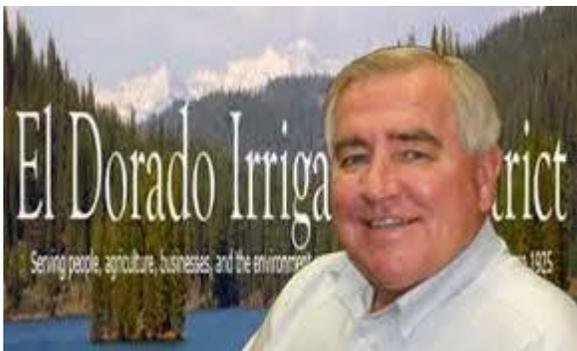


"NEARLY IDENTICAL" EID BUDGET THE SAME... STILL FAT

"Abercrombie's 2013 Operating Budget includes \$14.3 million of headquarters administration (an increase of \$10 million in the past ten years), 6% pay raises for most employees (as compared to a 1.7% Social Security COLA for 2013), \$49,000 per employee benefits, \$13,000 per employee paid time off, \$3.1 million of accounting gimmicks, two \$500,000 slush funds, and \$60 million of new debt. Yet his budget excludes paying for \$53 million of unfunded pensions and retiree medical expenses which are left for future EID GM's and Boards to address. See www.FixEID.org for more details that Abercrombie neglected to disclose in his press release."



EID Board Adopts 2013 Operating Budget--Nearly Identical to 2012 Budget



The budget reflects a decrease of \$300,000 in salaries and benefits and a \$1.1 million increase in materials and supplies. The material and supply increase is due to a five percent increase to energy, sludge removal from the El Dorado Hills wastewater treatment plant settling ponds, electrical breaker testing at the water and wastewater treatment plants and the Federal Energy Regulatory Commission's (FERC) charges for land use fees.

EID, Nov 13 2012

At its November 13 meeting, the El Dorado Irrigation District Board of Directors adopted the 2013 operating budget in the amount of \$43.8 million. In accordance with Board policy, the Board adopts a two-year budget and conducts a mid-cycle review to determine any changes that may be needed in the second year of the cycle. This budget marks the beginning of the two-year budget cycle and reflects the continued sluggish economy. Mark Price, EID's finance director, reported that the 2013 operating budget is nearly identical to the 2012 adopted budget, adjusted upward by about two percent.

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“Revised 2012 salaries reflect the effect of six positions vacated during 2012 and eliminated in the 2013 budget resulting in an approximate \$730,000 savings in 2013, as well as other positions vacant for portions of the 2012 fiscal year. This reduction in staff drops the full-time equivalent (FTE) employee count to 221.5 compared to 306 FTE on January 1, 2008—a 28 percent decrease. With the new rate structure in place effective April 1, 2012, staff is now following the financial plan built into the Cost of Service Study. Revenues will cover the day-to-day operating costs and debt service as required by the District’s rate covenants. Net revenues in excess of operations and debt service will be used to retire debt early or pay for capital projects,” said Price.

Price also reported that the revised revenue projections for 2012 are \$3.8 million lower than those originally adopted for 2012. Wastewater rate revenue is projected to be lower by about \$1.6 million, primarily due to a temporary change adopted by the Board in January 2012 to use the lower of the last two years’ winter quarter water consumption for calculating wastewater bills versus the District’s (and industry standard) practice of using the most recent winter quarter average. Additionally, hydroelectric rate revenue is about \$1.3 million lower than budgeted due to below normal precipitation through most of the winter months. FCC revenue is expected to be approximately \$1.0 million lower than budget. As a result of these items, and other changes to estimated revenue, the revised revenue for 2012 is estimated to be \$68.2 million, a \$3.8 million reduction.

Price also reported that the District will continue to pay down debt by making a \$3 million prepayment into an irrevocable trust. The type of financial transaction was originally authorized by the EID board in 2011 specifically for the purpose of paying down debt, at which time EID made a \$2 million prepayment.