

COMMITTEE TO STOP SEWER FEE INCREASE
FOR IMMEDIATE RELEASE 8-21-13

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Two voter initiatives filed on sewer fees:

Dr Bill Ullery filed two voter initiatives on August 16, 2013 with Lake Havasu City under [ARS§19-111](#) for the next general election to be held on November 4, 2014.

The committee for initiative #1 is; *“Help Dr Bill stop the sewer rate increase.”* The committee for initiative #2 is; *“Help Dr Bill replace the current sewer fee structure.”*

The complete application packets can be found on; www.BillUllery.com under the [NEWS](#) tab.

Sewer System Initiative #1

PROPOSED VOTER INITIATIVE MEASURE PROHIBITING A SEWER FEE INCREASE

AMEND THE LAKE HAVASU CITY CODE BY ADDING A NEW ORDINANCE, CHAPTER 3.40 SEWER SYSTEM. §3.40.010 SEWER FEES AND TAXES. | SEWER FEES AND TAXES WHICH HAVE BEEN ENACTED OR ADOPTED BY LAKE HAVASU CITY, WHICH EXIST AS OF THE DATE OF ADOPTION OF THIS ORDINANCE, SHALL NOT BE INCREASED UNDER AN EXISTING ORDINANCE UNLESS FIRST AUTHORIZED BY AN ELECTION OF THE VOTERS OF LAKE HAVASU CITY.

Referencing city council meeting February 19, 2013; city manager Cassens stated, *“...in the future, to keep the fund healthy, the City will need to implement a sewer rate increase in the three percent range.”*

A **"yes"** vote shall have the effect prohibiting a sewer fee increase as proposed by city manager Cassens.

A **"no"** vote shall have the effect of keeping current sewer fee structure in place including the sewer rate increase proposed by city manager Cassens.

Sewer System Initiative #2

PROPOSED VOTER INITIATIVE MEASURE ON SEWER BOND INDEBTEDNESS

AMEND CITY CODE, CHAPTER 3.40 SEWER SYSTEM. §3.40.020 SEWER BONDED INDEBTEDNESS. | THIS ORDINANCE SHALL REQUIRE LAKE HAVASU CITY TO PAY THE SEWER BONDED INDEBTEDNESS NOT OUT OF SEWER FEES UNDER AN EXISTING ORDINANCE, BUT BY EITHER PROPERTY TAXES OR DEDICATED SALES TAXES OR BY A COMBINATION THEREOF.

Referencing city council meeting 2/19/13 on sewer fee options, quote:

- 1) Do nothing, leave rates as they are.
- 2) Move Junior lien debt onto property taxes.
- 3) Fund all or a portion of the debt with a dedicated sales tax.
- 4) Fund all costs of sewer operations and debt payments with a flat rate.
- 5) Refinance debt pushing payments over longer period of time.

Referencing city council meeting February 19, 2013; city manager Cassens stated, “...*in the future, to keep the fund healthy, the City will need to implement a sewer rate increase in the three percent range.*”

A "yes" vote shall have the effect ending the current sewer fee structure by accessing revenues from either property taxes or dedicated sales taxes or a combination thereof. An overall increase in sewer fee/tax revenues is not dictated.

A "no" vote shall have the effect of keeping current sewer fee structure in place, allowing the city manager to increase the fee as proposed in the city council meeting on February 19, 2013.

Initiative requirements:

The City Clerk's office cannot accept an application which was issued for circulation more than 24 months prior to the general election at which the measure is to be included.

For initiatives, see the [AZ Constitution – 4.1.8 19-143](#). “15% of the whole number of votes (ballots) cast at the last city election in which a mayor or councilman was chosen.” “The total number of votes cast at the municipal general or primary election at which a Mayor or Councilmember was chosen last preceding the filing of an initiative petition, shall be the basis on which the number of qualified electors of the city required to file an initiative petition shall be computed.” (Ord 91-345, [LHC Code](#) § 2.12.080). 11/5/2012 Total Ballots Cast; 22,508 x 15% = 3,376.2 or 3,376 required.

The deadline for the submission of petitions with the City Clerk is determined by counting 120 days before the election, which will be about June 30, 2014. A limit of 100 words is allowed for the text of an initiative.

The volunteers assisting with the two sewer fee voter initiatives plan to collect signatures of qualified electors on each of the two petitions and meet the early July deadline. A campaign to recruit additional volunteers to handle petitions and gather signatures will start early September. Volunteers will be at a swap meet booth every Sunday starting in October. For more information, contact Bill Ullery.

Background:

See previously published column on [sewer fees](#) on the website www.BillUllery.com. Six more published columns can be found on; [issues and priorities](#) at the same website.

A scientific survey was commissioned by Dr Ullery in April 2013 of a core group of 6,000 Havasu voters. By an overwhelming majority, 91% of the surveyed Havasu voters agreed that changes must be made to reduce current sewer fees. Moreover, 73% would vote for a “*sewer flat-rate*” not tied to water usage. 70% preferred multiple methods of fees and taxes to reduce monthly sewer fees.

Sewer rate forums:

City council and staff conducted three forums on sewer rates last October 2012. It had been reported in a news article that \$446.89 million remained in total principle and interest to satisfy the sewer debt, which is estimated to cost about \$20 million per year for principal and interest on the sewer bonds.

In a news report by the [TNH 10-28-12](#); “*Several alternate methods (options presented by city staff) including converting junior lien debt to property tax, funding all or a portion of the debt with a dedicated sales tax, funding all costs of sewer operations and debt payments using a flat rate and refinancing debt were discussed.*”

In a second [TNH 10-31-12](#) news report; “*The burden of paying back the city’s massive sewer construction project should be shared by everyone in Lake Havasu City, including those who aren’t hooked up to the system, most residents agreed at a forum Tuesday afternoon.*”

City council meeting:

Following are excerpts (in *italics*) from the [city council meeting of 2-19-13](#) . Simply click on the active link to get a complete set of minutes on the city website.

Mr. Cassens listed the following options that were reviewed, considered, and analyzed:

- 1) Do nothing, leave rates as they are*
- 2) Move Junior lien debt onto property taxes*
- 3) Fund all or a portion of the debt with a dedicated sales tax*
- 4) Fund all costs of sewer operations and debt payments with a flat rate*
- 5) Refinance debt pushing payments over longer period of time, reducing annual payments but adding length of time debt is carried.*

*Mr. Cassens said the option that would have the most profound impact on lowering the sewer bills would be to implement a **dedicated sales tax** that would be dedicated to paying down the sewer debt.*

Mr. Cassens said essentially the City has settled on Options 1 and 5.

He said the City is recommending that the sewer rate structure remain the same, as it is working and is paying the bills for the most part.

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.

Conclusion:

To reiterate, a scientific survey commissioned by Dr Ullery in April 2013 of a core group of 6,000 Havasu voters. And, by an overwhelming majority, 91% of the surveyed Havasu voters agreed that changes must be made to reduce current sewer fees. Moreover, 73% would vote for a “sewer flat-rate” not tied to water usage. 70% preferred multiple methods of fees and taxes to reduce monthly sewer fees.

Personal statement by Dr Bill:

“My twenty-year history in civic service to Havasu is well documented by news reports, audits, investigations, litigation, and publications. Much of this activity is included on my personal website, www.BillUllery.com. Most of this work has been directed at government corruption, wrongdoing, and malfeasance. Thus, you can bet that my attempt to address issues with the current sewer fee system will be attacked by some appointed and elected officials and it will be labeled as “political.” But, please judge me by my history, all of which is an open book. I don’t see what I’ve done and accomplished over the years as “political.” I see it as civic service.”

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If you would like more information, call Dr Bill Ullery at the phone numbers or email address listed above.