

DWP Reform: Beware Herb Wesson's Rush to the Ballot!

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LA WATCHDOG--City Council President Herb Wesson is hell bent to place on the November ballot a measure to reform and restructure our Department of Water and Power so that it will be a more "nimble and efficient" enterprise that will grant management the flexibility to meet the ever increasing operating, organizational, and financial challenges in our rapidly changing world.

Over the next five years, DWP will be spending over \$15 billion in capital expenditures repairing and maintaining the aging infrastructure of its water and power systems and meeting unfunded environmental mandates, including the requirement that 33% of our power be from renewable resources by 2020 and 50% by 2030. There is also the demand to revamp its management information and customer service systems that are becoming increasingly complicated in this digital age, requiring the recruiting of skilled technicians from the outside the City family. At the same time, 40% of the Department's personnel will be eligible for retirement, putting even more pressure on its underfunded pension plan.

Angelenos recognize that DWP's major problem is City Hall, its stifling bureaucracy, its rules and regulations, and its meddling politicians who, along with their cronies and hangers-on, are constantly interfering with the operations and plans of the Department and using the Ratepayers as their ATM.

Under the proposal introduced by Councilman Felipe Fuentes to reform and restructure the DWP, the ballot measure would establish a full time professional

Board of Commissioners; create a new, in house Human Resources Department free from the City's civil service rules; allow DWP greater flexibility in contracting and procurement; and place a cap on the Transfer Fee that DWP forks over to the City every year.

Unfortunately, we have a flawed process as City Council President Herb Wesson (photo right) and Mayor Eric Garcetti have not invited Ratepayers or Neighborhood Councils to participate in the process of drafting the ballot measure, preferring to make decisions behind closed doors while consulting with the campaign financing union leaders. Instead, Ratepayers and Neighborhood Councils will be limited to dog and pony shows orchestrated by Wesson where the Councilmembers and the Mayor pretend to listen to our concerns and recommendations.

As a result, the Neighborhood Council DWP Memorandum of Understanding Oversight Committee and the DWP Advocacy Committee approved the following nine recommendations for Neighborhood Councils, homeowner associations, and other organizations to consider when developing their own positions on the proposed ballot measure.

1. We support a fiduciary Board of Commissioners consisting of seven (7) qualified members appointed by the Mayor and confirmed by the City Council, serving staggered terms and who may not be removed except for cause.
2. We oppose a full, time, paid Board of Commissioners. However, Commissioners would be entitled to reasonable per diem fees.
3. The Board would appoint the General Manager, determined policy, and establish rates.
4. The City Council would have the right to assert jurisdiction in certain matters, including rates, only for the purpose of affirming or denying the action by a supermajority vote.
5. The Board would be assisted by a more robust Ratepayers Advocate.
6. Contracting and procurement policies would be modified allowing the Department more flexibility.
7. The Department would be responsible for labor negotiations.

8. The Department would establish its own Human Resources Department, separate and distinct from the City's Personnel Department. DWP would not be subject to the City's civil service rules.
9. The Transfer Fee would be subject to a City wide vote.

Subsequent to these recommendations, the April 6, 70 page report on Governance Reform by City Administrative Officer and Chief Legislative Analyst discussed the various issues and concerns, including, but not limited to, the structure and responsibilities of the Board of Commissioners and oversight by City Hall, the role of the Ratepayers Advocate, and the appointment of the General Manager. These will likely influence several of the recommendations.

The report also detailed the difficulty of establishing a Human Resources Department and why it would be unlikely to have any ballot language prepared by June 30, the deadline to place the reform measure on the ballot.

The Governance Reform Report also did not outline how the Transfer Fee would be included in any ballot measure, most likely due to the class action lawsuit challenging the legality of the Transfer Fee that cost the Ratepayers \$267 million this year and over \$1.5 billion since the passage of Proposition 26 in November of 2010.

Herb Wesson and Eric Garcetti would be well advised to spend the necessary time to "get this right" rather than rushing to the ballot with a controversial measure that has been prepared in the bowels of City Hall by the same people that are responsible for the mess at DWP, our lunar cratered streets and broken sidewalks, and our seriously underfunded pension plans.

Trust and confidence are lacking when it involves Ratepayers and City Hall, but trust and confidence are necessary to pass any ballot measure, especially when it involves our Department of Water and Power.

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