

Recommendations to the Board

I urge you to take concrete steps now to deal with some of these problems and not simply pass them on to the rate payers. My recommendations are as follows:

- Freeze the current benefits plan.
- Turn the defined benefits plan into a defined contribution plan as the private sector has done.
- Base compensation and benefits on the private sector, not the highly unionized public sector.
- Prepare now to renegotiate compensation and benefits when the union contract comes up for renewal in 2011.
- Explore bringing in an outside company such as American Water Works to operate either part or all of the current system on a contract basis. Novato did this with waste water.
- Buy more water from SCWA. It costs \$650 per acre foot.
- Shelve the idea of a desalinization plant which would provide water at a staggering estimated cost of \$3,600 per acre foot.
- Reconsider the concept of growing demand and the 1977 drought model in future capital projects.

I object to the proposed rate increase.

Thank you.