

Election — November 5, 2013

City of Longmont Ballot Questions



League of Women Voters® of Boulder County

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Ballot Question 2A **[Wastewater Treatment Plant Bond]**

Shall City of Longmont debt be increased in an amount not to exceed \$31,100,000 by the issuance of wastewater revenue bonds for the purpose of financing wastewater system capital improvements; and shall the bonds be paid solely from the City's wastewater utility enterprise revenues and be sold in one series or more at a price above, below, or equal to the principal amount of such bonds and with such terms and conditions, including provisions for redemption prior to maturity with or without payment of a premium of not more than 3%, as the City Council may determine?

Major Provisions

Ballot issue 2A authorizes debt not to exceed \$31,100,000, for improvements to the City's wastewater treatment plant (WWTP).

Background

The question was referred to voters by the Longmont City Council. The City's WWTP was built in 1956 and has been expanded and upgraded many

times. A comprehensive evaluation of the plant was recently completed that identified critical repair and replacement needs for the next 15 years. The evaluation also identified treatment processes that are needed to meet the new ammonia limits based on water quality in the St. Vrain Creek. The discharge permit issued in 2012 by the Colorado Department of Public Health and Environment requires the City to complete ammonia treatment improvements by 2016.

The WWTP improvements include: addition of ammonia treatment facilities to meet permit requirements; replacement and renewal of aging and obsolete equipment and infrastructure to support ammonia treatment; new biosolids dewatering facilities to increase capacity and reduce operating costs; and new facilities to generate energy from methane produced by the plant's biosolids treatment system. The total cost of all these improvements is estimated at \$41.1 million. Sewer rates were adjusted in January 2013 in anticipation that debt financing would be used to finance a portion of these improvements. The balance will be funded from cash reserves.

Those IN FAVOR say

1. The improvements to the wastewater treatment plant are essential in order to protect water quality in St. Vrain Creek, comply with regulations, and ensure the plant's performance and reliability.
2. The City will be in violation of State and Federal law and subject to sanctions or penalties if the permit limits are not met.
3. Bond financing results in user rates that are lower than if cash was used to fund the improvements and distributes costs more equitably across both current and future residents.
4. There will not be additional rate increases associated with this bond issue.

Those OPPOSED say

No organized opposition has been identified.

Ballot Question 2B **[Fiber Optic Bond]**

Without raising taxes, shall City of Longmont debt be increased in an amount not to exceed \$45,300,000 by the issuance of revenue bonds for the purpose of financing fiber optic system capital improvements to provide high-speed broadband service, including but not limited to internet, voice and video services; and shall the bonds be paid solely from the City's electric and broadband utility enterprise revenues and be sold in one series or more at a price above, below or equal to the principal amount of such bonds and with such terms and conditions, including provisions for redemption prior to maturity with or without payment of a premium of not more than 3%, as the City Council may determine?

Major Provisions

The ballot question authorizes debt not to exceed \$45,300,000, to complete installation of a city-wide fiber optic network designed to provide ultra-high-speed broadband to all businesses and residents. The cost of the broadband system capital improvements is \$35.5 million. Additional costs include two years of capitalized interest estimated at \$4.76 million, and, if required, a debt service reserve of up to \$4.53 million.

Background

The proposal is referred to voters by the Longmont City Council. In 2005 the Colorado legislature passed SB 05-152 prohibiting municipalities from providing broadband services to their communities without a vote of its citizens. In 2011, Longmont citizens voted to re-establish the City's right to provide broadband services. Since that time the City has been incrementally expanding their fiber optic network infrastructure, and is currently providing broadband services. The City is now asking voters to approve issuance of bonds to pay for the remaining build-out of the fiber

network so that the City can offer high-speed broadband services to everyone in the community in a timely and cost effective manner. If voters pass 2B, the City of Longmont expects to complete the build-out of the network in three years.

The City's broadband feasibility study indicates strong financial viability for broadband services and projects that broadband revenues will cover all required bond repayment costs. The Longmont Municipal Code was amended to officially combine the electric and broadband utilities into a single enterprise fund to leverage the financial strength of the electric utility to obtain lower bond interest rates.

Those IN FAVOR say

1. Funding should be obtained to expand the fiber optic network so all residents and businesses in Longmont can reap the significant benefits associated with lower cost, higher speed broadband services; not just those select few who live close to existing network facilities or those who can afford to pay installation costs.

2. Obtaining this funding will enable the fiber optic network to be installed city-wide within three years, quickly providing the high-speed connectivity that can help make current Longmont businesses more competitive nationally and internationally, while encouraging economic growth. In that same short time period, it will also make state of the art technology available to all citizens and enhance educational opportunities for our students.

3. Other municipalities have successfully deployed similar broadband networks that have greatly benefited their communities and more municipalities are planning to do so every day. Leveraging our existing infrastructure and Longmont Power & Communications' proven track record of low cost, high quality services will utilize community assets and keep revenue dollars local.

4. Low cost, high speed, broadband services are important to all citizens and businesses; and by having several provider choices available to the entire community, everybody benefits.

Those OPPOSED say

1. Longmont already has a competitive telecom environment.

2. Private providers have invested more than \$17 million into the community in the past five years.

3. The City is jumping without a plan into an area where many cities have failed.

4. In the end, it's the citizens of Longmont who will pay the price.

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