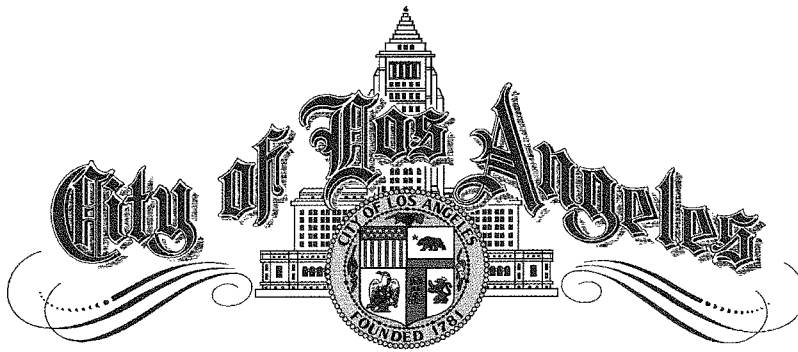


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Councilman
Dennis P. Zine
Third District

October 21, 2009

Honorable Members of the Energy & Environment Committee

Dear Colleagues:

Today you will consider a motion I introduced earlier this month regarding a consulting agreement worth up to \$82,000 between the Department of Water and Power and its former General Manager, David Nahai (C.F. # 09-2484). I thank you for taking up this matter expeditiously. I also want to urge you to scrutinize this contract as closely as possible.

As a municipally-owned utility, the DWP ultimately belongs to the ratepayers of Los Angeles. At all times, but especially difficult economic times such as these, we must keep those ratepayers in mind when we spend public dollars. Paying consulting money to a former General Manager while also paying a full salary to his replacement is essentially double-billing the ratepayers, and it is wrong. This contract with Mr. Nahai should be nullified by whatever means we as Councilmembers have within our authority.

I look forward to a continued investigation of this matter in your Committee hearing today and in a future meeting of the full City Council.

Sincerely,

Dennis P. Zine
Councilman, 3rd District

09-2484

MOTION

PERSONNEL

ENERGY & ENVIRONMENT

OCT 06 2009

At a special meeting to be held today, the Board of Water Power Commissioners is slated to discuss a consulting contract with former Department of Water and Power (DWP) Chief Executive Officer and General Manager H. David Nahai. The proposed contract would provide Mr. Nahai with the remainder of his full annual salary of \$326,686 through the end of the calendar year for his services as a consultant.

It would be fiscally imprudent to pay a consulting fee to a former General Manager while a fully capable Interim General Manager is also being paid at the same time to provide the same service. While Mr. Nahai's institutional knowledge of the DWP is undoubtedly valuable, the ratepayers of the City of Los Angeles should not have to pay two Chief Executives' salaries.

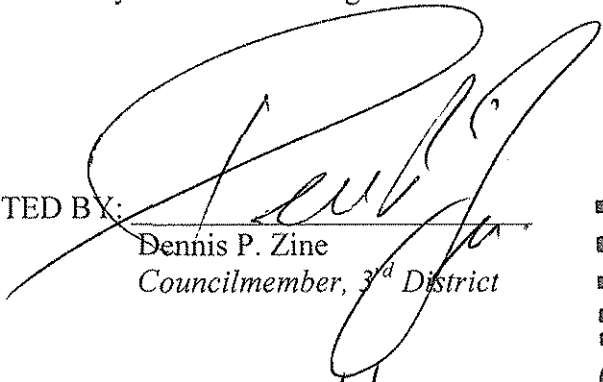
Normal procedures for the City Council to assert jurisdiction over actions of the Board of Water and Power Commissioners may be complicated by the manner in which this proposed contract is being considered. Specifically, the President of the Board has indicated that approval of this consulting agreement would not require a formal vote of the Commission. This process should be closely scrutinized to protect the review power vested in the City Council by the voter-approved City Charter.

I THEREFORE MOVE that the Interim General Manager of the Department of Water and Power and the President of the Board of Water and Power Commissioners report immediately to the City Council with an explanation of the decision to enter into a consulting contract with H. David Nahai, and, should this agreement go into effect, a justification of the procedure that was used to approve such an agreement without a formal vote of the Board.

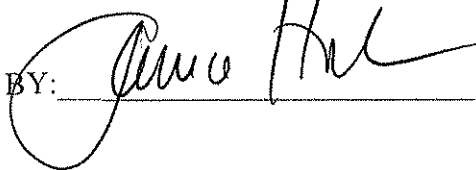
I FURTHER MOVE that the City Attorney report concurrently to the City Council with an analysis of the actions the Council may take to nullify such a consulting contract.

OCT 6 2009

PRESENTED BY:


Dennis P. Zine
Councilmember, 3rd District

SECONDED BY:



ORIGINAL