

July 10, 2012

City of Riverside

City Council Meeting

Re: Purple pipe Project.

Dear Council Members,

For 15 years, the City of Riverside has avoided complying with Proposition 218. This non-compliance has been most egregious in terms of water utility pricing within the City. The City of Riverside employs hidden taxes in the utility prices it charges citizens in order to transfer large sums of cash to the City General Fund. Since 2007 the sum of these unconstitutional transfers may have exceeded 30 million dollars and continues at an annual rate in excess of 5.5 million dollars. The City's method of creating hidden taxes and collecting these monies denies the citizens their constitutional right to vote on special taxes and property assessments. I am opposed to your methods of unlawful taxation.

The purple pipe project is proposed to charge all residential utility accounts \$2-4 per month to pay the capital cost of construction that does not benefit their property. Only a few properties will benefit from this project. State law says this should be paid by the property owners who benefit from the project. As proposed this initial project will supply a limited number of public properties and be available to some other properties if the owner wishes to connect and use recycled water. Again, state law requires government land owners receiving a benefit from utility infrastructure to pay their fair share of the capital cost via a contractual agreement not a hidden tax on the utility bill.

It is a matter of law that unless the purple pipe is installed in the street in front of your house you are not to be charged for any of the cost because you have no direct benefit from the project. The city must show your benefit exceeds more than 50% of the cost of your proportional fair share before they can include your parcel in the tax scheme.

The proper method of paying the capital cost of this project is to determine which properties do directly benefit from this service to their property and establish a special district of identified properties. These parcels would then be assessed their fair share of the benefit and a property assessment levied on each parcel only after a vote of the property owners to approve the assessment.

The city is mis-representing this project cost and is intent upon charging all property owners \$2-4 a month for a service from which you will not receive a benefit. This will increase the gross revenue of the water utility such that the hidden taxes on the whole of your utility bill will increase the utility cash flow to the general fund. They benefit and you lose.

In addition, this project is unnecessary to continue to supply potable water to the current population of the city. This project is solely to provide an ever increasing city population with water in the future. This is a future cost of development to come that the existing utility users should not be paying. Current city planning is to pre-build utility infrastructure for an additional 100,000 people. This project should be paid by property developers not the current residents.

Sincerely,

Scott Simpson