelming 78% majority. If the mayor and city council take those actions, they can stop a hike in the current sewer fee tied to water usage. But, the mayor and council on February 19 opted to *“do nothing.”*

Our town in 2001 passed the largest municipal bond in the history of Arizona! And, according to Fitch Ratings, *“The city's wastewater utility rates are among the highest in the region at 1.8% of median household income, above Fitch's affordability level of 1%.”*

Yes, I think, *“do nothing”* is a terrible city management strategy. And yes, I intend to ***“do something.”*** And that includes flushing the hated system of monthly sewer fees tied to water usage.

Check this same space tomorrow morning for the second column in this series.

I need help with a “*stop the sewer fee increase*” campaign. To volunteer, please contact me: Cell 928.716.3014 Email dbu@dbuhomes.com Web www.BillUllery.com

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