

Valley VOTE

Valley Voters Organized Toward Empowerment
May 19, 2014 Meeting Report
by
David DeVoss

Electric Lady



Marcie Edwards
DWP General Manager

"This is my 78th day as the Department of Water and Power's General Manager," Marcie Edwards admits by way of introduction. Her smile belies the massive problems confronting her at the country's largest municipal utility. The DWP is reeling from the troubled rollout of a new billing system and faces nagging questions about how two nonprofit trusts spent \$40 million in public money. In addition, the Van Nuys native who attended Grenada Hills HS must deal with drought, wean the utility off coal in favor of more expensive renewable fuels and keep power flowing to some 1.4 million ratepayers — all while surviving crossfire from an impatient City Council and a powerful union not shy about exerting influence.

Edwards already knows her way around the DWP, having spent 24 years there before moving to Anaheim to run its municipal facility. Later she became Anaheim's city manager. "I came back home understanding DWP's internal processes but also knowing how other people do things."

Edward's first task will be to improve the utility's billing systems. "It was a 40-year old system that was inefficient in that it had people answering phones and reading meters." Edwards had started the task of resolving billing disputes when the City Council arbitrarily suspended collections, much to Edward's distress. "People may not be paying but the meters continue to run," she worries. "People may not have the money when suddenly confronted with a utility bill six months past due."

Edwards did not say when DWP might be increased but said the hikes would not be huge when they occurred. "You will see higher rates because we're in the middle of a drought and increased water costs are significant." Edwards hopes to clean the aquifer in the San Fernando Basin. "If we do that we will create a tremendous water source."

In some respects, Edward's great frustration is the inability to take unilateral action. Politically, the DWP is a captive of city charter which allows city council representatives to use DWP like a huge slush fund. Structurally, DWP is part of the western power grid, which means utilities as far away as Canada and Wyoming have a say in the way power is used and generated here. DWP has encouraged increased solar energy production through incentive programs, but solar panels atop a single family home only return a small amount of power to the grid. Says Edwards: It's as if you're getting a transfusion through your capillaries.

One immediate problem is the need to replace aging power polls. The DWP maintains 320,000 power polls. "If we replace 80,000 of them it will cost \$240 million, so we have to prioritize."

Denny Schneider – LAX

With passenger traffic at record highs, LAX is preparing for a face-lift. LAWA says to expect delays in the Central Terminal Area as this work proceeds. Not all planned improvements are high tech, however. The design and environmental review for a new Midfield Satellite Concourse Terminal located west of the new Tom Bradley International Terminal (TBIT) shows that old-fashioned buses will take passengers from the concourse to the terminals.

A plan for the open area just north of LAX also was released this month. It will codify the reduction made in 2003 to 2.5 million square feet of development. Public comments are due at the end of this month.

Meanwhile all of the regional passenger activity growth is being concentrated at LAX. Ontario continues to wither with even lower passenger counts despite reports of recruitment of a few new flights into that airport by LAWA. The lawsuit by the Inland Empire to recover control of their airport continues.

On a broader front a former LAWA and LADWP legal employee, Eduardo Angeles, was appointed FAA Associate Administrator for Airports. I expect him to be a breath of fresh air when evaluating LAWA plans for expansion.

Vic Viereck - Taxes

A proposal being considered to fund Los Angeles streets and sidewalks will increase the city's sales tax rate by ½% to a total of 9-½ %. The repairs are desperately needed, so funding needs to be available. Other means of funding appear to be even more difficult to achieve.

I think it was Councilman Mitch Englander who said that when autos are bought, the city where the buyer lives is credited with the vehicle sales tax. It appears that to meet the sales tax rates assessed by each city, the amount of sales tax charged is determined by the city the auto is sold in. So if a Los Angeles citizen buys a car in Burbank, even though the sales tax revenue will go to the city of Los Angeles, it will be less sales tax revenue than Los Angeles is aiming for on that vehicle. The higher tax rate in Los Angeles would continue to discourage citizens from outside and inside of Los Angeles from buying their autos in Los Angeles. While nominally priced merchandise would not be priced high enough to discourage buyers from driving out of their hometowns, high priced merchandise certainly could discourage purchases in Los Angeles.

These concerns could make it difficult for Los Angeles to achieve receiving the \$4.5 billion sought over a 15-year period.

Bart Reed – Transit

The Transit Coalition has been working on a few key advocacy programs which include: Cycle Track Safety on San Fernando Valley streets, instituting a Saticoy Street Bus Stop on the Orange Line, instituting an Olive View Mental Health Center Bus Stop, extending Metro bus service from California State Northridge to the Sylmar-San Fernando Metrolink Station, demonstrating the need for additional Metrolink service to and from Santa Clarita Valley from early in the morning to late at night connecting to downtown Los Angeles and to establish Mobility Hubs at Metrolink and Metro Stations to meet the needs of transit patrons.

In addition to these projects, the Transit Coalition also is working on repairing the Olive View Line 224 terminal loop, adding night and weekend service on Metro Line 230 from Sylmar Metrolink to LA Mission College and El Cariso

Park, creating a private/public partnership with Famima Inc. to establish Mobility Hubs Metrolink/Metro Stations and establish DASH routes in communities where they are needed.

This week the Van Nuys Metrolink / Amtrak Station will be getting a new, safer center platform and the rail line will be double tracked from Balboa Boulevard to DeSoto Avenue for safety.

The Transit Coalition will advocate for more funding to improve Metrolink regional rail service from Chatsworth and from Santa Clarita to Downtown Los Angeles for 30-minute intervals to service Bob Hope Airport. One of our biggest concerns is to make sure that Measure R 2.0 gets funding that is firewalled to be used to increase feeder bus service to the Orange Line and to Metrolink stations and for the additional Metrolink service.

The Saticoy Street Bus Stop on the Orange Line has gained momentum. We have met with the staff from the offices of Councilmember's Krekorian and Blumenfeld regarding this project and we have gained their support to co-sponsor this project. Along with the support of Supervisor Mike Antonovich, this project could become a reality in less time that we expect. Letters of support are still needed.

Joe Vitti – LA 2020 Commission

A Time for Action is the final report the LA 2020 Commission. It contains recommendations that will enhance transparency and accountability of City Hall's responsibilities.

The Commission admits there are no "silver bullets" or simple solutions. Change is not easy but without it Los Angeles "will become a city left behind in the 21st century." Below is a brief summary of the highlights.

Create an independent "Office of Transparency and Accountability"

This office will provide analysis of the city's budget services and evaluate how effectively the city is using taxpayer money. This department would be similar to the function of the State Legislative Analyst in Sacramento. It would provide a truth telling body with the facts and knowledge needed by the public to judge the pros and cons of issues, standards and proposed legislation.

An independent Los Angeles Utility Rate Commission to oversee the LADWP

A five member paid, full time board serving four years appointed by the Mayor, approved by the City Council and similar to the California Public Utilities Commission Board.

Hold municipal elections at the same time as state and federal elections

In the General election in May 2013 [off year election] for the city of L.A the voter turnout was only 23.1%. In San Diego, in the General election of 2012 there was a 69.4% voter turnout. Lower turnout means greater influence by special interests.

A Truth in Budgeting ordinance

The Mayor would propose a three year budget each year. Only the first year would be adopted by the City Council. Showing the future financial consequences will isolate gimmicks and indicate where they should be exercising budgetary discretion.

Use the same discount rate and projected earnings as Berkshire Hathaway Warren Buffett uses a discount rate of 4% and projected earnings on plan assets of 6% for Berkshire Hathaway. The city of L.A. employs an optimistic 7.75% for both the discount rate and the projected earnings on plan assets.

Establish a Commission for Retirement Security

This five-member commission will issue a report after 120 days with the facts and recommendations regarding the ballooning retirement costs. The commission will detail a plan to achieve equilibrium on retirement costs by 2020. The commission's budget will provide sufficient funds to hire outside experts.

Increase the minimum wage

Increasing the minimum wage will help raise low income households out of poverty and will stimulate our economy. We need to do better than \$10 an hour by 2016.

Combine the Ports of Los Angeles and Long Beach

With the widening of the Panama Canal maritime trade is going to get very competitive. L.A. and Long Beach could enter into a Joint Powers Agreement to manage strategy as well as capital planning and rate setting.

Establish a Regional Tourism Authority

The cities of L.A., Beverly Hills and Santa Monica should combine their efforts to attract international visitors to the region. The Regional Authority could also promote the visiting of the Long Beach Aquarium, Disneyland and Universal Studios.

Focus on generating jobs of the future

L.A.'s elected officials must take steps to create a transparent and business friendly atmosphere. L.A.'s intellectual capital from it's world class universities, diverse population, and leadership on environmental policies provides the city advantages in creating regional hubs for jobs of the future. One example would be in environmental regulation where L.A. has led the nation in policy and practice for decades.

Revise structure of the Los Angeles United School District

The current approach is not acceptable with a part time elected School Board.

L.A.U.S.D's budget of \$7 billion dollar is prone to turn over and provides little accountability. Strengthening the role of the Board, and improved relationship with school administrators to establish accountability is necessary for positive changes.

Update community plans to enhance neighborhood input

The city should complete all of L.A.'s Community plans by 2020 and update the plans every 5 years. This will provide residents, investors and public planners a more transparent process reducing the influence of nimbyism and special interests

Valley VOTE Mission Statement

Valley VOTE is a diverse coalition of San Fernando Valley residents, business people, educators, community activists, and organizations, committed to exploring and fostering the implementation of programs that empower the people of the San Fernando Valley and the City of Los Angeles, to improve local governance, education and public participation on policy matters. We meet monthly to address key policy issues and hear reports from our standing committee chairs. For additional information about Valley VOTE, for an upcoming meeting agenda, or for previous meeting reports and press releases, we encourage you to go to the Valley VOTE website: www.ValleyVote.org