

A Scheme is Born  
Timeline for City of Riverside  
1976 – 2013

Water Utility Revenue to City General Fund  
Is the levying of an Unlawful Tax hidden in Water Rate  
\$70 million

**Violations of California State Constitution**

**Articles 13C&13D AKA Prop. 218**

**Unlawful taxes**

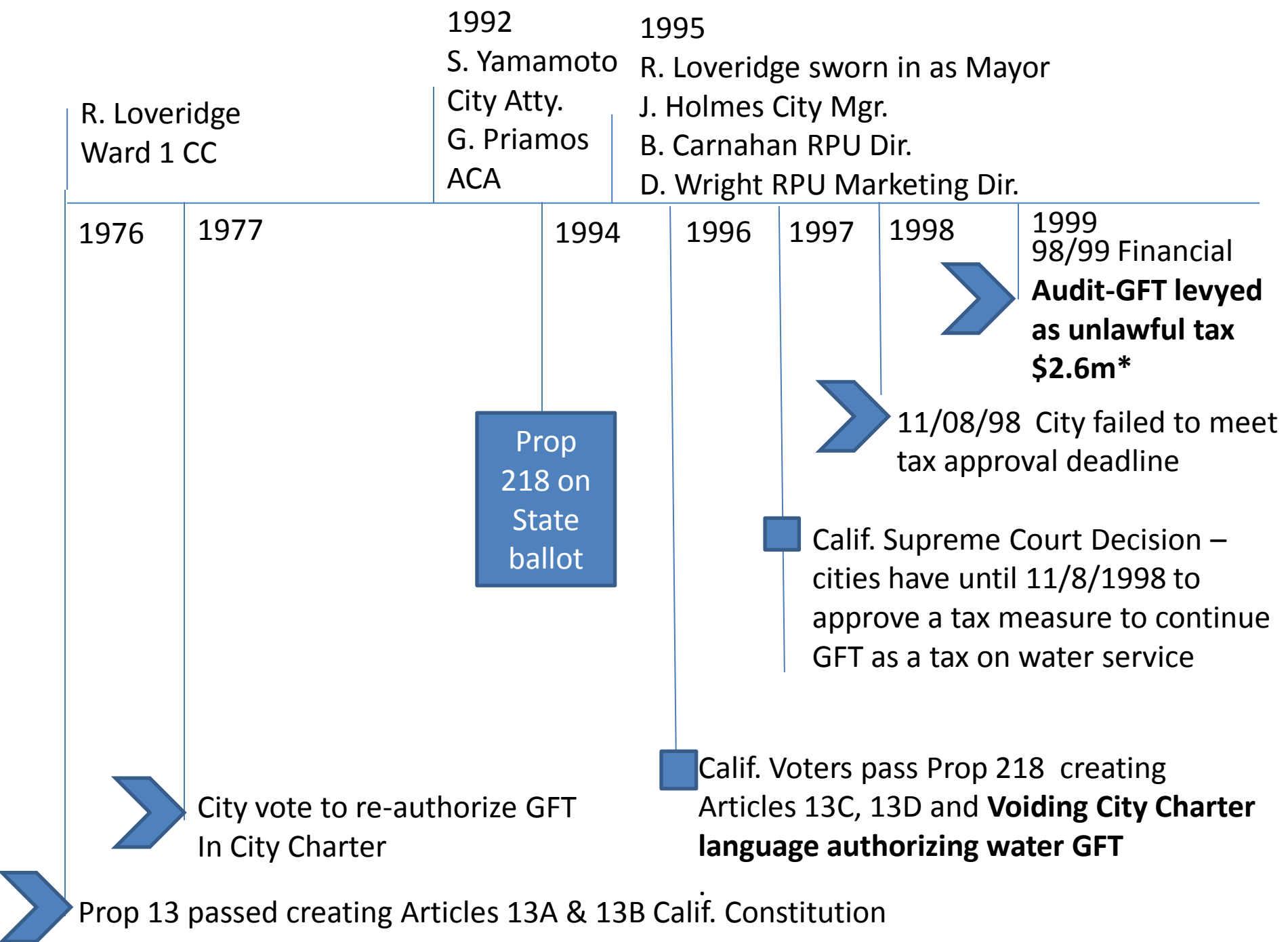
**Unlawful Water Rates?**

**Unlawful budgets?**

**Misappropriation of funds?**

**Mail Fraud?**

**VOTE NO ON MEASURE A**



J. Holmes City Mgr.  
T. Evans RPU Director  
D. Wright RPU Deputy Dir.

8/2001  
G. Priamos  
City Atty.

G. Carvalho  
City Manager

FY  
1999/00  
Water Utility  
GFT \$2.9m\*

FY  
2000/01  
Water Utility  
GFT \$3.0m\*

FY  
2001/02  
Water Utility  
GFT \$3.0m\*

FY  
2002/03  
Water Utility  
GFT \$3.2m\*

FY  
2003/04  
Water Utility  
GFT \$3.2m\*

Five-year period  
where annual GFT amount increased  
only \$400K by 2004

**\*City is levying unlawful tax hidden  
in water rate**

City Budgets and Financial Audits show Water Utility GFT every year thru FY 2011/12

No. Cal. Court -  
Gov's declaration  
Of drought  
unlawful

July - Cal. Sup. Crt.  
Returns Fresno  
Publishes Bighorn  
Bans water GFTs

National/local  
Economic crash

FY  
2004/05  
Water Utility  
GFT \$3.5m\*

FY  
2005/06  
Water Utility  
GFT \$3.5m\*

FY  
2006/07  
Water Utility  
GFT \$3.9m\*

FY  
2007/08  
Water Utility  
GFT \$5.0m\*

FY  
2008/09  
Water Utility  
GFT \$5.5m\*

City Mgr G. Carvalho is fired 9/04

B. Hudson hired 7/05 City Mgr

Oct - CC approves "Renaissance Plan" raises water rates 50% over 5yrs + punitive Tiered rates

Tom Evans interim City Mgr

T. Evans retires  
D. Wright appt.

D. Wright interim Utility Director

RPU Director  
Meyer, Hoffman, McCann RPU Financial Audit

GFT goes up \$1.9 m over a 5-year period

**\* City is levying an unlawful tax hidden in water rate**

City Budgets and Financial Audits show Water Utility GFT every year thru FY 2011/12

B. Hudson Resigns 06/11;  
S. Barber Promoted  
to City Mgr.

New Mayor  
Rusty Bailey  
January 2013

FY 2009/10  
Water Utility  
GFT \$5.6 m\*

FY 2010/11  
Water Utility  
GFT \$5.8 m\*

FY 2011/12  
Water Utility  
GFT \$6.2 m\*

FY 2012/13  
Water Utility  
GFT Budgeted \*

T. Evans Chair  
Charter Rev.  
Committee

Financial  
Audit  
GFT plus  
\$9.7 m  
Gen. Fund  
Advance!?

Moreno v. Riverside,  
Filed 7/2012 -- GFT held in  
Utility accounts. If Measure A  
Passes – \$ goes to Gen. Fund

March – City places Measure A  
on the June ballot

April – Moreno v. Riverside  
Settled

06/07 to 10/11  
GFT goes up \$1.9 m over a  
5-year period, which is 4X the  
prior 5-year period Increase in GFT  
includes h2o sales decrease of 10-20%

**\*City is levying an unlawful tax hidden in water rate**  
Water to GFT every year thru 2011/12 totals approx. \$70 m+