

# CITY OF LOS ANGELES

CALIFORNIA

FREDERICK H. PICKEL, Ph.D.  
EXECUTIVE DIRECTOR/RATEPAYER ADVOCATE  
(213) 978-0220  
[Fred.Pickel@lacity.org](mailto:Fred.Pickel@lacity.org)



ERIC GARCETTI  
MAYOR

OFFICE OF PUBLIC ACCOUNTABILITY  
200 N. SPRING STREET, SUITE 1736  
LOS ANGELES, CA 90012

April 21, 2022

Councilmember Paul Krekorian, CD2, Chair  
Councilmember Bob Blumenfield, CD 3, Vice Chair  
Councilmember Kevin De León, CD 14  
Councilmember Monica Rodriguez, CD 7  
Councilmember Curren D. Price, Jr., CD 9  
Budget and Finance Committee  
City Council, City of Los Angeles  
Room 435, City Hall  
Los Angeles, California 90012

Dear Committee Chair and Members:

Thank you for the opportunity to submit to your Committee our comments on the Mayor's 2022-2023 Proposed Budget for the Office of Public Accountability/Ratepayer Advocate (OPA). We have three concerns with the Mayor's proposed budget for the OPA.

## **Background on the Office of Public Accountability/Ratepayer Advocate**

The OPA is a unique, independent, highly specialized, and technical Office within the City family and the Charter. In addition, OPA's costs are covered by the Los Angeles Department of Water and Power. It was created in 2011 by a Charter Amendment, which provides the following authority and responsibilities:

- The OPA shall provide public independent analysis of Department and Water and Power (DWP) actions as they relate water and electricity rates.
- The executive director, an exempt position, is appointed by a citizens committee, subject to confirmation by the Mayor and Council.
- The executive director reports to the Board of Water and Power Commissioners although the Board cannot direct the work of the executive director.

- A minimum funding level for the OPA's annual budget shall be included in the DWP budget. The OPA has been funded above this minimum level for every year since beginning its operation. Note: The City's General Fund provides initial financing for OPA operations and is fully reimbursed by DWP, including all overheads calculated at the federal contracting level.
- The executive director shall expend the funds of the OPA (including without limitation, awarding contracts) in accordance with the provisions of the budget appropriations.

Additionally, the Los Angeles Administrative Code (Chapter 7, Department of Water and Power) provides:

- While substantively the OPA shall function independently of the DWP and its management structure, and of the City Council, Mayor, and Controller, administratively the OPA shall be given ongoing support by City Departments and Offices in a manner that does not compromise the OPA's independence.

This independence is especially important when OPA may need to report on key policy issues or rates during a time of transition for the City.

### **OPA 2022-23 Budget**

Our work plan for 2022-23 is based, in part, on the work plan of DWP. However, due to the nature of the services provided by DWP, their work plans frequently must be changed and, in some situations, on an emergency basis. Thus, it must be acknowledged that the OPA's plans must be flexible enough to accommodate changes by DWP and requests by the DWP Commission, the Mayor, the City Council, the ratepayers, and others. This is especially important in a fiscal year that will see changes in potentially about half the elected officers of the City.

We fully appreciate the efforts of the Mayor, his staff, and the City Administrative Officer and his staff in crafting a functional proposed budget for the OPA during these extremely difficult financial and operational times. We accept the challenges presented in the proposed budget, and endeavor, to the greatest extent of our ability and without compromising the OPA mission in the Charter and Administrative Code, to implement them.

Given key DWP policy initiatives (SLTRP, LA100, LA100 Equity, and low-income rates), efforts to address improvements in DWP given the billing/legal scandals, and the need for a review of DWP rates, the OPA has concerns in three areas:

1. *OPA requests reversal of the proposed deletion of One-Time Salary Fund of \$60,631:* these funds should be restored to the OPA's salary account. Without these funds, this is equivalent to the elimination of a position in OPA's very small department at a time when it needs to grow to serve its Charter obligations.
2. *OPA requests reversal of the proposed move of a requested \$268,300 in contractual funds increase to unappropriated balance:* these funds should be added to the contractual services account since they may be needed on short notice for the review of SLTRP, LA100, LA100 Equity, and/or rate issues in a time when the City is during a major transition of its elected officers.
3. *OPA's supports funds and positions for other City Departments that provide specific assistance to the OPA:*
  - a. First, in December 2023, a new Executive Director of the OPA will need to be appointed by a special citizens' committee and approved by the Council and Mayor. This is a process that has required 12 to 24 months in the past. The Mayor's proposed FY22/23 Personnel Department budget includes funds for an executive recruiter to support this special committee and the appointment process. We support this funding for this Charter required process.
  - b. Second, in 2017/2018, the City Clerk took on the administrative support of the OPA. OPA has benefitted from the City Clerk's prompt, expert help. The DWP reimburses the Clerk for the City Clerk's costs related to the OPA. Other new, small departments have been added to the City Clerk's administrative activities, and the City Clerk's FY22/23 budget should be increased to reflect these additional costs and, if possible, new revenue sources to fund this support.

Thank you for your consideration. I am readily available for you or your staff for any questions or assistance.

Regards,



Frederick H. Pickel, Ph.D.  
Executive Director  
Office of Public Accountability/Ratepayer Advocate