

DWP water price hike months away

Review, notification on tap

By Dan Laidman, Staff Writer
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With this year drawing to a close and a review of Department of Water and Power finances still ongoing, the soonest a planned water rate increase could come would be in the spring, officials said Thursday.

DWP officials proposed raising water rates in January, but the hike is contingent on a lengthy review and community notification process that is only in the early stages.

"We're waiting to see what comes out of this financial review," said Darlene Battle, a spokeswoman for the utility. "After we get this we're going to be meeting with the neighborhood councils and community. Everything is very preliminary."

The Board of Water and Power Commissioners gave tentative approval last June to a 3.8 percent increase for early 2006, to be followed by similar hikes over each of the next four years.

The City Council had voted a month before, however, to require the DWP to arrange an independent financial review before implementing the hikes.

The council awarded a \$360,000 contract in late October to Barrington-Wellesley Group to conduct the probe. The results will determine how the utility proceeds with any rate change, Battle said.

Once a decision is made, the utility has agreed to give neighborhood councils three months' notice before the item goes before the DWP Commission.

Mayor Antonio Villaraigosa's new DWP commissioners have said they want to dig deep into department spending to cut waste before approving any rate hike.

Finally, the rate situation is susceptible to wider economic and environmental factors. DWP officials said in November that increased demand for hydroelectric energy due to high natural gas prices could boost water-side revenues and reduce the need for the planned rate hike.

Officials cautioned that such price factors are highly volatile, changing practically every day.

While they await the results of the audit and the DWP's next move, the Neighborhood Council activists who mobilized last year to secure a place in the rate-setting process are

generally pleased.

"They have actually lived up to the agreement very well," said Jacque Lamishaw, immediate past president of the Winnetka Neighborhood Council.

Jim Alger, president of the Northridge West Neighborhood Council, said there is now an unprecedented level of transparency at the utility thanks to the agreement with neighborhood groups.

Alger predicts a "thorough debate" once any new increase is proposed, but he said it will likely focus on matters the City Council controls, such as weighing a rate hike in light of the DWP's annual hefty transfer to the city's general fund.

Several of the neighborhood council members involved in negotiations with the DWP said if an independent review underscores the need for a reasonable rate hike they would accept it.

"There's always going to be the percentage that's going to say no, no, no, no matter what," said Louise Stone of the Sunland-Tujunga Neighborhood Council. "But when someone comes forward to you in good faith and when we presented it to them in good faith - saying we're not questioning how you do business; we just want to know how you go about these things - how could we say no?"

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