

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

FREDERICK H. PICKEL, Ph.D.
EXECUTIVE DIRECTOR/RATEPAYER ADVOCATE
(213) 978-0220
Fred.Pickel@lacity.org

OFFICE OF PUBLIC ACCOUNTABILITY
200 N. SPRING STREET, SUITE 1736
LOS ANGELES, CA 90012

April 21, 2017

The Honorable Paul Krekorian, Chairman
Budget and Finance Committee
City Council, City of Los Angeles
Room 435, City Hall
Los Angeles, California 90012

Dear Councilman Krekorian:

Thank you for this opportunity to comment on the Mayor's proposed 2017-18 budget for the Office of Public Accountability/Ratepayer Advocate (OPA). We are confident that the resources included in the proposed budget will permit the OPA to serve our Charter mandate to provide public independent analysis of Department of Water and Power (DWP) actions as they relate to water and electricity rates. The major changes to the current budget include:

Funding is provided for one position to increase OPA efforts to analyze utility rates and performance. These efforts include monitoring revenue adjustments, de-coupling mechanisms, and "pass throughs" which are incorporated in the 2016 adopted utility rate ordinance along with key performance targets and metrics to hold DWP accountable for promised service levels.

Funding provided in 2016-17 is continued and augmented in the proposed budget for OPA studies. The studies include benchmarking DWP operations which will evaluate possible cost / performance improvements through productivity measures consistent with industry practices. The funds will also permit continued labor cost determinations (benchmarking, total compensation reviews) along with staffing and productivity analysis, further in-depth review of base salaries by job classifications, improvements in developing/modifying metrics, performance monitoring and the frequency of future, periodic cost reviews.

The proposed budget authorizes the City Clerk to provide administrative support services for the OPA instead of the Office of the City Administrative Officer (CAO). The operational needs of the OPA have expanded beyond the development support provided by the CAO and are more consistent with the support services provided by the City Clerk

The Honorable Paul Krekorian
Budget and Finance Committee
Page 2 of 2

to other City operations. OPA will become a separate City department, with administrative support (e.g., payroll, IT) provided by the City Clerk, instead of the CAO's office.

The total cost of the OPA will continue to be reimbursed by DWP and collected in accordance with standard City billing procedures. The details of this change are contained in the budget documents pertaining to the CAO and City Clerk.

I am readily available for you or your staff for any questions or assistance.

Regards,



Frederick H. Pickel, PhD
Executive Director
Office of Public Accountability/Ratepayer Advocate