

EID Board just can't say "No" to spending

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To: undisclosed recipients

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Subject: EID Board just can't say "No" to spending

In their March 11th meeting, EID's board of directors again proved that ratepayer wallets are of no concern to them as they voted approval to launch a discretionary \$1.9 million dollar hydroelectric project that, if successful, will increase hydroelectric revenues a paltry 1.6%. The projected 1.6% revenue increase is hardly more than a "rounding error" compared to the District's already projected hydroelectric revenues of \$8 million annually.

Ignoring that hydroelectric generation is ancillary to the District's charter of providing water and sewer services, the board voted to saddle EID's current 38,000 regular water ratepayers with costs for a \$1.9 million hydroelectric project which will not have a cumulative payback to water ratepayers until 2025 at the earliest.* EID's board further ignored that EID continues to deficit-spend some \$15 million annually.

Within the next year, EID plans to raise \$60 million more capital, for this and other spending, at a probable added interest and debt principal repayment cost exceeding \$5 million annually. In turn, these added interest and debt principal repayment costs will add 11 percent more to rates of current ratepayers.

Once again, EID's board has thrown its 38,000 regular ratepayers "under the bus" so the board would not miss out on another fiscally reckless spending opportunity.** Over the past four years, more than 95% of Management-proposed capital projects have received "rubber-stamped" board approval. The EID Board-majority simply cannot say "No".

EID ratepayers will have opportunity to weigh in at the polls this November when the seats of incumbent Directors John Fraser and George Wheeldon are up for reelection.

**EID's projected eleven year payback further is problematical because Management's financial projections excluded depreciation expense and various engineering and overhead expenses. When these expenses are added, this project likely will not pay for itself before thirty years...more than a lifetime for most current ratepayers.)*

*** Interested ratepayers will be able to listen to the board audio recording of the board's action when it is posted on www.FixEID.org.*