

# DWP Reform: Behind Closed Doors

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LA WATCHDOG--On January 22, Councilman Felipe Fuentes introduced a motion calling for a 2016 ballot measure to reform and to restructure our Department of Water and Power by creating a full time, professional Board of Commissioners, eliminating civil service for the Department, and placing a cap on the Transfer Fee at the pre Proposition 26 level of \$221 million.

On February 18, Mayor Eric Garcetti outlined his seven key principles for reform, including a full time Board of Commissioners to oversee the day-to-day operations of DWP, an overhaul of the hiring and contracting process, and the reform of the Transfer Fee. This year, the 8% Transfer Fee will provide \$267 million to the City.

On February 19, City Council President sent a letter to the Neighborhood Councils requesting that they discuss the reform of the DWP and send their suggestions and recommendations to the Rules Committee for its consideration prior the City Council placing the reform measure(s) on the November ballot.

However, after two meetings of the City Council Rules Committee (February 19 and March 3) and a March 2 meeting with the Mayor, it is apparent that the Herb Wesson led City Council and Mayor Eric Garcetti do not intend to include

Ratepayers in the drafting of the ballot measure, preferring to make decisions behind closed doors. This lack of transparency is contrary to a motion passed by the Neighborhood Council DWP Oversight Committee on February 6 calling for active participation by at least two members from the Neighborhood Councils on the committee charged with developing a measure for the ballot.

Everybody agrees that the governance of DWP needs to be reformed so as to eliminate interference from the City Council and the Mayor. But establishing a full time, professional Board of Commissioners to oversee the day-to-day operations of the Department is a terrible idea as the politically appointed commissioners will only add a layer of bureaucracy, second guessing management and interfering with the efficient operation of the utility by inserting themselves into the complex operations of the utility.

Rather, reform should focus on creating an excellent management team and limiting the political interference by the City Council and the Mayor by granting more autonomy to the Department's management and Commissioners and limiting, but not eliminating, the oversight by the City Hall.

The charter mandated Industrial, Economic, and Administrative Survey and the recent report by the Ratepayers Advocate recommended that DWP create its own Personnel Department that will be free from the City's burdensome civil service regulations. This will allow the Department to be more "nimble and efficient" in hiring skilled employees and contracting with vendors and independent contractors.

However, the City's self-serving civilian unions are opposed to amendments to remove the DWP from the City's civil service system. But this pushback from the campaign funding union leadership must be resisted, especially since IBEW Union Bo\$\$ d'Arcy certainly has the ability to protect his members and has not vetoed this reform that will help the Department become more efficient.

Both Fuentes and Garcetti addressed the less than transparent 8% Transfer Fee, primarily because there is a high likelihood that it will be judged to be an illegal tax under Proposition 26. While Ratepayers would prefer that the Transfer Fee be eliminated and their rates lowered by 8%, there is the possibility that Ratepayers may be willing to have these funds reinvested in the utility to improve service and reliability.

There are many moving parts involving the DWP reform ballot measure. At the same time, Ratepayers do not trust our Elected Elite when it involves our money and our Department of Water and Power that has served as City Hall's

ATM. That is why we need an open and transparent process, where Ratepayers are involved in negotiating and drafting the ballot measure.

Without our trust and confidence, any reform measure will be doomed, especially if it involves our hard earned cash.

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