

## Los Angeles Daily News

DWP rate increase approved by panel  
Utility wants to hike cost of water 18%

By James Nash, Staff Writer

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Despite a groundswell of opposition to the Los Angeles Department of Water and Power's proposal to raise the cost of water, a City Council committee approved the rate increase Thursday while faulting DWP officials for doing too little to educate the public about it.

Councilman Tony Cardenas, chairman of the council's Energy, Commerce and Natural Resources Committee, dissented as the panel voted 2-1 to let the DWP increase its water rates by 18 percent over two years beginning this spring.

Cardenas and representatives of several of Los Angeles' neighborhood councils criticized the DWP for seeking the increase without consulting the advisory panels, which are supposed to provide public input on city policy decisions. "What I'm asking is that the Department of Water and Power on this issue at least will start to communicate differently with the (city) council and with the ratepayers," Cardenas said.

The east San Fernando Valley councilman had proposed allowing the DWP to raise its rates by 11 percent this year but holding back on the proposed 7 percent increase in 2005 until the DWP demonstrates better outreach to the public.

But council members Janice Hahn and Cindy Miscikowski, who also are on the committee, voted to submit the full 18 percent increase to two other council committees and the full City Council.

Hahn also criticized DWP officials for belatedly informing neighborhood councils about the rate increase, and even then presenting it as a *fait accompli*. But she and Miscikowski agreed with DWP officials that stalling or rejecting the increase would put the utility's bond rating at risk, leading to higher interest payments that would be passed on to residents.

"With the 11 percent increase, I don't think the ratepayers were even consulted on that," Hahn said.

DWP officials had hoped to phase in the first-year, 11 percent increase next month. They said while some delay would be acceptable, agencies issuing bonds to the DWP could downgrade the municipal utility's bond rating by the summer, costing about \$2.5 million a year in increased interest payments.

DWP Chief Administrative Officer Frank Salas acknowledged the department could have done more to consult with neighborhood leaders earlier, but he said he and other DWP officials have stepped up efforts to meet with neighborhood councils and other community groups.

"I think we've done a tremendous job in trying to outreach," Salas said. "This is our first time working on a critical issue with the neighborhood councils."

Leaders of several of the councils accused the DWP of attempting an end run around them.

"We're not being asked for anything, we're being told this is what we're doing and if you don't like it, tough," said Jim Alger, an organizer of the Northridge West Neighborhood Council, which is not yet certified by the city.

Alger said more than a dozen of Los Angeles' nearly 100 neighborhood councils oppose the rate increase. A representative of the Apartment Association of Greater Los Angeles also spoke out against the increase Thursday, saying it would penalize apartment owners who are restricted in raising rents by the city's rent-control ordinance.