

September 5, 2010

Ratepayers Advocate Term Sheet

On Saturday, September 4, the DWP Committee and the Los Angeles Neighborhood Council Coalition both approved - unanimously - the Ratepayers Advocate Term Sheet.

This document will serve as a guide for Ratepayers when they discuss the Ratepayers Advocate at the DWP Reform Hearings with selected members of the City Council such as Eric Garcetti, Jan Perry, Greig Smith, and Herb Wesson. The next hearing, hosted by Bill Rosendahl, is on Tuesday, September 7 at 6 PM at the Mar Vista Recreation Center, 11430 Woodbine, located west of the 405 and north of Venice Boulevard, off McLaughlin.

The Term Sheet will also serve as a strong guideline for the City Council in its crafting of the ballot measure. Needless to say, the documentation must be done in an open and transparent manner, not just in the bowels of City Hall, subject to self serving political influences by lobbyists, the IBEW, and the DWP, and presented as a “done deal” where Neighborhood Councils and Ratepayers will be in a reactive position.

The key provisions of the Ratepayers Advocate Term Sheet include a well funded. Truly independent Ratepayers Advocate that is able to oversee all aspects of the Department of Water & Power without inappropriate political or bureaucratic influence. This will help insure that the Ratepayers, Neighborhood Councils, the City Council, the Mayor, and other constituencies receive objective advice and recommendations on a timely basis.

To date, over half of the Neighborhood Councils have approved the establishment of the Ratepayers Advocate. Now, the Neighborhood Councils need to approve the Ratepayers Advocate Term Sheet.

And finally, ask your Councilmember if he/she approves of all of the provisions the Ratepayers Advocate Term Sheet, and if they do not, which ones do not meet their approval. And why?

It is CRUNCH TIME. We need to make our voices and concerns heard. Otherwise, we will not get what we deserve: a well funded, truly independent Ratepayers Advocate.

Ratepayers Advocate Term Sheet

Role

The Office of the Ratepayers Advocate (the “Ratepayers Advocate”) will review and analyze the operations, finances, and management, of the Department of Water and Power as well as other matters not explicitly excluded from its role.

Such review and analysis will be done on a timely and continuous basis.

In addition to all matters relating to rates and the reliability and quality of service, the Ratepayers Advocate would have the right to review and analyze, among other matters, DWP’s credit rating; its long term strategy; the Integrated Resources Plan; the Urban Water Management Plan; the Recycled Water Master Plan; the state of its infrastructure and information technology systems; its Customer Relation Management systems; the implementation of the recommendations of the IEA Survey and Independent Fiscal Review; the efficiency of its operations; its procurement, contracting, and

inventory policies; its relationship with the City and its departments; and all material contracts, including those with the Metropolitan Water District and its unions.

The Ratepayers Advocate will not set rates or policy, will not select the General Manager or any Commissioner, and will not determine the Transfer to the City, but may review, analyze, and comment on such matters. The Ratepayers Advocate will not make management decisions. The Ratepayers Advocate is not required to review individual customer complaints, but may so at its discretion.

The Ratepayers Advocate will not have the subpoena and prosecutor powers of an Inspector General; provided, however, that DWP provides the Ratepayers Advocate with all requested information on a timely basis.

The Ratepayers Advocate will have a “seat at the table” at any meeting of the Board of Commissioners or any of its committee and at any City Council meeting or any of its committees when the DWP is being discussed. The Ratepayers Advocate will be given equal time.

The DWP will cooperate fully with and assist as necessary the Ratepayers Advocate.

The Ratepayers Advocate will be a source of objective information for Ratepayers, the City Council, the Mayor, and other City officials and stakeholders.

Funding

The DWP will provide funding equal to 0.1% of annual revenues, payable quarterly in advance. Funds not used may be accumulated, but shall not exceed 0.3% of annual revenues.

Additional funds may be required based upon extraordinary requests by DWP or elected officials or their representatives. Such additional funds must be approved in advance by DWP.

Reporting

The Ratepayers Advocate will not report to any elected official or body consisting of elected officials or appointed by elected officials. The Controller, the City Council, the Mayor and the Mayor’s office, the City Administrative Officer, the Chief Legislative Analyst, the DWP Board of Commissioners, and Neighborhood Councils are therefore not eligible.

The Ratepayers Advocate will report to the Ratepayers Advocate Board of Commissioners on a frequent basis.

The Ratepayers Advocate Board of Commissioners will consist of five independent members: two homeowners, two from the business community, and one from the rental community.

Commissioners may not be a city, county, or state employee, consultant, lobbyist, or contractor, or any of their employees or union members; any elected politician (or candidate) who has been in office during the last 10 years; and any officer, past or present, of any political party.

Commissioners will be residents of Los Angeles and DWP customers whose obligations are current.

Commissioners will be chosen by the Mayor from a pool of qualified candidates determined by the Neighborhood Councils, the business community, and the multifamily community, subject to the approval of the City Council. There will be three candidates for each position.

Qualified candidates must demonstrate a level of knowledge and/or experience of large organizations, finance, management, and/or engineering.

The Commissioners will serve five year staggered terms. However, the initial commissioners will serve terms of one, two, three, four and five year terms. Commissioners may not be removed unless the removal is approved by the mayor and at least 11 Council Members.

The Commissioners will approve the selection of the Executive Director of the Ratepayers Advocate.

Commissioners will be consulted on the hiring of staff and any consultants.

The Executive Director may be removed if approved by four of the Commissioners and confirmed by the Mayor and a majority of the City Council

Ratepayers Advocate

The Executive Director of the Ratepayers Advocate will have the necessary expertise and experience to lead an organization charged with fulfilling the role of the Ratepayers Advocate.

The City will retain a qualified executive recruiter to assist the City in finding a qualified candidate.

Outreach

The office of the Ratepayers Advocate will maintain a fully functional website where it will post its findings on a timely basis.

The Ratepayers Advocate will meet at least six times a year with the Neighborhood Councils and other ratepayers in an effort to keep them fully informed about past, current, and future policies of the DWP, especially as it relates to rates and quality and reliability of service.

Location

The location of the Ratepayers Advocate will be determined by the Executive Director in consultation with the Commissioners.

Budget

The Executive Director will prepare an annual budget to be approved by the Board of Commissioners.

The Executive Director will also prepare a multiyear budget.

The compensation of the Executive Director and her/his staff will need to be adequate to attract personnel from the private sector that have the requisite skills.

The Ratepayers Advocate will be required to fund only the normal costs related to pensions and medical benefits.

Charter

The Ratepayers Advocate will part of the City Charter if approved by a majority of the voters in the March 2011 election.

There will be no sunset provisions.

The Ratepayers Advocate will not be subject to the competitive bidding policies of the City.



- Here's What LA's Independent Ratepayers Advocate Should Be Doing ... Or Not! ([Link](#))

August 20, 2010

http://citywatchla.com/index.php?option=com_content&task=view&id=3880&Itemid=75

- Want an Independent Ratepayers Advocate? Show Me the Money! ([Link](#))

PROPER FUNDING CRITICAL

August 6, 2010

http://citywatchla.com/index.php?option=com_content&task=view&id=3859

- DWP Ratepayer Advocate Must be Independent: No Politicians, No Lobbyists, No Union Bosses ([Link](#))

October 20, 2009

http://citywatchla.com/index.php?option=com_content&task=view&id=2815