

## Letter to the Editor

### Water Rates Up

Property owners in Nevada Irrigation District (NID) recently received a letter regarding proposed raw water rate increases.

We property owners have two choices: 1) sit back and ignore the whole thing and pay the price; 2) send a simple written protest including the address and parcel number, sign and send it to the Nevada Irrigation District, Customer Service, 1036 West Main Street, Nevada City, CA 95949 before February 25, 2009. For more information call (530) 273-6158.

If 50%, plus one, of the affected rate payers send protests, by law, this increase can be stopped.

This information is all in the letter NID sent, including the proposed rate changes. Your rate may not change this year however, by 2013 believe me it will.

This is bad enough in better times, however in our present economic climate this is absolutely ludicrous.

Betty R. Samson

## Pork at ARD...

*continued from page 3*

and plan it to be destroyed and rebuilt. Both architect Murphy and rest-stop constructor Hubbard agree that this building is definitely usable and that demolishing it adds \$200,000 to the cost of the project which, in turn, justifies \$25,000-\$30,000 more in architecture fees. So now we're up to justifying about \$60,000 in architectural fees, and that's just from one inflationary maneuver—"remodeling" by demolition—in the lesser outbuilding of the approved shower room "remodel" plan.

It's time to stop the pork, change "standard operating procedure" and save a quarter to half a million dollars for some pork-free project that gives serious benefit to our citizens. That could be a much-needed practice field for Junior Hillmen football, or a walking pathway around Ashford or Railhead Parks, or any of several other important projects.

Much of what we have at ARD has come from donated materials and volunteer labor. Bloated government contracts laden with pork have no place at ARD.

As for now, I am getting zero support from the rest of the Board for my view that the Board of Directors should be controlled by the people, the Administration should be controlled by the Board, and not one dime of taxpayer money should be wasted. I would like to see the citizens of the Auburn Area Recreation and Park District reassert their rightful control of the ARD Board, and remind the renegade Board majority in no uncertain terms that the voters and taxpayers are ARDs owners, that the Directors serve the will of the people to express the desires of the people, that the duty of Directors is to control the Administration to assure the will of the people is expressed in action, and that not one dime of taxpayer money is to be wasted.

- Gordon Ainsleigh  
ARD Board Member

## The Science of Success

*The Science of Success* and its remarkable author bring to mind a sonnet strategy of Shakespeare: "Let me not to the marriage of true minds Admit impediments."

Meet then corporate thinker, entrepreneur, investor, hardheaded visionary, and impediment overcomer, Charles G. Koch. Koch, CEO of Koch Industries, Inc., with his rule of highly principled direction, has built the world's largest private firm, a mainly energy enterprise of 80,000 employees and \$90 billion in annual sales, one that invested \$21 billion in 2005 to purchase the publicly traded paper and wood giant Georgia Pacific.

Koch thinks and usually creates successful long-run company outcomes. His vision includes running an entrepreneurial meritocracy, a fused individual and team effort, and shrewd reinvesting of earnings for growth. He has been phenomenally good at that, and this book is all about his philosophy that has made it possible.

He calls his system Market-Based Management (MBM), a unique scientific approach to business management rooted in what our author describes as "the Science of Human Action." The system has five dimensions. 1) Vision: Determining where and how the business can create the

greatest long-term value; 2) Virtue and Talents: Helping ensure that people with the right values, skills, and capabilities are hired, retained, and developed; 3) Knowledge Processes: Creating, acquiring, sharing, and applying relevant knowledge, and measuring and tracking profitability; 4) Decision Rights: Ensuring the right people are in the right roles with the right authority to make decisions and holding them accountable; 5) Incentives: Rewarding people according to the value they create for the business. (He turns Marx around by proposing the maxim "From each according to his ability, to each according to his contribution.")

What Koch has done is to take key insights about what works for an economy and apply them to his business ventures. The MBM prowess of our author on the firing line is in outthinking and so staying ahead of competition, thanks in part to a team of profound manager-thinkers bent on creating "the greatest long-term value." By establishing a corporate climate that rewards efficiency and innovation—as the larger economy should do—Koch has seen his enterprises grow and prosper.

His ideas did not emerge out of a vacuum. Koch cites as particularly important two great books whose authors were both closely associated with FEE. One was F.A. Harper's *Why Wages Rise*; the

other, Ludwig von Mises's *Human Action*.

Harper's book is hailed for spotting the causes of real, sustainable wage gains. The main cause, said Harper, lies in ongoing capital creation, which raises marginal productivity and enables producers to bid more for labor and talent. That's been the history of markets and rising living standards over the last 300 years.

In *Human Action* Mises showed how a market society, based on private property rights and tightly limited government, yields civility, peace, and prosperity. Koch quotes Mises, whose writings helped inspire the MBM methodology: "The market determines who shall [have what

*continued on page 6*

