

Sewer fee increase to double

BY DR BILL ULLERY

Email: dbu@dbuhomes.com

Web: www.BillUllery.com

Cell: 928.716.3014



Duped and hoodwinked

Check for yourself, the minutes of the city council meeting on February 19, 2013. Quote; *He (Cassens) said in the future, to keep the fund healthy, the City will need to implement a sewer rate increase in the three percent range.*

But, **FITCH RATINGS** (a world class service to bond investors and financial professionals) in a July 19, 2013 press release on Lake Havasu City's wastewater bonds, stated; "...user rates and charges are projected to increase beginning with a **6.2%** rate hike effective for fiscal 2014. http://www.fitchratings.com/gws/en/disclosure/solicitation?pr_id=797124

When...just exactly when can we expect from Cassens, the mayor, and the council to enact; "...a sewer rate increase in the three percent range."? Or, will it actually be as **FITCH** reported, **6.2%** in 2014? As a beginning increase?

Yup...the mayor's seat and that of three council members are up for election on November 4, 2014. And, rumors have it that the incumbents are running. But, for sure, nobody in city hall is talking about that sewer fee increase. Will they give us the good news on the day after that November election?

Amazingly, at that February 19 city council meeting, "Mr. Cassens said essentially the City has settled on Options 1 and 5." Number 1 being; "1) Do nothing, leave rates as they are." And number 5 being; "Refinance debt pushing payments over longer period of time..."

Do nothing? Leave rates as they are? Refinance at a time when interest rates are rising?

Where did Fitch get its information?

FITCH RATINGS is one of the most respected bond rating organizations in the world and their reporting is impeccable. Which leads to the inescapable conclusion that a city official provided the information for that July 19 **FITCH** report. No lower-level city employee would dare do that. So, it had to be our CPA mayor, city manager, or finance directors.

Who reads the **FITCH RATINGS** reports when it's about their town? For sure, city managers, city finance directors, mayors, and council members. And, bond brokers, bond holders and investors, and all serious financial professionals.

More importantly, why has this information and the timeframe for the sewer fee increase not been shared with the residents and our local media?

Our rates are high

According to **FITCH**, "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%." That means, our town's sewer rates are nearly double that of other "normal" communities. But, as with the Yarnell Fire, don't expect a gift from the state or Feds for our own local disasters.

With no state and Fed help and with such a high level of burden on our people, surely our local government could manage its expenditures with a sense of appropriate priorities.

Like...why are we spending nearly \$1/4 million to sift stones from beach dirt? Could that \$1/4 million help avert a sewer fee increase?

Still, we must pay our bills and we must honor our obligations for what was the largest municipal bond offering ever in the state of Arizona. Yes, it was a really big deal in 2001 when 78% of the voters overwhelming approved the sewer project...and it still is a very big deal.

It's a big deal because this is a town with a lot of folks on fixed incomes. And, our town has a larger than average number of moderate to low income families. These folks need information that will help them manage their household budgets. So, give it to them straight-up...the truth and the facts.

With such conditions, "*doing nothing*" is a terrible city management strategy. But, my intention is "*doing something*." And that includes killing the hated current system of fluctuating monthly sewer fees tied to water usage.

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

PAID FOR BY BILL ULLERY