MAYOR ERIC GARCETTI CITY OF LOS ANGELES

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STATEMENT FROM LOS ANGELES MAYOR ERIC GARCETTI SUPPORTING DWP'S WATER RATE PROPOSAL

In advance of the LADWP Board of Commissioner's consideration of a water rate proposal, Mayor
Garcetti issued the following statement:

Since my first day in office, reforming the DWP to increase efficiency and maintain reliability has been a top priority. To do this we need to have an honest conversation about the work that lies ahead, but we must do this in the face of an aging infrastructure and a historic drought that demands swift action.

In July, when DWP released its five-year rate proposal, I said I would support a rate increase that fixed our bursting pipes and encouraged water conservation, while keeping rates affordable. I also promised that I'd wait to hear from ratepayers and the independent Ratepayer Advocate, a position I helped to create.

Over the course of almost six months, we've heard from residents at scores of public hearings and the message has been simple – it's time to get our house in order. And I agree.

The RPA has called the DWP's rate request "just and reasonable." The typical customer will pay less than an average of \$3 per month more each year, or \$11 a month more at the end of the five-year rate hike. Even with this increase, DWP's water rates will remain some of the lowest in the region.

The RPA has, with my office's support, insisted that the DWP incorporate a set of transparent performance metrics directly into the rate ordinance. For the first time, rate increases can be adjusted and reduced if the DWP does not perform as promised. There will also be a formal rate review after two years to assess if additional changes need to be made.

The DWP proposal will also reward good behavior. By restructuring rates into four tiers we will ensure that those who use less pay less, and that we recover the full costs of providing water to the highest users, including water-wasters.

For all of these reasons, I support DWP's water rate increase proposal. I look forward to the Board taking positive action and City Council acting in a timely manner on this important civic issue.

No one likes to raise rates. But the price of inaction will be much higher for all of LA's residents.

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