

DWP Reform: Here's What Management Must Have to Run the DWP the Way It Should Be Run

JACK HUMPHREVILLE

30 MAY 2016



LA WATCHDOG--If we are to hold the senior management of our Department of Water and Power accountable to the Ratepayers, the City Council, and the Mayor for the efficient operation of this complex, asset-intensive \$5 billion a year enterprise that is transitioning its power and water systems to meet overly aggressive environmental mandates, then the management team must have the flexibility and authority to make operational decisions without undue interference from the City Council, the Mayor, the leadership of the City's unions, and other self-serving special interest organizations.

There are two operational reforms that will allow DWP to be more nimble and efficient.

The first operational reform would allow DWP to establish its own Human Resources Department to oversee its 9,000 employees, allowing the Department greater flexibility by removing its reliance on the City's slow moving, overly bureaucratic Personnel Department and its burdensome civil service rules and regulations. This would result in increased accountability as Human Resources would report to DWP's General Manager, unlike the current situation where the Personnel Department is not accountable to DWP management.

Furthermore, the personnel and hiring policies needed for the successful operation of the nation's largest municipally owned utility are significantly different than those of the City given the engineering background and specialized skills required by the Water and Power Systems.

The second operational reform would permit the management greater discretion in its procurement and contracting process, eliminating time consuming bureaucratic delays as contracts work their way through the DWP and the City's cumbersome bureaucracy. This reform would eliminate the Mayor's micromanagement of operational contracts and increase the contracting authority of the General Manager to more realistic levels of \$5 to \$15 million depending on the type of contract.

Over the last month, City Council President Herb Wesson and his Rules Committee have held at least four open meetings discussing the reform of our Department of Water and Power, including unprecedented evening meetings in the Valley and South Los Angeles, where numerous people and organizations have had a chance to air their opinions and recommendations and engage in discussions with the Council Members. (Thank you, Herb.) But we have yet to see any Committee action or instructions to the City Attorney which will leave us with very little time to review, analyze, and comment on the proposed ballot measure.

There are also the issues involving the role and independence of the Board of Commissioners, the potentially illegal 8% Transfer Fee from the Power System which supplied the City with \$267 million this year, and the impact on the Ratepayers of efforts to have DWP subsidize the operations of various governmental entities (LAUSD and Recreation and Parks) and even greater environmental mandates.

While these financial and governance issues are very important, they should not overshadow the need to reform the Department's Human Resources function and the Contracting and Procurement policies so that the Department may operate more efficiently and we, in good faith, can hold the General Manager and the rest of her management team responsible for their management decisions.

(Jack Humphreville writes LA Watchdog for CityWatch. He is the President of the DWP Advocacy Committee and a member of the Greater Wilshire Neighborhood Council. Humphreville is the publisher of the Recycler Classifieds - www.recycler.com. He can be reached at: lajack@gmail.com.) -cw

<http://citywatchla.com/index.php/la-watchdog/11192-dwp-reform-here-s-what-management-must-have-to-run-the-dwp-the-way-it-should-be-run>

