

EXEMPTION, ENERGY AND ENVIRONMENT COMMITTEE REPORT and ORDINANCE FIRST CONSIDERATION relative to the proposed Water Rate Ordinance and related matters.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. FIND that in accordance with the California Environmental Quality Act (CEQA), it has been determined that the approval of the rates in the draft ordinance is exempt pursuant to the provisions of the Public Resources Code, Section 21080(b)(8) and that the proposed rates meet the financial needs of the Los Angeles Department of Water and Power (LADWP), including operating and capital expenses.
2. CONCUR with the Board of Water and Power Commissioners' action of December 15, 2015, Resolution No. 016-130, recommending approval of the Proposed Water Rate Ordinance.
3. PRESENT and ADOPT the accompanying ORDINANCE dated February 12, 2016 approving the rates fixed by the LADWP of the City of Los Angeles and to be charged for water and water service supplied by the Department to its customers, and approving the time and manner of payment for such water and water services.
4. REQUEST the LADWP to provide its Interim Rate Review to the Board of Water and Power Commissioners by August 2018 instead of February 2019.
5. REQUEST the LADWP, in consultation with the Office of Public Accountability/Ratepayer Advocate, to establish an appropriate interim productivity metric by June 1, 2016 and include productivity measures in the second phase of benchmarking.
6. REQUEST the LADWP, in conjunction with the Office of Public Accountability/Ratepayer Advocate, to establish a plan to improve any productivity measures that are in the fourth quartile by December 31, 2017.
7. REQUEST the Office of Public Accountability/Ratepayer Advocate, in collaboration with the City Administrative Officer (CAO) and Chief Legislative Analyst (CLA), to undertake a study of LADWP's future debt levels and options for moving towards a structured cash/debt planning model.

Fiscal Impact Statement: Neither the CAO nor the CLA has completed a financial analysis of this report.

Community Impact Statement: Yes

For: Greater Valley Glen Neighborhood Council

Summary:

At a special meeting held on March 1, 2016 (continued from February 17, 2016), the Energy and Environment Committee considered reports from the City Attorney, Board of Water and Power

Commissioners (Board) and Office of Public Accountability/Ratepayer Advocate, Resolution No. 016-130, and Ordinance relative to the proposed Water Rate Ordinance and related matters. LADWP staff, the Ratepayer Advocate, and Navigant Consulting gave the Committee background information on the matter.

The Committee amended the recommendations of the Board and the City Attorney to include requests regarding the LADWP Interim Rate Review, an interim productivity metric, productivity measures, and a study of the LADWP's future debt levels. After providing an opportunity for public comment, the Committee recommended that Council approve the Resolution, the associated Ordinance, and the recommendations of the Board and the City Attorney as amended. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ENERGY AND ENVIRONMENT COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
FUENTES:	YES
BLUMENFIELD:	YES
CEDILLO:	ABSENT
KORETZ:	ABSENT
O'FARRELL:	YES

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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**