

EID hiking salaries 6%

But Social Security COLA increases just 1.7%

EID General Manager Jim Abercrombie has included 6% salary hikes for most EID employees in his 2013 operating budget proposal. Abercrombie further plans to hike employee benefits costs to a lavish average of \$49,000 per employee.

Under EID's current Memorandum of Understanding (MOU) with its employees, all employees automatically receive a 1% pay hike on January 1. During the year all employees who receive a satisfactory employee appraisal receive an additional 5% salary increase. And employees who are promoted will receive an additional 5% increase.

Promotional increases are the right thing to do. But 6% of "auto-pilot" salary increases plus increasing benefits costs to \$49,000 per employee both are grossly inequitable to ratepayers... especially when water rates are going up 102% from 2010-2015 and the Social Security COLA is going up just 1.7%.

It's time for EID's Board to stop being a "get along, go along" Board that accepts every Jim Abercrombie spending proposal and rate hike proposal. Letting 221 employees continue to play by markedly different rules than 38,000 rate-stressed ratepayers is grossly unjust and not consistent with Board Directors' first priority responsibility to represent ratepayer interests.

While EID's Board has no unilateral power to reduce employee benefits prior to the December 31, 2013 expiration of the current MOU, the Board nonetheless has potent immediate employee cost reduction options. Absent major voluntary concessions by employees in their benefits, the Board should exercise its contractually unfettered option to direct immediate staff reductions. And the Board should exercise its option to direct immediate implementation of furloughs.

It is grossly inequitable for ratepayers to be left to shoulder 102% of rate hikes while employee pay and benefits continue to surge. So, instead of passively following through with the 11% water rate hike on January 1, 2013, EID's Directors should step in and do the job that fiscally responsible Directors would do... DIRECT General Manager Abercrombie to slash the 2013 budget for salaries, benefits, and bloated headquarters staff.

It's the fair and equitable thing to do... it's the fiscally responsible thing to do... it's the right thing to do.