

Local councils, DWP making up
Neighborhood reps say utility sharing information

By Beth Barrett
Staff Writer

Wednesday, June 15, 2005 - Despite skepticism about a proposed rate hike, neighborhood council representatives told City Council members Tuesday they believe the Department of Water and Power is upholding an agreement to notify them of plans before taking action.

DWP officials want a 4.3 percent water rate hike next year as part of a 19.2 percent increase over five years. The utility got an 11 percent increase this year. But the City Council blocked a 7 percent water rate hike that was supposed to take effect July 1 because of neighborhood council protests.

The advisory councils recently got a memorandum of understanding that the DWP would share information in the future and show through an independent financial review that rate increases were warranted.

The DWP commission on June 7 delayed adopting its fiscal 2006 budget after some neighborhood council representatives complained the independent review had yet to be started. The budget calls for a \$348 million increase in revenue through 2010.

A request to put out a proposal for an auditing firm to do the DWP review was approved Tuesday by the City Council's Commerce, Energy and Natural Resources committee.

"(The DWP) has not stepped outside the MOU," said Brady Westwater, president of the Downtown Los Angeles Neighborhood Council, during an Education and Neighborhoods Committee hearing.

Neighborhood council representatives said they have received unprecedented amounts of information on the budget, after years of the department withholding it.

But they said that while getting notification of the DWP's proposed rate hikes to raise revenues, they won't know whether they're justified until the independent review is completed.

The representatives said the DWP still faces a hard sell, and skepticism, after asking for an 18 percent rate hike over a year ago. The council ultimately approved 11 percent.

"They have to prove it to us," said Michael N. Cohen, a Reseda Neighborhood Council board member.

The representatives said they believe new DWP General Manager Ron Deaton, who formerly was chief legislative analyst at City Hall, represents a fresh start at the utility,

which has been plagued by a public relations overbilling scandal and critical audits by City Controller Laura Chick.

Deaton said a neighborhood council task force was briefed at least twice on the budget, and that he sent out an e-mail May 31 to the neighborhood councils concerning the need for a water rate hike -- a week before the proposed rate hikes were on the DWP commission's agenda.

Deaton said any proposed rate hike would include at least a 90-day review period by the councils, including the independent review. He suggested the review could be done annually.

"I think that's involvement," Deaton said in an interview. "I'm going to share some of the options, and why I chose certain options ... They can add or take out."

Councilwoman Janice Hahn, who chairs the Education and Neighborhoods Committee that held a hearing on neighborhood concerns, remained skeptical about whether the DWP was involving the councils early enough in the process.

"To me, involvement means having neighborhood councils be educated, have the neighborhood councils be involved in workshops, and certainly have the neighborhood councils be involved in this independent audit review so that at the end of the process they come up with their own conclusion."

Jim Alger of the Northridge West Neighborhood Council said if the proposed rate hikes do turn out to be a "done deal," rather than a notification, the councils will rebel.

"They won't do it to us twice."