

Fuentes & the School Board: Last Minute Grandstanding Designed to Highjack DWP and the Ratepayers

Jack Humphreville
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LA WATCHDOG--On Tuesday, the Los Angeles Unified School District's Board of Education engaged in some last minute grandstanding by issuing a press release calling for LAUSD to engage in discussions with the Los Angeles City Council because its DWP bill will be increasing by 27%, or \$22.4 million, over the next five years.

LAUSD is also overreaching by requesting that the City provide it with \$11 million of services, financed with a portion of the \$267 million Transfer Fee from DWP's Power System to the City's General Fund. These services would include paying for street crossing guards near elementary schools, providing free refuse removal, and performing tree trimming services.

While LAUSD is a very important governmental entity, the Department of Water and Power and its Ratepayers are not allowed to subsidize its operations, a point that was hammered home by a recent court decision involving the City of San Juan Capistrano and its tiered water rates.

Nevertheless, the Department has worked with LAUSD, explaining on multiple occasions the reasons for the rate increases. The Department even agreed in September to invest a staggering \$43 million of our money in energy efficiency and water conservation projects which are intended to offset the proposed increases in its power and water rates.

The Energy and Environment Committee can also expect to hear from Recreation and Parks whose utility bill is expected to double over the next five years to \$30 million because of the recent court ruling involving San Juan Capistrano, Proposition 218, the cost of service, and why subsidized rates are illegal. But again, the Department has been working cooperatively with this large customer, investing millions of Ratepayer money in water conservation and energy efficiency projects.

The Department also has to contend with lame duck Councilman Felipe Fuentes, the Chair of the Energy and Environment Committee. He is rumored to be considering limiting the rate increase to only three years since the five year proposal will involve rate hearings in 2020, an election year.

But why is he considering a last minute change when he has known about the five year plan for over a year, especially since he will be leaving the Council in 2017 after only one term?

Fuentes is also considering holding the much needed rate increases hostage to his plan to reform the governance of the Department. This would involve the creation of a full time paid Board of Commissioners, a new personnel department free from the City's civil service rules, and a lower Transfer Fee that would need to be approved by the voters.

Based on the details in the four page motion (most are only one page), it is probably safe to assume that Fuentes' proposed ballot measure and the supporting documentation have already been written, most likely ghostwritten under the watchful eye of IBEW Union Bo\$\$ d'Arcy. This is a stunt that Fuentes mastered in Sacramento where he was considered "The Worst Legislator in California."

But why is Fuentes rushing this already controversial DWP reform plan to the ballot without engaging in a robust and transparent discussion and debate that involves Ratepayer participation? After all, he needs our votes to approve the necessary charter amendments and \$221 million Transfer Fee.

According to speculation by City Hall insiders, Fuentes is either angling to be a full time, paid Commissioner (would you call that reform!) or a high ranking

executive in IBEW Local 18, the DWP's domineering union, so that he is in line to succeed Union Bo\$\$\$ d'Arcy as the union's highly compensated Business Manager.

The issues involving the five year rate increase, deemed "reasonable" by the Ratepayers Advocate in light of the need to repair DWP's infrastructure and meet unfunded environmental mandates, and its impact on LAUSD, Recreation and Parks, and single family residences deserves a full airing, separate and distinct from Fuentes controversial plan to reform our Department of Water and Power.

Reform of our Department of Water and Power and its long term implications are too important to be rushed to the ballot.

(Jack Humphreville writes LA Watchdog for CityWatch. He is the President of the DWP Advocacy Committee and a member of the Greater Wilshire Neighborhood Council. Humphreville is the publisher of the Recycler Classifieds -- www.recycler.com. He can be reached at: lajack@gmail.com)

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