

EID's Abercrombie, Cumpston fail ratepayers...want raises

Accounting gimmicks/deceptive reporting mask \$70 million of financial problems

In EID's December 10, 2012 board meeting, General Manager Jim Abercrombie and General Counsel Tom Cumpston plan to ask for enhancements to their employment agreements that currently do not expire until late Summer 2015.

Just last year the Board granted two-year contract extensions to both men, ignoring that EID's cost management failings have brought ratepayers 102% of water rate increases for 2010-2015. Even with the 102% of rate hikes, Abercrombie has resorted to accounting gimmicks and deceptive public reporting to hide more than \$70 million of growing unfunded pensions, retiree medical costs, operating expense capitalization, and deferred debt repayment until after he and Cumpston are retired and collecting inflated pensions facilitated by these accounting gimmicks and public deception.

Both Abercrombie and Cumpston currently receive more than \$100,000 of assorted benefits on top of their stated salaries of \$165,000 and \$160,000, respectively. They have failed to disclose to the media and Public tens of thousands of dollars of ratepayer-paid extra pension and retiree medical contributions made in their behalf. And each receives more than one paid day off for each four days actually worked, by itself a benefit worth \$32,000 annually.

Financial restraint with public monies and forthright public disclosure are inviolate performance requirements of all public agency officials. Abercrombie's self-touted savings claims cumulatively total more than \$20 million but are not borne out by 102% of Board-approved rate hikes during his three year tenure. Even worse, Abercrombie's \$70 million of clandestine accounting gimmicks leave "ticking financial time bombs" certain to explode on his General Manager successor, the next EID Board and future ratepayers.

In Corporate America management leaders of poor financial-performing organizations and who employ fiscally irresponsible accounting gimmicks are replaced... not bestowed with performance-unearned compensation enhancements.

On December 10th, EID's Board should fulfill their fiduciary responsibilities to ratepayers and advise both Abercrombie and Cumpston that no pay increases or other contract enhancements will be forthcoming to them until real bottom-line cost containment is results-proven and the accounting gimmicks and public deception come to an end.