Motion

On March 10, 2015, the California State Auditor released a report on the Los Angeles Department of Water and Power (DWP).

The state audit, which was focused on the DWP's implementation of its Customer Information System (CIS), reported that the utility was experiencing historically high levels of an Account Receivables (A/R) balance which had increased by $245 million since the launch of its new CIS to a total of $681 million as of November 2014.

A/R is the amount an entity has a right to collect from its customers for goods or services already provided. In this case, the amount owed by customers for water and power.

In addition, it has been reported that residents continue to receive inaccurate bills which may be associated with poor meter reads, faulty meters or undetected leaks. Some of the bill amounts are excessively high which make it difficult for residents to pay.

Meanwhile, the DWP has repeatedly stated a need for both Water and Power rate increases to fund regulatory and environmental mandates; including infrastructure investments which are being cited as reasons for several massive and well documented water leaks. UCLA was subject to one of the leaks where 20 million gallons were reportedly lost.

The DWP currently faces a variety of issues and it should take appropriate action to address them in order to ensure the public trust.

I THEREFORE MOVE that the Los Angeles Department of Water and Power (DWP) be requested to immediately report to the City Council regarding the status of the Account Receivables (A/R) balance; strategies for reducing the prevailing A/R balance including a timetable and milestones for the reduction.
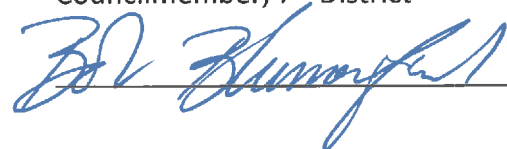
I FURTHER MOVE that the DWP be requested to provide a thorough report on its meter installation process, meter record errors and their collective impact on billing amounts; including methods and approaches for ensuring billing timeliness and accuracy.

PRESENTED BY: _____

FELIPE FUENTES
Councilmember, 7th District

SECONDED BY: _____

MAY 2 0 2015