

FixEID warned last October what EID GM was "cooking up"

From: Greg Prada

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To: undisclosed recipients

Subject: FixEID warned last October what EID GM was "cooking up"

Last October 19th, FixEID warned that General Manager Jim Abercrombie was considering deferring debt repayments to pay for things he didn't include in his Cost of Services study... things that included the Board's largesse in granting a one year reprieve in eliminating Domestic Irrigation rates that have been proven illegal under Proposition 218 since 2006, if not in 2001 when Director's Osborne, Fraser and Wheeldon reinitiated these 75% discounted rates.

But last October General Manager Abercrombie also was readying a stealth 15-20% DECREASE in Agriculture rates vs. the 15-20% INCREASE in Agriculture rates he previously had represented to the Board and Public. He also subsequently gave special, below cost of service rate concessions to the City of Placerville such that the City of Placerville pays just one-sixth of what regular EID residential ratepayers pay per acre foot of treated water.

General Manager Abercrombie also had to find a way to start paying for EID's staggering employee pension and retiree medical cost obligations that now exceed \$53 million...and for the 100% EID paid per employee \$18,500 medical plan costs that for 2012 again increased far more than the 2% inflation in his cost projections.

Read the prognostications in the October 19th story ([Click Here](#) to read "*The rest of the story...*") and note that on June 11th, General Manager Abercrombie chose to go through with a \$16 million "kick the can down the road" debt refinance scheme instead of looking out for regular ratepayers by implementing real, fiscally responsible, cost savings.

Also on June 11th, the EID Board majority again reiterated that they "trust Management", condescendingly sneering at Director Day "*When you are here as long as we have been, you will trust Management too*".

In summary, the Board majority continues to dither rather than look out for ratepayers... and rather than direct Management to make real bottom line cost reductions in EID's \$4.8 million annual operating costs increases (gross) since 2010.