



# FELIPE FUENTES

City of Los Angeles  
Councilmember, Seventh District  
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Committees:  
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Education, *Member*  
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Board of Referred  
Powers, *Member*

March 2, 2016

The Honorable Herb Wesson  
Council President  
200 North Spring Street, Room 430  
Los Angeles, CA 90012

Re: Council File 16-0093, Department of Water and Power Governance Issues / Charter and  
Administrative Code Amendments for Inclusion in a 2016 Ballot Measure

Dear Council <sup>Herb</sup> President Wesson:

Thank you for scheduling the second meeting of the Rules, Elections, Intergovernmental Relations, and Neighborhoods Committee to discuss reform at the Los Angeles Department of Water and Power (DWP). I write to provide additional background on two components of my motion which will be discussed by the Committee on Thursday.

First, my motion calls for authorizing the Board of Water and Power Commissioners (Board) to hire its own budget and policy staff. Currently, the Board has limited access to independent analysis when reviewing recommendations from DWP management. While the Ratepayer Advocate provides analysis of major DWP proposals, the size of his staff limits the number of issues they can realistically address. The Board should be supported by staff who can provide analysis of DWP management recommendations, similar to what the City Administrative Officer and Chief Legislative Analyst provide to the City Council. Such analysis would provide more information about DWP's operations and assist the Board in decision making. Additionally, as part of this conversation, I hope the Committee can help further define the role of the Ratepayer Advocate and ensure that the Office of Public Accountability has the resources it needs to be successful.

In addition to authorizing the Board to hire its own budget and policy staff, I am also proposing the Board be authorized to hire its own legal advisors. Currently, the Board is served by the City Attorney, however, I believe there are inherent conflicts with the City Attorney representing the interests of both the City and DWP. Those conflicts could be avoided if the Board is able to hire its own legal team.

Second, my motion calls for removing DWP from its civil service hiring obligations and enabling the utility to have control over its own personnel functions. DWP must be able to respond quickly to urgent staffing needs. But the current system, in which the utility must hire through the City's Personnel

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Department, does not provide much flexibility. When DWP rolled out its new billing system in September 2013, hundreds of ratepayers received inaccurate bills and called the utility's customer service line for assistance. The high call volume resulted in excessively long wait times for customers as DWP did not have the staff to answer their phone calls. Because of the cumbersome and lengthy hiring process, it took months for DWP to bring on additional customer service reps and reduce the call wait times.

Navigant Consulting, in its 2015 study of DWP, highlighted the challenges the utility faces in hiring qualified staff for critical positions. In particular, the utility has struggled to bring on experienced cyber security and information technology professionals in a timely manner. "Due to the civil service rules and hiring processes currently in place in the City that apply to LADWP, the pool of potential qualified candidates for any particular technology-related position is necessarily limited," Navigant found. Navigant recommended the City and DWP explore how to expedite hiring for such key positions. With a significant number of DWP's workforce eligible to retire, the utility's personnel challenges will only worsen. The utility must be prepared to quickly fill these positions and maintain the reliability of the water and power systems. If given oversight of its own personnel functions, DWP could be more responsive to its operational needs.

It is my intent that these proposed reforms, along with the others outlined in my motion, enable DWP to perform better for the ratepayer. I look forward to continuing to work with you to reform and restructure DWP. I appreciate the Committee's time on this important issue.

Sincerely,



**FELIPE FUENTES**

*Councilmember, Seventh District*

cc: Honorable Marqueece Harris-Dawson, Councilmember, Eighth District  
Honorable Jose Huizar, Councilmember, Fourteenth District  
Holly Wolcott, City Clerk