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MICHELLE KING
Superintendent of Schools

February 11, 2016

The Honorable Felipe Fuentes
Councilmember and Energy and Environment Committee Chair
City of Los Angeles
200 North Spring Street
Los Angeles, California 90012

The Honorable Bob Blumenfield
Councilmember and Energy and Environment Committee Vice Chair
City of Los Angeles
200 North Spring Street
Los Angeles, California 90012

The Honorable Paul Koretz
Councilmember and Energy and Environment Committee Member
City of Los Angeles
200 North Spring Street
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The Honorable Gil Cedillo
Councilmember and Energy and Environment Committee Member
City of Los Angeles
200 North Spring Street
Los Angeles, California 90012

The Honorable Mitch O'Farrell
Councilmember and Energy and Environment Committee Member
City of Los Angeles
200 North Spring Street
Los Angeles, California 90012

Dear Energy and Environment Committee Members,

We are writing with regard to the upcoming meeting, on February 17, 2016, of the Energy and Environment Committee, where the Committee will consider the Los Angeles Department of Water and Power's (LADWP) proposal to increase water and power rates over the next five years. Prior to considering this item, we and the entire Governing Board of the Los Angeles Unified School District (LAUSD) wanted to provide you with information regarding the significant impacts these increases will have on Los Angeles area public students.

The Los Angeles Unified School District is supportive of, and understands the importance of investing in aging infrastructure. A deteriorating and unreliable water and power infrastructure benefits no one. However, LAUSD is already facing a significant structural deficit in its operating budget that threatens our long-term financial viability. Any additional burdens on our operating budget, such as LADWP's increased rates, will further exacerbate the problem, and would result in fewer dollars being invested in the classrooms.

LAUSD is LADWP's single largest customer. For the 2014-2015 Fiscal Year, we consumed more than 420 million kilowatt hours (kWh) of electricity and nearly 2 billion gallons of water annually, and spent nearly \$90 Million for water and power consumed only within LADWP's territory (LAUSD's total utilities budget for this period was more than \$120 Million). Based on the proposed rate increases, and LADWP's categorization of LAUSD as a commercial customer, LAUSD's rate for water and power will increase annually by approximately 2.4 percent and 4.5 percent respectfully, over a five-year period, which equates to a total increase of more than \$22 Million. However, unlike most commercial/industrial customers, LAUSD does not have paying customers, and thus does not have the option to raise any fees to offset LADWP's proposed rate increases.

We would like to respectfully request a meeting between District staff and each of your offices to discuss instituting measures to mitigate the impact to Los Angeles City students. Such mitigation measures could include: restoring crossing guards to unstaffed intersections located near elementary schools, and extending free refuse removal and tree trimming services to LAUSD, to name a few.

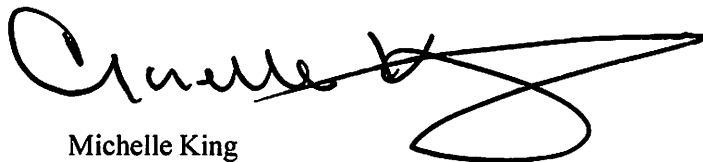
We would also like to bring to your attention the Memorandum of Understanding that LAUSD and LADWP entered into during the spring of 2015, to undertake various projects and initiatives to reduce electricity and water consumption at LAUSD schools. In light of LAUSD's recent questions and concerns regarding the impacts of the proposed utility and water rate increases on our public school students, LADWP has temporarily suspended all work on the MOU. We believe the MOU is beneficial to LAUSD, LADWP and the City as a whole and that it should move forward independently of the rate increase discussions. We would like to respectfully request that you discuss the importance of moving forward with this MOU immediately with LADWP leadership.

Thank you for your consideration of our requests. We look forward to working with you to develop a plan that allows for important investments to be made to the City's water and power infrastructure, and minimizes the impact on our students' educational opportunities.

Sincerely,



Steven Zimmer
Board President



Michelle King
Superintendent

- c: The Honorable Eric Garcetti, Los Angeles City Mayor
Members, Los Angeles City Council
Members, LADWP Board of Commissioners
Members, LAUSD Board of Education
Miguel Santana, Los Angeles City Chief Administrative Officer
Frederick Pickel, Los Angeles City, Office of Accountability Executive Director/Ratepayer Advocate