

DRAFT MINUTES



Los Angeles Neighborhood Council Coalition

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February 5, 2011 @ 10:00 AM
Hollywood Constituent Center
6501 Fountain Avenue
Los Angeles 90028

1. The meeting was CALLED TO ORDER by President **Len Shaffer** at 10:08 am.
2. The Neighborhood Council Active Stakeholders (NCASHs) **INTRODUCED THEMSELVES.** There were 42 NCASHs present from all seven Regions of the City.

Also in attendance were Bong Hwan Kim (DONE GM) and Grayce Liu (DONE staff) and, joining us later newly-appointed DWP General Manager Ron Nichols with Winifred Yancy (DWP staff) & Greg Bartz (DWP staff)

3. **REVIEW & APPROVAL of the AGENDA**
4. The **MINUTES of the January 15, 2011 were tabled,** 'til next meeting, pending a revision of Mr. Garcetti's comments
5. **PUBLIC COMMENT & District Representative Reports** – were deferred until after the Special Presentation
6. **SPECIAL PRESENTATION: WHAT'S IN STORE FOR THE DWP?**
by Ron Nichols, newly appointed DWP General Manager

Mr. Nichols introduced himself and his vision (pro tem) ...He has lived and worked in Public Water and Power Utilities x35 years starting shortly after college graduation in his home State of Washington, with 28 years in Sacramento, California and 4 years in New York City (the Long Island Lighting Company). He knows the importance of transparent and consistent outreach activities, like today. He has testified frequently before local, state and federal committees.

His first 90 days have been spent getting to know the DWP, its operations and its people. He finds that they are experienced, dedicated, capable and they care, deeply, for the department and its customers. There are more challenges and changes, lately, than ever before. He is getting an idea of the status of the department, its infrastructure and its productive potential. His challenge is to plan and budget for the next 5-10 years and longer...a very complex process. Decisions made now have effects that last for decades. Reconciling current and future costs, regulatory issues and public expectations with public acceptance is very difficult.

Specific challenges include...

- a. **Converting to “once-through” cooling**, wherein seawater and sea plants and animals are safely passed through a nuclear power plant and returned to the ocean without killing them, is a major ecologic and technologic challenge and a very expensive one (up to \$ 200 million). The conversion is proposed for the DWP Scattergood/Hyperion/Playa del Rey gas-fired power facility, adjacent to LA International Airport.
- b. **Replacing any power-producing plant with a newer and cleaner technology** is tricky and costly. We may need to retain old technology just to keep up with increasing demand.
- c. **Decreasing the departmental carbon footprint** has been successful but the job is not finished. By converting from coal-burning power plants to wind power (more than solar, hydroelectric, nuclear and biomass power generation), DWP has decreased its carbon use to levels that are 22% 1990 levels. 20% of our power is from renewable energy but the goal is 30%. Much of the City’s power is generated in Utah, Arizona and Northern California and transmission costs are enormous. Much interest is on installing local solar power collectors.
- d. **Continually maintaining and upgrading DWP Power infrastructure** is a multi-billion dollar issue. DWP’s Infrastructure Repair Budget has been grossly underfunded for decades. There is a 10 year plan to replace 42,000 power poles, 530 miles of cable, 21,000 electric transformers and other equipment that will cost \$10 billion. This plan does not even make allowance for further increases in DWP customers.

At present, the DWP has a 99.8% Power performance record, outages occur “only” 0.2% of the time...but every outage is a major event for the customer. DWP can no longer just “fix it when it breaks” ... that will only increase water and power outage frequency & time.

- e. **Continually maintaining and upgrading DWP Water Infrastructure** is a similar story. Major water main breaks prove that DWP is still in a “fix it when it breaks” mentality. Recent safety mandates (laws) will require that DWP cover our reservoirs. Covering two reservoirs will cost \$ 150 million. New clean water technologies are more expensive. Our water supplies from the Colorado River and from the Owens Valley are being decreased and are becoming more expensive. Recovering and reusing rain water and sewer water is essential but expensive. It will cost hundreds of millions of dollars to clean up L.A.’s neglected and contaminated aquifers.

- f. **Water conservation measures** have decreased the total amount of water used to 1979 levels and the per capita water use is the lowest in recorded history.

All of these increases in water and power (product) costs, increased services, new services and new delivery systems make increased water and power rates inevitable.

Mr. Nichols restated his dedication to make all these changes well-documented, understandable, transparent and understood by the public in meetings such as this one.

7. **QUESTION & ANSWER SESSION** with Ron Nichols, newly appointed DWP GM

- a. **Dede Audet** said that global warming, decreasing Colorado River water and increasing incursion of sea (salt) water in the Sacramento Delta may limit LA's growth and/or raise our water and power rates.
- b. **Tom Williams** pointed to the lack of an IMPLEMENTED DWP Strategic Plan.
Answer: Previous efforts were stopped, perhaps when Interim General Manager Austen Beutner chose to leave its development to the new and PERMANENT General Manager.
- c. **Daniel Wiseman** commended Mr. Nichols for exposing and expounding on all these DWP challenges. He asked for clarification and accurate "simplification for the Public," in future presentations. He wanted Mr. Nichols to comment on a possible payment of the DWP Power Transfer in July.
Answer: "Mr. Nichols would be happy to look at that."
- d. **Andre Stoyka** (Bel Aire Ridge Association) asked if Mr. Nichols' success in reducing rates (20%) in New York could work in L.A?
Answer: N.Y. had options for economies which L.A. does not have.
- e. **Sid Gold** asked Mr. Nichols to explain the differences in DWP Employee Salaries and other L.A. City Employee Salaries.
Answer: Employee costs are determined by two different sets of Employee-Employer contract negotiations. No "quick" changes can be made.
- f. **John Stammrich** asked Mr. Nichols to discuss cost-benefit aspects of various power generation and water delivery methods.
Answer: Plans must be estimated for (at least) five years and comparison to the alternatives and their sustainability.
- g. **August Steurer** sees a disconnect between City Community Planning and DWP (support) Planning.
Answer: It is becoming harder and harder to coordinate in this manner with current cuts in City services. The first step for DWP is predicting water and power demand.
- h. **Bob Gelfand** spoke of the success of Feed-in-Tariffs in other Cities which is, apparently, in conflict with a DWP policy to control all power generated and used in L.A.
Answer: Feed-in-Tariffs are being considered by DWP for business and residential properties. Calculating and projecting the costs in a changing market requires huge and expensive actuarial staff to set the "price" fairly for sellers and buyers.

- i. **Jack Humphreville** asked about the costs of solar (12 cents?, 45 cents?, tax credits) and about the “Cap and Trade” payments for conversion of carbon-based power generation.
Answer: Complete photovoltaic (solar) installation can reach 45 cents/kw-hr and the tax credits are changing (ending). His administration is taking a new look at the Cap and Trade situation and the possibility of phasing in these credits/debits. A recent court decision made Cap and Trade illegal. This is a good example of variability and difficulty DWP must face to keep current.

8. **NC BUDGET ADVOCATE (NCBA) UPDATE**

NCBA President Jay Handal spoke of the 3,100 hits and 1,300 completions of the Mayor’s Budget Challenge. He asked all to help get a big turnout for the Survey. He invited everyone to go to the link “[click here](#),” on the last page of the Survey which will give you the opportunity to chose the ten (10) services which are most important to you.

The NCBA’s have met with 8 Departments, Union Leaders, the CAO, the Controller and more meetings are planned in preparation of a presentation to and “White Paper” for the Mayor, the City Council and the Public. The White Paper will detail the NCBA recommendations for the FY2011-2012 Budget.

He said that it is not just “the economy” which has gotten the City into Financial difficulty; it is lack of leadership, it is duplication of and conflicts between services, it is inefficiency and it is overly complex processes which delay the delivery of service and drive the costs higher.

Daniel Wiseman, NCBA Secretary, spoke of the following four events:

- #1 - Release of the White Paper and the results of the Mayor’s Budget Challenge (Survey) at the Saturday, March 12th NC Regional Budget Day (at the LA Police Dept. Building)
- #2 – Formal presentation to Mayor Villaraigosa, March 17, 2011
- #3 – Formal presentation (in process) to the City Council, March 18, 2011
- #4 – Public Press Conference (date & time, tba)

For more information, send an email to Daniel Wiseman (dwisemanmd@yahoo.com)

9. **The NC PEER MENTORING PROGRAM**

Jay Handal is one of NC activists working with DONE to create a NC-based Peer Mentoring Group. A report may be out within a month for a program where NC activists may help other NCs and NC Boards with problems; Board Member Orientation, Complaints & Grievances, Problems with Parliamentary Procedure and adherence to State and City laws, etc.

Other activities showing the increasing self-governance of NCs include the ByLaws Task Force, the NC Congress Planning Group and the NCBA’s. He said, “The NC system is growing up...in spite of our opposition.”

10. PUBLIC COMMENT

- a. **Tom Williams** spoke of the \$ 27 Stormwater fee which is on the L.A. Municipal Services Bill of homeowners and property owners. The DPW Bureau of Sanitation has a fee sharing agreement which will raise these fees and collect \$ 500 million.
- b. **Sid Gold** invited all to participate in L.A. Clean Sweep. He is worried about the costs to City taxpayers for the proposed “new” National Football Stadium in the Convention Center
- c. **Cindy Cleghorn** spoke of...
 - #1 – BONC’s motion that all NC Board Members must take the Ethics Training within 60 days of inauguration or lose their voting powers until they do.
 - #2 – BONC reviewed the (good) progress of North Hills West NC to resolve their problems
 - #3 - Sunland-Tujunga NC has a problem with a soccer field being built in an industrial zone “without review by the NC or oversight.”
 - #4 - She invited all to stay for the NC Congress Planning meeting, today, and the Plan Check meeting, next Saturday.
- d. **Doug Epperhart** presented this material from his CityWatch article:

The Neighborhood Council Election Task Force met Sunday and resolved to recommend more flexible and cost-effective electoral processes. Citing displeasure with last year’s pre-election process, speakers raised issues related to the inability of individual councils to determine their election dates, times, and polling places.

The group’s resolution called for an end to the city clerk’s authority to administer NC elections. In addition to a previous endorsement of online voting as a possibility for choosing NC board members, the task force requested that Department of Neighborhood Empowerment staff investigate the cost and feasibility of returning to some version of the previous system using independent election administrators to oversee voting.

11. Plans for the Next (March 5, 2011) Meeting

- a. **Bob Gelfand** suggested a discussion of Governor Brown’s proposal to cancel CRA’s
- b. **Glen Bailey** suggested a discussion of the responsibilities of the City and the specific property owner (homeowners and business owners) for the sidewalks in front of their properties.
- c. **Manual Aldana** presented a motion that the LANCC support the South Central NC proposal “...to form an education committee in order to address critical issues that affect our communities and our children...” He said that sufficient (LAUSD) funds were not being spent on our children, especially South LA and South Central LA children. We need to protect education.

12. **The MEETING was ADJOURNED** at 11:45 am to be followed by the Election Task Force Meeting (presentation by “Everyone Counts”) and the Congress Preparation Group.