

# Herb Wesson ... and the Rest of City Hall's Politicians ... May Hold DWP Reform Hostage

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LA WATCHDOG--On Saturday, the Neighborhood Council DWP Memorandum of Understanding Oversight Committee unanimously approved the following resolution:

*The DWP Oversight Committee calls on the City Council to follow the recommendation of the charter mandated Industrial, Economic, and Administrative Survey to form "a committee to examine governance reforms for the Department with the explicit task of reporting its findings and recommending a measure for the 2017 ballot."*

*This Governance Committee should be involved in drafting any memorandums and other information from the beginning and include at least two members from the Neighborhood Councils who are familiar with the operations and finances of DWP.*

*The DWP Oversight Committee recommends that there be a robust and transparent discussion and debate before any measure is placed on the ballot for voter approval or rejection.*

The Los Angeles Neighborhood Council Coalition followed up by approving this resolution at its meeting on Saturday.

While the motion to reform the governance of the Department of Water and Power was introduced almost three weeks ago by Felipe Fuentes, there has been no progress other than creating a Council File (16-0093) and referring this motion to the Rules Committee that is chaired City Council President Herb Wesson. Yet Wesson is the same Councilman who buried the 2014 recommendation of the LA 2020 Commission to establish an independent Los Angeles Utility Rate Commission to oversee DWP's management, operations, finances, and rates, designed to free the Department from City Hall's political interference.

The anti-reform Wesson also buried the excellent recommendations of the LA 2020 Commission to create an Office of Transparency and Accountability to oversee of our cash strapped City's finances; to establish a Commission for Retirement Security to review the City's underfunded pension plans and ever increasing pension contributions by the City that are crowding out vital City services; and to update the City's Community Plans to "enhance neighborhood input and establish a thoughtful growth strategy."

The Energy and Environment Committee that is chaired by lame duck Felipe Fuentes has made little progress in reviewing the Department's proposal to bump our water and power rates by about 4% to 5% annually over the next five years. While none of us eager to see our rates increase, the Ratepayers Advocate opined that these rate hikes that will raise our average rates by about 25% over the next five years are "reasonable" given the need to repair the Department's infrastructure and pay for unfunded environmental mandates.

As an aside, the Ratepayers Advocate and its independent consultant agreed that our water and power rates need to be higher, but DWP does not have the organizational capability to spend the additional money effectively.

While there may be some pushback by owners of single family residences who will be hit with higher rates pursuant to Mayor Eric Garcetti's Executive Directive and by LAUSD and other governmental entities (such as Recreation and Parks) whose rates will no longer be subsidized, the Herb Wesson led City Council and Mayor Garcetti need to get their act together to approve these rates so that they can go into effect on April 1, 2016.



There is a fear that the Wesson will hold the much needed rate increases hostage to his plan to reform the governance of DWP. This would also include voter approval of the annual Transfer Fee at the 2010, pre-Prop 26 levels of \$221 million compared to the planned \$267 million transfer this year.

The ballot measure may also include a provision that would exempt the City from repaying \$1.5 billion in illegally collected funds under the Transfer Fee since November of 2010 when Proposition 26 (The Supermajority Vote to Pass New Taxes and Fees) was approved by California voters.

The City Council and the Mayor need to approve the rate increases.

And then, rather than rushing to the ballot or trying to harangue us about the impact on the City's budget, there needs to be "a robust and transparent discussion and debate before any measure is placed on the ballot for voter approval or rejection." And this involves Ratepayer participation, starting now.

Otherwise, the Ratepayers and the voters will tell the Herb Wesson led City Council and Mayor Garcetti to go to hell. After all, it is OUR Department of Water and Power.

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