

REPORT FROM

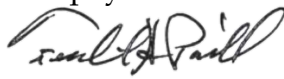
## OFFICE OF PUBLIC ACCOUNTABILITY

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Date: August 15, 2023

To: The Board of Water and Power Commissioners

From: Frederick H. Pickel, Ph.D., Executive Director/Ratepayer Advocate,  
Office of Public Accountability (OPA) 

Subject: OPA Report on Board Agenda of August 15, 2023, Item I.2 and L.14  
Project PowerHouse Updates and Amendment of Rule No. 15, of the  
Rules Governing Water and Electric Service

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### RECOMMENDATION:

OPA supports approval of item L.14, but respectfully recommends routine reporting to bring full transparency to the costs of these rule changes. The Board very rarely changes the Rules Governing Water and Electric Service, and therefore the institutional custom to supervise and evaluate rule changes is not well established.

The following draft resolution paragraphs could improve public disclosure of the funding involved in this impactful and important rule change. The third paragraph would encourage future Boards to regularly consider reimbursement from available tax revenues or other funding sources, in the event the current estimates grow larger than today's estimates, or sustain over longer time periods.

1. **By January 31 each year**, the management shall report in writing to the Board in an agenda item the audited direct and indirect costs of the Powerhouse resolution costs borne by the Department under Rule 15 Section I.1 in the prior fiscal year ended the previous June 30, and separately identify those direct and indirect costs incurred for projects designated by the Mayor's office;
2. **Within the draft resolution approving transmittal of the Preliminary DWP Budget to the City Council each year**, the Department shall include a paragraph that identifies the audited total direct and indirect costs borne by the Department under Rule 15 Section I.1 in the prior fiscal year ended the previous June 30, and separately identify those direct and indirect costs incurred for projects designated by the Mayor's office.

3. **Within the draft resolution approving transmittal of the Final DWP Budget to the City Council each year**, the Department shall include a paragraph that identifies: a) the total estimated utility users tax in the upcoming fiscal year, b) the total audited direct and indirect costs incurred for projects in Rule 15 Section I.1 for projects designated by the Mayor's office in the preceding year, as disclosed by January 31st and in the Preliminary Budget, c) whether or not the DWP is requesting those identified costs be rebated to the DWP from the utility users tax or other available City or outside sources in the upcoming year, and the reasons why such a return of that amount of funding is or is not being sought.

cc: The Honorable Karen Bass, Mayor  
Martin L. Adams, General Manager & Chief Engineer, Department of Water and Power