

# WINNETKA NEIGHBORHOOD COUNCIL

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April 1, 2008

Soledad S. Garcia, Chair  
Neighborhood Council /LADWP  
MOU Oversight Committee

Dear Soledad,

Please be advised that the WNC is in full support of the resolutions the DWP Oversight Committee has adopted to oppose the rate increases. This includes the requirement of any and all appropriate studies as described in the recent DWP Oversight Committee resolutions.

The following motion was approved unanimously:

**The WNC supports the NC/LADWP Memorandum of Understanding Oversight Committee January 5, 2008 Resolution regarding proposed LADWP Rate Actions for 2008-2010 to not approve any LADWP rate increases until the information and recommendations of the IEA Survey can be considered by the Mayor, Controller, City Council, and Neighborhood Councils so as to allow all to make informed decisions.**

The WNC remains opposed to any increases in DWP rates until the basic underlying problems with the DWP and the system are addressed. The City and the DWP have a long running track record of not spending their money wisely. The DWP charges fees for services provided. Those fees should be sufficient to pay for the operating expenses of the DWP and to fund future infrastructure improvements.

Operating expenses cover the costs of doing business. This includes general administration costs and personnel costs. As mentioned above the DWP must ensure that it spends its fund wisely. Agreeing to a 20% + contract increase for employees is not a wise use of funds. Certainly the WNC supports the right of employees to receive a fair wage for the job they do. However, a 20% + increase is not a fair wage. I would struggle to find a private sector business of any type that grants its employee's a 20% + increase. How can we, as taxpayers, continue to support this type of business policy? The DWP should establish a realistic approach to ensuring workers get adequate increases and tie those increases to performance like any private sector company would do. If, after establishing such a logical system, there is still a need for more funds then come to the public and ask.

For years the City has technically "stolen" fees to pay for general service expenses. The transfer of funds from the DWP to the City General Fund is if not outright illegal, certainly unwise. The fees paid for DWP services

were meant to be used for DWP needs, not general City needs. We cannot in good faith agree to increased fees until we can be assured that the City will not drain the DWP of funds again.

There is no doubt that we need to work on infrastructure. It's clear that our City is crumbling around us. The problem is that taxpayers can no longer afford to support the decisions that our leaders are making. We have learned from past experience that unless there are concrete safeguards built into the system we can't throw money at problems. In addition, the City and the DWP have to start understanding that there is a finite limit to what its citizens can afford to pay. The cost of living in LA is increasing at a tremendous rate while the income of its citizens is not. Raising rates will only increase the magnitude of an already terrible local economy.

We encourage the DWP Oversight Committee to continue to fight these increases. Feel free to share this at the meeting on April 2<sup>nd</sup> if you wish.

Sincerely,

A handwritten signature in cursive script that reads "JJ Popowich".

JJ Popowich  
President, WNC